



MRC Global

2018 | Environmental, Social Responsibility
and Corporate Governance Report

MRC Global



MRC Global Today

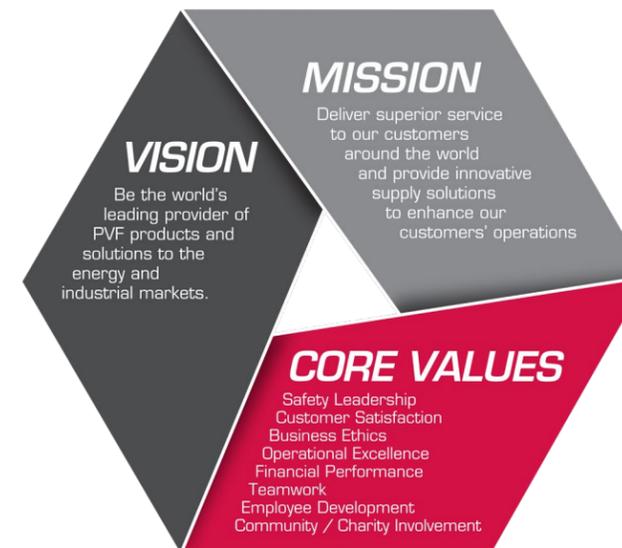
MRC Global is the largest distributor of pipe, valves and fittings (PVF) products and services to the energy industry. As the global leader, we always strive to operate with integrity and responsibility in all aspects of our operations.

Our Mission:

Deliver superior service to our customers around the world and provide innovative supply solutions to enhance our customers' operations

Vision:

Be the world's leading provider of PVF products and solutions to the energy and industrial markets



Core Values

Our core values guide every decision we make, from the board room to behind the wheel. We know that by being true to our values, we will continue to achieve our goals, positively impact our industry and the communities where we live and work and deliver long-term value to our stockholders.



Our Core Values

- Safety Leadership
- Customer Satisfaction
- Business Ethics
- Operational Excellence
- Financial Performance
- Teamwork
- Employee Development
- Community/Charity Involvement

Code of Ethics

“MRC Global is committed to the highest standards of honest and ethical behavior and integrity in carrying out its business activities.”

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)

Global Ethics Hotline

The Ethics Hotline allows employees and others to anonymously report unsafe, illegal, unethical behavior and harassment or other concerns about human rights related to our business to NAVEX Global, MRC Global's independent third party, 24 hours a day, 7 days a week.

MRC Global Ethics Hotline:

 **888-601-3911**

 **<https://www.reportlineweb.com/mrcglobal>**

Corporate Policies

Adherence to our corporate policies is the first step in maintaining our corporate integrity, and our policies include the following:

- Code of Ethics
- Human Rights Statement
- Anti-Slavery & Anti-Human Trafficking Statement
- Gifts & Hospitality Policy
- Anti-Bribery & Anti-Corruption Policy
- Dignity at Work and Equal Opportunity Statement
- Anti-Discrimination and Anti-Harassment Policy
- Environmental Policy
- Conflict Minerals Policy
- Code of Conduct for Suppliers

Supplier Code of Conduct

We require that each supplier, contractor and third parties with whom we do business maintain high standards in the conduct of each of their respective businesses and operations. We request that suppliers, contractors and other counterparties use this code to help maintain our ethical and socially responsible culture.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)

Anti-Bribery and Anti-Corruption

MRC Global is committed to complying with all applicable anti-bribery and anti-corruption laws and rules, including, but not limited to, the local laws of the countries in which we operate, the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, and any laws enacted pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Our employees receive training on anti-corruption and anti-bribery. Additionally, we actively monitor and audit our internal compliance with this policy, and we expect our suppliers to fully comply with these laws and regulations.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)

Health & Safety

Safety leadership is part of our culture. Every employee has a personal responsibility to make sure that they, along with their co-workers, go home at the end of each day in the same condition they arrived.



Among other safety measures, we track our total recordable incident rate (TRIR) and our lost work day rate (LWDR), both per 200,000 hours worked. Our TRIR has fallen over the past three years from 1.14 in 2015 to 0.78 in 2017. Our LWDR was 0.26 in 2017. A 2017 survey that the National Association of Wholesaler Distributors (NAW) conducted of 45 distribution companies with over \$1 billion in revenue placed us in the top quartile of U.S. companies in safety performance for the surveyed distributors. We ranked fourth out of 35 companies in lowest OSHA TRIR, second out of 35 companies in lowest OSHA LWDR, and seventh out of 25 companies in lowest Recordable Vehicle Incident Rate (RVIR).

You See It, You Own It

The Safety Improvement Card is an online tool for reporting near misses, unsafe conditions, positive and “at risk” behaviors and safety suggestions. Any employee is empowered to submit ideas to create a safer work environment.

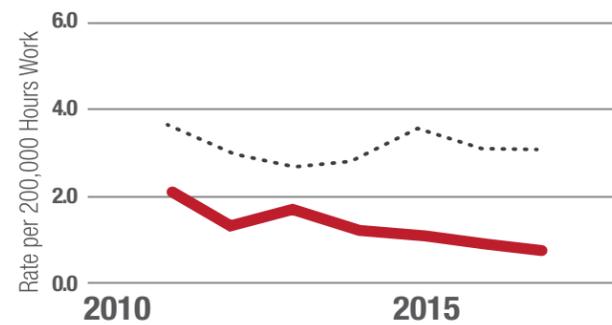
Stop Work Authority

Every employee has the authority and responsibility to stop any unsafe work practice and immediately notify management or correct the situation.

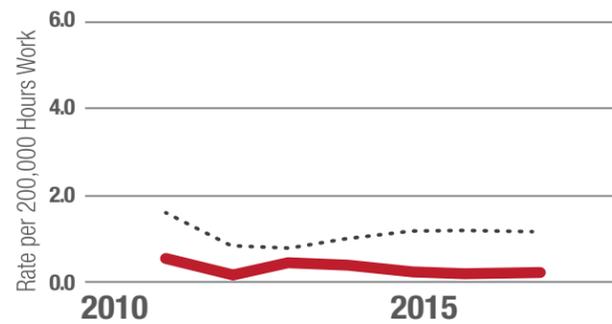
Daily Safety Meetings & Quarterly Stand Downs

Every day at an MRC Global operational facility begins with a safety talk. We also hold company-wide stand downs, where a specific topic is covered on a single day across the globe.

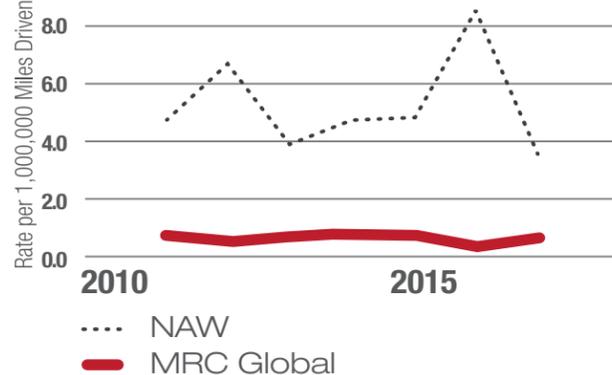
Total Recordable Injury Rates



Lost Time Injury Rates



Vehicle Accident Rates



..... NAW
 — MRC Global

Short Service Employee Program

Employees with less than six months of experience in a particular job have a much higher risk of being involved in a safety incident than a more tenured employee. To help remove this risk, employees with less than six months on the job are paired with a more experienced team member who trains and coaches them on the safest way to perform their new role. To help shepherd our warehouse personnel through their training period, new employees wear distinctive safety gear and colors so that more experienced employees can train and monitor their progress in learning our safe-work processes.

Life Protector Guides

As part of our commitment to improve our safety performance by learning from past experiences, we have developed a series of standards that are intended to deliver common work practices across our company, with a focus on preventing high consequence safety incidents. These standards include:

- contractor management,
- electrical safety,
- emergency response plans,
- loading, restraint and transportation guidelines,
- risk management assessments,
- personal protective equipment guidelines,
- cranes and lifting operations guidelines,
- forklifts and powered industrial trucks guidelines,
- steel storage racking system guidelines, and
- pressure testing guidelines.

Employee Assistance Program

This program gives employees access to immediate help with some of life's most stressful situations free of charge. This includes face-to-face sessions with a mental health professional, help in a crisis and discounts on many health and wellness products.



Diversity

MRC Global is committed to diversity and equal opportunity in our workplace.

MRC Global is committed to diversity and equal opportunity in our workplace. Over 3,500 employees from 22 countries from diverse cultures, ethnicities and religious beliefs work in our company. In North America alone, over 25% of our employees are women, and in our corporate functions, 44% of our employees are women. In addition, one third of our Board of Directors are from diversity groups.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)

Global Diversity Statistics:

22
Countries

North American Diversity Statistics:

+25%
Female Employees

44%
Corporate Female Employees



Human Rights

MRC Global is committed to conducting its worldwide business and operations in accordance with high standards of integrity in a legal, ethical and socially responsible manner.

Human Rights

We support the protection of internationally proclaimed human rights including the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, which enshrines the core principles of freedom of association; the effective recognition of collective bargaining; the elimination of all forms of forced and compulsory or child labor; and the elimination of discrimination in respect of employment and occupation.

MRC Global employees receive regular training on these core values, including specific training for anti-discrimination and anti-harassment. We encourage our suppliers to align their practices with the International Labor Organization's core principles and are committed to working in partnership with suppliers, customers and third parties to promote the furtherance of human rights. As part of our audit process of suppliers on our Approved Manufacturer's List (AML), we consider and evaluate these suppliers' performance regarding human rights.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)

Human Trafficking & Slavery

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labor and human trafficking, all of which have in common, the deprivation of a person's liberty to exploit them for personal or commercial gain. MRC Global has a zero-tolerance approach to slavery.

We are committed to implementing and maintaining systems, controls and practices to prevent modern slavery from taking place within our global business or supply and logistics chains. We hold both ourselves and our supply chain accountable for compliance with the applicable law, and we maintain internal accountability standards and processes for employees, contractors and members of our supply chain regarding this responsibility.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)



"We have been in business for 97 years and, through it all, our core values have given us a platform for success. That remains true. Regardless of what country or location we operate in, we have the same dedication to customer service, integrity and PVF expertise."

– Andrew R. Lane,
President & CEO

Environmental Performance

MRC Global is committed to acting in an environmentally responsible manner and continually improving our environmental performance.



As a leading global distribution company, we recognize that our business has an impact on our environment, and we continue to explore new systems and technologies that can help us reduce our ecological footprint. As a distributor of PVF, we sell products that control the flow of liquids and gases in a safe and environmentally sound manner. Our products help prevent and minimize accidental leaks and spills. In addition, several international oil companies (IOCs) have recently published targets to reduce their fugitive methane emissions and consider these targets when designing, constructing and operating their facilities. We sell a number of products that reduce the fugitive emissions of gases, and we are committed to assisting our customers in meeting their reduction goals.

We conduct a yearly review of our register of environmental risks and opportunities, subsequently developing plans for improvements (i.e. risk reduction, waste reduction, etc.) for the coming year. The risks and opportunities are arranged into operational, property, corporate procurement and initiatives/projects and are then given to appropriate personnel for action and completion. Completed projects are retained in the register to document improvements to our systems and environmental performance.

This section contains a summary of environmental topics that we recognize as being of heightened sensitivity to us and our stakeholders, along with an approach to each area. While we expect our suppliers to comply with environmental laws and regulations, we also take additional measures to identify, evaluate and mitigate environmental risks for certain customers, business activities, industries or geographies.

Climate Change

As a leader in the distribution industry, we believe that our ability to address climate change issues with new and innovative technologies and increased operational performance is integral to the global initiative to reduce the carbon footprint. We know that the primary way we can do that is to do what we do best – create an efficient supply chain. By identifying and utilizing the most efficient method to move products from one place to another, we create a better situation for our customers and the environment.

Our hub and spoke system, whereby our regional distribution centers (RDCs) receive the vast majority of the product we sell then resupply our branches when the product is needed, is designed to create these efficiencies and reduce the product on hand that we must maintain in inventory. Since the RDCs receive the vast majority of the product we sell, individual branches have reduced the number of products they separately order and receive, thereby reducing the transportation used to deliver products to and from the branches. Greater efficiencies and less product in inventory at the branches reduces our overall impact on the environment.

Other ways we are creating a more environmentally sustainable business include:

- Using energy-efficient lighting with motion detection to reduce power consumption
- Reducing our overall carbon footprint by limiting business travel and implementing digital tools like Skype for Business and video conferencing
- Encouraging the use of electronic transactions over paper transactions to reduce energy consumption and reduce waste

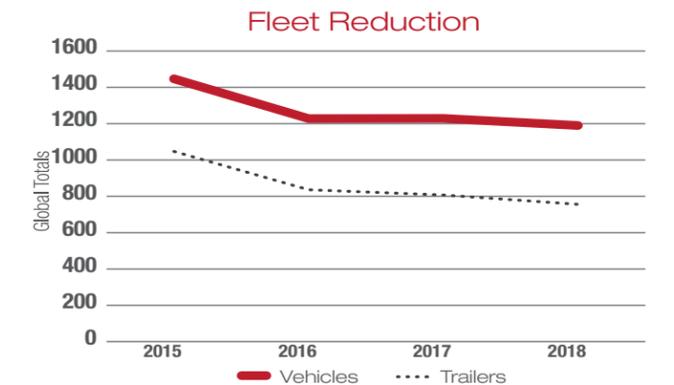
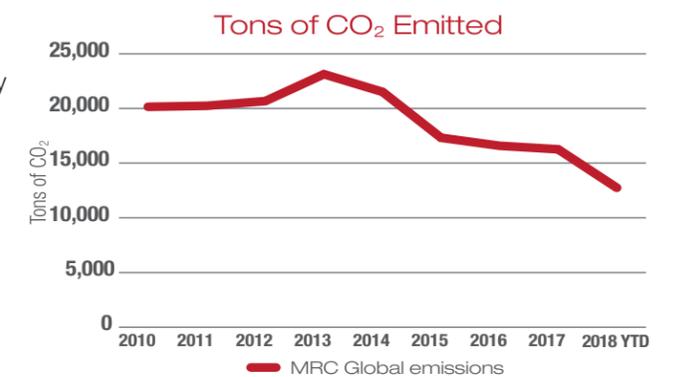
Waste Management and Recycling

To manage waste materials more efficiently, we are constantly improving our processes and evaluating ways to reduce our overall waste and promote recycling of materials within our operations. We have a solid waste recycling program (for both business and production waste) in place in most locations. We encourage all employees and contractors to recycle consumer goods and other business and production waste by utilizing dedicated recycling containers in most of our warehouses and corporate offices. More than 400 tons of material was recycled in 2017.

We have also implemented work processes to reduce waste from transportation and warehousing activities (e.g. pallets, packaging). Additionally, we have company-wide work processes for labeling, storing, handling and transporting hazardous waste. We conduct regular training on these work processes.

Air Emissions

We actively monitor and track our fleet emissions trends and are committed to reducing our overall fleet emissions and improving our average fuel consumption. We are committed to reducing our CO₂ emissions by switching our fleet vehicles from 8-cylinder gasoline engines to 6-cylinder and 4-cylinder gasoline engines where feasible. We have also switched to compressed natural gas (CNG) engines in our trucks when the infrastructure exists near our branch locations. Additionally, we have replaced our gasoline and diesel-powered forklifts with battery-operated forklifts where feasible. Approximately 47% of our forklifts are electric powered or powered by compressed natural gas. From 2010 to 2017, we have reduced our overall CO₂ emissions by 3,800 tons. We have also reduced emissions by reducing the size of our fleet to only those vehicles required to operate the business.



Managing Environmental Risk

Our commitment to environmental protection, as described in our [Environmental Policy](#) requires that a minimum standard of environmental performance is established at all of our facilities. Over 70% of our workforce has received training on environmental issues, and 10 of our locations are ISO 140001 certified. Additionally, we encourage all of our suppliers to comply with our Environmental Policy. As part of our audit process of our AML suppliers, we evaluate these suppliers on their environmental standards and environmental performance.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com)

Houston Operations Complex at La Porte, TX

This world-class RDC processes 600 pick tickets, or 1,700 individual line items, per day. The 120 employees work around the clock to support seven local branches and coordinate between 80-100 hot shot orders. Processing that much PVF safely, responsibly and efficiently is our core business.

Here is how we do it.



LEED Certified

The structure of our new 415,000 ft² Houston, TX RDC is Leadership in Energy and Environmental Design (LEED) certified. Features include:

- A highly-reflective thermoplastic polyolefin (TPO) roof which decreases the need for heating and air conditioning of the facility and reduces the solar heat gain on-site.
- Use of high Solar Reflectance Index (SRI) materials, such as concrete, for hardscape areas, and a gravel pipe yard in lieu of asphalt, which reduces heat retention.
- Energy-efficient lighting with motion detection for a large reduction in power consumption.
- Native, adaptive plantings used for the landscaping on-site.
- A highly-efficient irrigation system reduces potable water demand by 58.72%.
- The use of low-emitting paints, adhesives, coatings, and sealants improves the indoor air quality.
- Reserved parking for low-emitting and fuel-efficient vehicles and carpools/vanpools are used as an incentive to reduce pollution and land development impacts from cars.

Conveyor System

This system is at the heart of our RDC. It holds 9,000 products on our three-story mezzanine and automatically sorts them to be shipped to a branch, directly to UPS or to be added to products located in the rest of our facility before being shipped out. Hand-held scanners and RFID technology identify the products needed and stops the tote automatically when more products are needed. This system drastically reduces the amount of lifting and walking that an employee must take to pull a ticket – making it both safer and faster.

Push-back Racking

Push-back racking is used for large items that take up an entire pallet. This special racking allows for safer loading of new products, minimizes space required to store large products and eliminates the need for multiple overstock locations throughout the facility. These act just like a drink cooler at your local store, but on a much larger scale.

High-rise Racking

Most of our racking is 32 feet tall, which adds nearly twice as much storage space compared to previous rack heights.

30 Foot Forklifts

All of our forklifts come equipped with a camera for use above 12 feet when the visibility for the driver becomes impaired. We have also added a fan and a chair for better prolonged ergonomics. These forklifts also contain scales, which eliminates the need to travel to another area to weigh the pallet and improve safety by allowing the operator to determine if the bin location can accept that much weight safely.

Safety Zone Lighting

Red lights have been added to each battery-operated forklift to clearly display the safety zone for pedestrians. Honoring the safety zone helps prevent anyone from getting too close to the vehicle while it is in operation and creating unnecessary risk. This improvement was originally suggested by a long-time end user and has since been implemented across many of our other facilities.

High-efficiency Chargers

New energy efficient, on-demand chargers run on 19.2V versus 40V battery chargers. These require much less time to charge and enable equipment to run 24 hours per day.

Ergonomic Improvements

Lift tables, a UPS packer and an automatic pallet wrapper dramatically decrease the burden of loading and unloading material while it is being prepared for shipment. These enhancements create a safer work environment and limit the opportunity for lifting injuries.

High Velocity, Low Speed Fans

In the Texas heat and humidity, air circulation is vital to our employees' well-being. This facility has 26 high velocity, low speed fans installed around the perimeter and high work areas of the building.

Cranes

A 25 ton crane and 10 ton crane can work together to handle up to 42" valves. Large actuated or manual packages can be lifted and loaded directly onto a truck as it drives through our warehouse near the Valve & Engineering Center.



Conflict Minerals

As a distributor of products manufactured by other companies, MRC Global does not directly purchase any raw conflict minerals from any source and is many levels removed from the mines, smelters, and refiners that produce the metals used in the products manufactured by our suppliers.

However, we support the goal of the Dodd-Frank Act and related applicable 2012 U.S. Securities and Exchange Commission rules of preventing armed groups in the Democratic Republic of the Congo (DRC) from benefitting from the sourcing of conflict minerals, and we expect the suppliers and manufacturers of the products distributed by us to adopt the same policy for their businesses and comply with applicable legal standards and requirements.

[Read the full policy at www.mrcglobal.com](http://www.mrcglobal.com) and our annual [Conflict Minerals Report](#) filed as Form SD under the SEC Filings section of the Financial Information tab on our Investor Relations website.

MRC Global works continually toward a conflict-free supply chain with ethical sourcing of materials and products. Our supply chain program strives to prevent purchased products from containing conflict minerals (tin, tantalum, gold and tungsten) that directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo or adjoining countries.

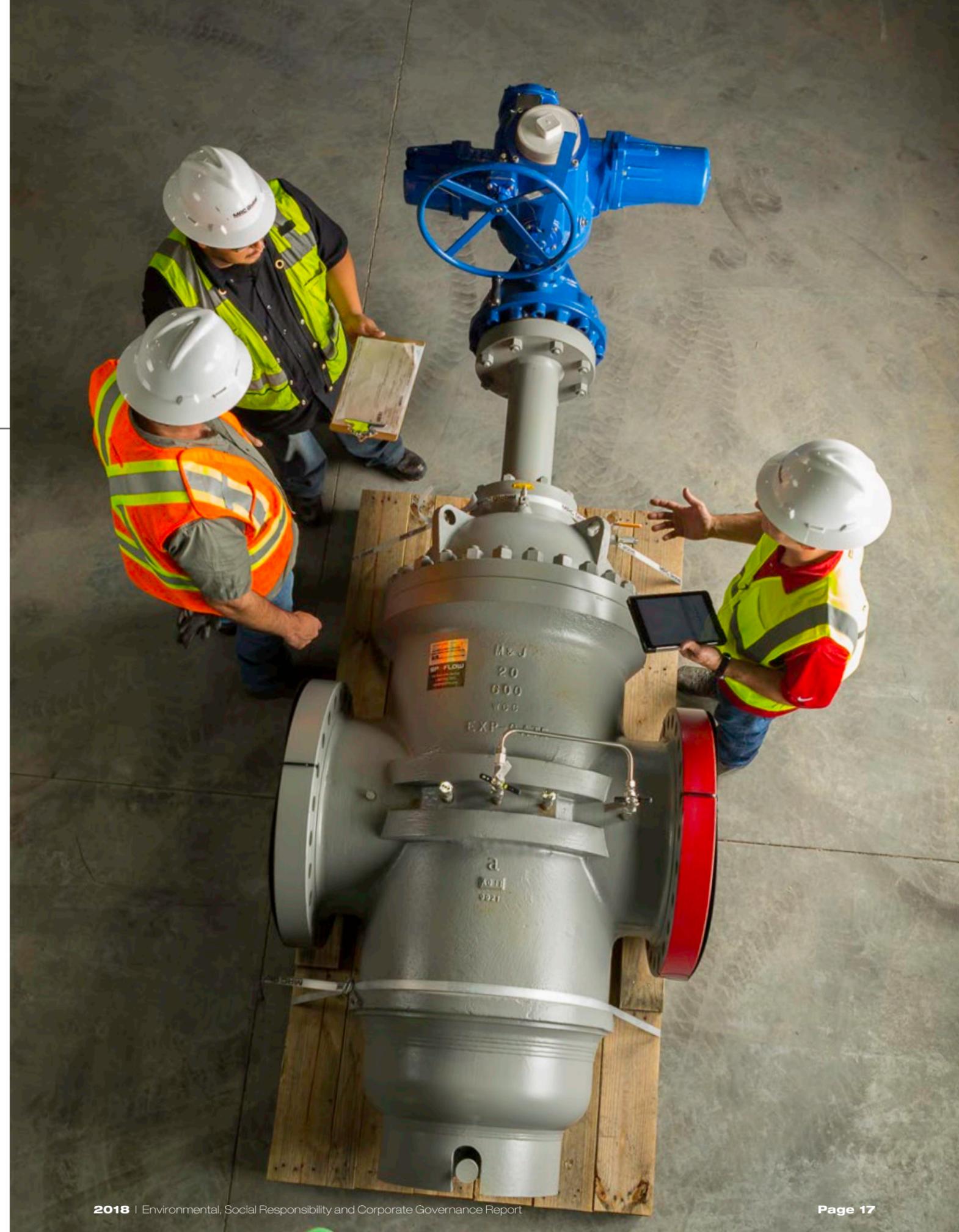
Employee Engagement

MRC Global recognizes that our people are our greatest strength. We are a global team dedicated to our customers, our communities, and each other. Our employees regularly go out of their way to support each other in times of need, provide excellent service to our customers and uplift the communities where they live and work throughout the year.

We are proud of the role we play in providing safe, productive and fulfilling jobs to our 3,500+ employees. We are committed to developing a harassment and discrimination-free workplace where every employee has the opportunity to grow their career.

Employment at MRC Global comes with competitive compensation and, in the U.S., we offer a cost-effective, generous medical and health plan in addition to a matching 401(k) plan to help employees save for their retirement.

MRC Global also provides the environment, educational tools and development opportunities for employees to continually improve their talent and skills. Our on-boarding process for new employees provides a broad and accelerated understanding of MRC Global's business and culture. Additionally, all employees establish development goals at the beginning of the year, and we track the progress of these goals through periodic individual reviews. Finally, we periodically assess our employees' satisfaction and engagement through the individual development reviews as well as company-wide surveys.



Community Involvement

We are dedicated to uplifting the communities where we live and work. MRC Global supports education, health and human services, the arts and humanities and civic projects through the MRC Global Foundation and MRC Global Cares initiatives. In 2017, the MRC Global Foundation donated more than \$200,000 to various charitable organizations, and in addition, MRC Global Inc. directly donated more than \$100,000 directly to various charitable and community causes.

MRC Global Foundation

The MRC Global Foundation makes grants to nonprofit organizations in our communities for charitable causes, including education, health and human services, arts and humanities and civic projects. The MRC Global Foundation's primary charities include the American Red Cross, the American Heart Association, United Way, and the American Cancer Society.

Disaster Relief

In 2017, More than 50 of our employees and their families suffered damage to their homes during Hurricane Harvey. We supported them in the aftermath, and they supported MRC Global. Our team pulled together to get our facilities operational as quickly as possible, so we could continue to serve our customers as the industry began its own recovery. MRC Global also donated \$150,000 to recovery efforts.

In September of 2018, gas explosions in the Lawrence, MA area forced thousands of people from their homes and required the Governor to declare a state of emergency. Working alongside our customer, MRC Global chartered four airplanes to ship 3,600 hot plates and space heaters to residents to help with the immediate need and then continued to support them as they assessed the damage and made necessary repairs to their distribution network.

PVF Roundtable Scholarship Sponsorship

As a leader in the PVF industry, we recognize the need to continue to invest in the next generation of industry professionals. That commitment led MRC Global to fund an annual scholarship with Texas A&M University for students in the industrial distribution field of study. The company also sponsors multiple events throughout the year, which raise money for additional scholarships at other industrial distribution programs and trade schools.

American Heart Association – Houston Heart Walk

MRC Global is a proud sponsor of the Houston Heart Walk. Our national support for the American Heart Association is deeply rooted in the sudden loss of Lew Ketchum, the founder of our heritage company Red Man Pipe and Supply, in 1995 after a heart attack. We honor his legacy by standing with the American Heart Association in the fight against heart disease.



MRC Global Cares In Action

Our company and our employees are involved in many charitable, community and educational endeavors. Here are some examples of just a few:

Sponsoring Small Steps Nurturing Center

Houston, TX

Houston, TX corporate office employees have sponsored Christmas for children at Small Steps Nurturing Center for many years. Small Steps is a non-profit preschool for economically at-risk children in Houston, TX that provides a high-quality education, nutritious meals and emotional support to children living in poverty at no financial cost to the families they serve.

In 2017, the team sponsored 28 children's Christmas mornings and provided much needed household items and gift cards to five families.

R U OK Day

Australia

Each year, our Australian business participates in R U OK Day. The R U OK? Foundation is a not-for-profit dedicated to encouraging all people to regularly and meaningfully ask 'are you ok?' to the people around them who may be struggling. At its heart, R U OK? Day is about improving mental health and creating awareness for suicide prevention. In addition to raising overall awareness of mental health issues, the company also makes a monetary donation to the foundation.

Historic Flooding Inspires Helping Hands

West Virginia

In 2016, heavy rains wiped out entire communities just a short drive away from our corporate offices in Charleston, WV. Many MRC Global employees and retirees call these cities home, so immediately after the area was declared safe and for months afterward, teams of MRC Global employees and their families donated supplies, cleaned out homes and helped begin the road to recovery.

CIBC Run for the Cure

Canada

In 2018, MRC Global employees across Alberta joined together to participate in the Canadian Breast Cancer Foundation Run for the Cure simultaneously in their communities. Employees raised funds for the prevention, diagnosis, treatment and care of breast cancer, which continues to be the most commonly diagnosed cancer among Canadian women.

Bustin' for Badges Sporting Clays Tournament

Permian Basin

Bustin' for Badges is an annual sporting clays tournament in the Permian Basin benefiting the Midland and Ector County Sheriff's Offices and the Midland and Odessa Police Departments. The MRC Global team not only participated in the event but cooked and fed nearly 1,000 people in 2017. Attendees had their fill of slow smoked brisket, sausage and all the fixings prepared by the MRC Global team.



Corporate Governance

MRC Global is committed to adhering to sound principles of governance and has adopted corporate governance practices that promote the effective functioning of our Board of Directors (the “Board”), its committees and our company.



(L-R): Deborah Adams, H.B. Wehrle, III, John Perkins, Dr. Cornelis Linse, Rhys Best, Gerard Krans, Robert Wood, Craig Ketchum, Barbara Duganier, Leonard Anthony, Andrew Lane. Not Pictured: Henry Cornell

The primary responsibility of the Board is to foster the long-term success of MRC Global by promoting the interests of our stockholders. Our Board believes that strong corporate governance is critical to achieving our performance goals and to maintaining the trust and confidence of investors, employees, suppliers, business partners, regulatory agencies and other stakeholders.

Corporate Governance Guidelines

The Board has adopted guidelines (the “Corporate Governance Guidelines”) to help guide and promote our good corporate governance and responsible business practices. These guidelines provide a framework for the effective governance of MRC Global as a whole and also address the operation, structure, and practice of the Board and its committees. The Governance Committee reviews these guidelines annually at a minimum.

The [Corporate Governance Guidelines](#) can be found on our Investor Relations tab of www.mrcglobal.com.

Strategic Planning

During the year, the Board meets with management to discuss and approve our strategic plans, financial goals, capital spending and other factors critical to successful performance. The Board also conducts quarterly reviews of progress on objectives and strategies. During Board meetings, directors review key issues and financial performance. The Board expects to meet privately with the Chief Executive Officer (“CEO”) at least four times per year and meets in executive session without the CEO at each regular Board meeting and additionally as required. Further, the CEO communicates regularly with the Board on important business opportunities and developments.

Board Membership

The Board currently consists of 12 members. Our directors are elected annually by the shareholders to serve until the next annual meeting of stockholders, until their successors are duly elected and qualified, or until their earlier retirement, removal or death. Under our Corporate Governance Guidelines, our retirement age for directors is 73.

Nominees for the Board are selected in accordance with procedures and criteria set forth in our Corporate Governance Guidelines. The Board strives to maintain an engaged, independent Board with broad and diverse experience and judgment that is committed to representing the long-term interests of our stockholders. The Board seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board and MRC Global. When reviewing director candidates, the Board considers each candidate’s qualifications for membership on the Board, including the enhanced independence, financial literacy and financial expertise standards that Audit Committee membership may require, and assesses the performance of current directors who are proposed to be renominated to the Board. The Board considers qualified candidates for membership on the Board without regard to race, color, religion, sex, ancestry, sexual orientation, national origin or disability. While the Board does not have a formal policy on diversity, in assembling our Board, our objective is to have wide diversity in terms of business experiences, functional skills, gender, race, ethnicity and cultural backgrounds. Currently, 34% of our Board members are women or ethnically-diverse.

Board Leadership Structure

Our independent non-executive chairman of the Board presides over all meetings of the Board and shareholders, reviews and approves meeting agendas, meeting schedules and other information, as appropriate, acts as a liaison between the outside directors and management, consults on shareholder engagement and governance matters and performs such other duties as the Board requires from time to time. Having an independent non-executive chairman allows management to deepen its focus on customers, gaining market share, cost control, operational excellence and delivering shareholder value.

Our Compensation, Audit and Governance Committees are currently comprised entirely of independent directors. The Board believes that having an independent, non-executive chairman of the Board and independent Compensation, Audit and Governance Committees provides a structure for strong independent oversight of our management.

Board/Committee/Director Evaluations

The Board annually assesses its effectiveness by conducting an annual review of the performance of the Board and its committees. During these assessments, the Board reviews the background and qualifications of each of their respective members, as well as an assessment of the Board’s and each of its committees’ composition in light of their respective needs and objectives after considering issues of judgment, diversity, age, skills, background and experience.

Chief Executive Officer Evaluation and Management Succession

The Board and the CEO annually discuss and collaborate to set the CEO’s performance goals and objectives. The Board also meets at least annually in executive session to assess the CEO’s performance. The Board maintains a process for planning orderly succession for the CEO and other executive officer positions and oversees executive officer development.

Communications with Directors

Any stockholder or other interested person may communicate with our Board, individually or as a group, by contacting our Corporate Secretary or the Chairman of the Board. [This contact information](#) is maintained on the Investor Relations tab of our website, www.mrcglobal.com.

Code of Ethics

We have adopted a Code of Ethics that applies to our directors, officers and employees. The Code of Ethics sets forth guidelines for deterring wrong-doing and promoting conduct in accordance with ethical standards. Our [Code of Ethics](#) can be found on www.mrcglobal.com.

The Board’s Oversight of Risk Management

The Board recognizes that the achievement of MRC Global’s strategic and operating objectives involves taking risks. The Board also recognizes the importance of effective oversight of such risks, and therefore, the

Board has oversight responsibility for MRC Global's integrated risk management framework. This framework is designed to identify, assess, prioritize, address, manage, monitor and communicate risks across our operations and foster a corporate culture of integrity and risk awareness. Consistent with this approach, one of the Board's primary responsibilities is overseeing and interacting with senior management with respect to key aspects of our business, including the assessment and mitigation of our top risks.

In addition, the Board has tasked designated committees of the Board to assist with the oversight of certain categories of risk management, and the committees report to the Board regularly on these matters.

- The Audit Committee reviews and assesses the guidelines and policies governing our financial and accounting risk management and oversight processes and assists with the Board's oversight of financial and accounting matters, including compliance with legal and regulatory requirements and our financial reporting and control systems.
- The Compensation Committee reviews our employee compensation policies and practices to assess whether such policies and practices encourage long-term focus, support the retention and development of executive talent and discourage excessive risk-taking behavior.
- The Governance Committee reviews and assesses enterprise risks that may be applicable to MRC Global from time to time, including (among others) risks from cyber incidents, reputational risks and the risks set forth in our annual report.

Although these committees assist the full Board with risk oversight, ultimately the full Board oversees our enterprise risk management with regular presentation and discussion.

In addition, throughout the year, the Board and relevant committees receive updates from management with respect to various enterprise risk management issues and dedicate a portion of their meetings to reviewing and discussing specific risk topics in greater detail. MRC Global's senior management engages with and reports to the Board and the relevant committees on a regular basis to address high-priority risks.

We believe that the Board's leadership structure supports the risk oversight function of the Board by providing for open communication between management and the Board. In addition, strong independent directors chair the various committees involved in assisting with risk oversight, and all directors are involved in the risk oversight function.

We have also established a Risk Management Committee. Our Risk Management Committee is comprised of our CEO, executive vice presidents, senior vice presidents, the vice president of human resources, the vice president of information systems, the vice president and controller, the vice president of internal audit, the vice president of tax, the assistant general counsel and assistant secretary, the executive director of risk management, the executive director of financial reporting, the executive director finance – international, and the executive director of investor relations. The principal responsibilities of the Risk Management Committee are to review, assess and monitor any material risks or exposures associated with the conduct of our business, the internal risk management processes or systems implemented to identify, mitigate, monitor or manage these risks or exposures and our policies and procedures for risk management.

For further information, see also the Documents and Charters, Board of Directors, Corporate Leadership and Committee Composition sections of the Corporate Governance tab of our Investor Relations website at <http://investor.mrcglobal.com>. Additionally, our proxy statement can be found in our [Annual Reports & Proxies](#) section of the SEC Filings tab of our Investor Relations tab on www.mrcglobal.com. All of our filings can also be found under the Company Filings tab of www.sec.gov by searching the EDGAR system under the trading symbol "MRC".



MRC Global

2018
Environmental,
Social
Responsibility
and Corporate
Governance
Report

MRC Global

CORPORATE HEADQUARTERS

Fulbright Tower
1301 McKinney Street, Suite 2300
Houston, TX U.S. 77010
877-294-7574
www.mrcglobal.com