

**NEWPARK RESOURCES, INC.**  
**Policy Regarding Covered Transactions with Related Persons**

**I. Policy Statement**

Newpark Resources, Inc. (the “Company”) recognizes that Covered Transactions, as such term is defined in this policy, can present potential or actual conflicts of interest and may create the appearance that Company decisions are based on considerations other than the best interests of the Company and its stockholders. It is the policy of the Board of Directors of the Company that all Covered Transactions with Related Persons, as such term is defined in this policy, shall be subject to approval or ratification in accordance with the following procedures. In addition, it is the policy of the Company that all Covered Transactions of which management is aware shall be disclosed to the Audit Committee of the Board of Directors.

**II. Definitions**

**A. What is a Covered Transaction?**

A Covered Transaction between the Company and a Related Person includes, but is not limited to, any financial transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships including indebtedness and guarantees of indebtedness in which (a) the aggregate amount involved will or may be expected to exceed \$100,000 in any calendar year, (b) the Company is a participant, and (c) any Related Person has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity). This might include, but is not limited to, lease transactions, sale or purchase transactions, creditor/debtor transactions, guarantees or charitable contributions.

**B. Who is a Related Person?**

- Any person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if the director or executive officer does not presently serve in that role) an executive officer, director or nominee for election as a director.
- A security holder known to the Company to beneficially own more than five percent of any class of the Company’s voting securities, or any immediate family member of any such person, at the time when a transaction in which such security holder or family member had a direct or indirect material interest occurred or existed.
- Related Person includes a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person’s home (other than a tenant or employee).
- Any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or serves in a similar position or in which such person has more than a 10% beneficial ownership interest.

### **III. Procedures**

#### **A. Submission of Information**

Any director, director nominee or executive officer of the Company shall provide the Chief Administrative Officer and Chair of the Audit Committee with prior notification of all proposed terms of any Covered Transaction for pre-approval by the Audit Committee at its next regularly scheduled meeting. Information and terms of any contemplated Covered Transaction shall be provided as far in advance as practicable to allow adequate consideration of the transaction. Certain transactions, as described in the section below entitled “Automatic Pre-Approval for Certain Covered Transactions,” are exempt from this requirement to provide information regarding any Covered Transaction for pre-approval.

#### **B. Consideration of Covered Transactions**

The Audit Committee shall review the material facts of all Covered Transactions that may require prior approval or ratification by the Audit Committee and either approve (or ratify) or disapprove (or refuse to ratify) the Covered Transaction, subject to the transaction exceptions described below. In those instances in which the Chief Administrative Officer, in consultation with the Chief Executive Officer or Chief Financial Officer, determines that it is not practicable or desirable for the Company to wait until the next regularly scheduled meeting of the Audit Committee, the Chair of the Audit Committee may consider all such relevant facts and either approve or disapprove of any Covered Transaction pursuant to the authority delegated to act between committee meetings as set forth below. The Chair of the Audit Committee shall report to the Audit Committee at the next meeting any approval under this policy pursuant to delegated authority. A summary of each new Covered Transaction deemed pre-approved under Automatic Pre-Approval for Certain Covered Transactions below shall be provided to the Audit Committee at each regularly scheduled meeting.

#### **C. Authority for Ratification**

If the Audit Committee (or the Chair of the Audit Committee pursuant to his or her delegated authority) is unable to provide advance approval of a Covered Transaction for any reason, a Covered Transaction shall be considered at the Audit Committee’s next regularly scheduled meeting, at which time the Audit Committee shall evaluate all options including, but not limited to, ratification, amendment or termination of such Covered Transaction. If the transaction is completed, the Audit Committee shall evaluate the Covered Transaction to determine if ratification or rescission of the Covered Transaction and/or any disciplinary action is appropriate and shall request the Chief Financial Officer to evaluate the Company’s controls and procedures to ascertain the reason(s) that the Covered Transaction was not submitted to the Audit Committee or its Chair for prior approval and whether any changes to these procedures are recommended.

#### **D. Factors Considered in Approval or Ratification**

In reviewing and, if appropriate, approving or ratifying the Covered Transaction, the Audit Committee (or Chair, as applicable) shall consider all relevant facts and circumstances provided regarding the Covered Transaction including, without limitation, the following.

1. Whether terms or conditions of the Covered Transaction are generally available to third parties under similar terms or conditions;

2. Level of interest or benefit to the Related Person;
3. The Related Person's relationship to the Company;
4. Whether the Covered Transaction occurs or occurred in the ordinary course of business;
5. Availability of alternative suppliers or customers in the Covered Transaction;
6. The impact on a director's independence in the event the Related Person is a director, an immediate family member of a director or an entity with which a director has a relationship;
7. Benefit or materiality to the Company.

#### **IV. Automatic Pre-Approval for Certain Covered Transactions**

The Nominating and Governance Committee and Audit Committee have reviewed the types of Covered Transactions described below and determined that each of the following Covered Transactions shall be deemed to be pre-approved by the Audit Committee, even if the aggregate amount involved exceeds \$100,000.

**A. *Any employment of, and compensation related to employment, by the Company of an executive officer of the Company if:***

1. The related compensation is required to be reported in the Company's proxy statement under Item 402 of the Securities and Exchange Commission's (the "SEC's") compensation disclosure requirements (generally applicable to "named executive officers") and the compensation has been approved by the Compensation Committee or the Board of Directors; or
2. The executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the executive officer was a "named executive officer," and the Company's Compensation Committee or the Board of Directors approved such compensation.

**B. *Director compensation.*** Any compensation paid to a director if the compensation is reported in the Company's proxy statement under Item 402(k) of the SEC's compensation disclosure requirements and the compensation is approved by the Board of Directors, Nominating and Governance Committee or Compensation Committee.

**C. *Certain Company charitable contributions.*** Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Party's only relationship is as an employee (other than an executive officer) or a director, if such contribution, grant or endowment does not, in the aggregate, exceed the lesser of \$1,000,000 or 2 percent of the charitable organization's total annual receipts.

- D.** *Certain transactions with other companies.* Any transaction with another company at which a Related Person's only relationship is as a director or beneficial owner of less than 10% of that company's equity, if the aggregate amount involved does not exceed the greater of \$1,000,000 or 2 percent of that company's total annual revenues.
- E.** *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis, such as the receipt of dividends.
- F.** *Transactions involving competitive bids.* Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.
- G.** *Regulated transactions.* Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- H.** *Certain banking-related services.* Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

## **V. Recusal**

No director shall participate in any discussion or approval of a Covered Transaction for which he or she is a Related Person, except that the director shall provide all material information concerning the Covered Transaction to the Chief Administrative Officer and the Audit Committee.

## **VI. Ongoing Transactions**

If a Covered Transaction is expected to be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee, on at least an annual basis, shall review and assess ongoing relationships and determine whether the Covered Transaction remains appropriate.

## **VII. Delegation of Authority**

The Chair of the Audit Committee is delegated the authority to approve Covered Transactions under the circumstances set forth in Article III B above. In addition, the Audit Committee shall be authorized to delegate its authority under this policy to the Chair of the Audit Committee or another of its members in such other circumstances as determined by the Audit Committee. In the event of such delegation, the Chair or such member shall have the authority to take all the actions and provide the approvals or ratifications by the Audit Committee specified in this policy. In all events, any actions, approvals and ratifications by delegated authority shall be reported to the full Audit Committee at each meeting.

Approved by the Board of Directors on December 8, 2011.

