

DRIL-QUIP, INC.

CODE OF BUSINESS CONDUCT AND ETHICAL PRACTICES

Introduction

This Code of Business Conduct and Ethical Practices covers a wide range of business practices and procedures and is intended to codify, clarify and amplify the Company's long-standing policies in these areas. This Code is applicable to all employees, officers and directors of Dril-Quip, Inc. and its subsidiaries (collectively, the "Company"). It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the Company. All of our employees, officers and directors must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to and applicable portions followed by the Company's agents and representatives, including consultants. If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation. Those who violate the standards in this Code will be subject to disciplinary action, including potential dismissal from the Company. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 18 of this Code.*

Procedures for expressing concerns about accounting, internal accounting controls or auditing matters and violations of applicable laws are set forth in Section 10 of this Code.

Sections 1, 2, 17 and 19 of this Code also constitute the Company's Code of Ethics applicable to its Chief Executive Officer, Chief Financial Officer, and other professionals serving in a finance, treasury, tax or investor relations role ("Covered Executives and Financial Professionals") contemplated by Section 406 of the Sarbanes-Oxley Act of 2002.

You may obtain policies that are referenced in this Code on the Legal and Ethics link on the corporate intranet site or upon request to the Legal Department.

1. Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees, officers and directors must respect and comply with applicable laws, rules and regulations of the jurisdictions in which we operate. Although not all employees, officers and directors are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. Employees, officers and directors should bring to the attention of appropriate senior management evidence of a material violation of laws, rules or regulations applicable to the Company, by the Company or anyone acting on its behalf. From time to time, the Company may hold

information and training sessions to promote compliance with applicable laws, rules and regulations, including insider trading laws.

2. Honest and Ethical Conduct; Conflicts of Interest

In carrying out their duties and responsibilities, employees, officers and directors should engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Employees, officers and directors should strive to identify and raise potential issues before they lead to problems.

A “conflict of interest” exists when an individual’s personal interest is adverse to or otherwise in conflict with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits because of his or her position in the Company. Loans to, or guarantees of obligations of, employees, officers and directors and their family members may create conflicts of interest. It is a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf. It is also a conflict of interest to have a direct or indirect financial interest in any entity or person with whom we do business, but excluding the ownership of securities of an entity which are listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, provided that such securities do not constitute more than 1% of the outstanding voting power of that entity. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management or with the Legal Department. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 18 of this Code.

The Company maintains a separate Related Persons Transactions policy for transactions involving directors, executive officers and more than 5% shareholders.

3. Insider Trading

Employees, officers and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal.

The Company maintains a separate insider trading policy. If you have any questions regarding the Company's insider trading policy, please consult the Company's Chief Financial Officer or General Counsel.

4. Corporate Opportunities

Employees, officers and directors are prohibited from taking personally for themselves opportunities that are discovered using corporate property, information or position, or which are developed on Company time, without the consent of the Board of Directors. No employee may use corporate property, information, or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

5. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through working smarter and harder than our competition, never through unethical or illegal business practices. Each employee, officer and director should endeavor to respect the rights of and deal fairly with the Company's customers, vendors, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

We do not tolerate any business activity that violates antitrust or competition laws, such as price-fixing, market/customer allocations or bid rigging with competitors. Understandings, agreements, plans or schemes, no matter how informal and whether successful or not, with any competitor regarding prices, terms or conditions of sale or service, production, distribution, territories or customers may constitute an illegal restraint on competition. In addition, discussions or communications with competitors concerning prices, terms or conditions of sale or service, or exchange of any other competitive information may also violate applicable antitrust and competition laws. These laws are complex and often difficult to understand so if you have any questions concerning antitrust or competition implications of any business conduct in your area, please contact the Legal Department before taking any action.

6. Gifts and Entertainment

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, officer or director, family member of an employee, officer or director or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any U.S. or foreign laws, rules or regulations including, among other laws, the Foreign Corrupt Practices Act described in Section 13. Please discuss with your

supervisor or manager any gifts or proposed gifts which you are not certain are appropriate.

7. Discrimination and Harassment

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. The Company maintains separate policies on discrimination and harassment.

8. Health, Safety and Environmental

The Company strives to provide each employee with a safe and healthful work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted. Employees, officers and directors should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated. The Company maintains a separate Drug and Alcohol Policy.

The Company recognizes that it is the responsibility of each of its worldwide operations to comply with the laws and regulations designed to protect the environment and prevent pollution. You must comply with all environmental laws and any Company environmental practices applicable to your workplace.

9. Record Keeping

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. Accurate and honest reporting of hours worked, including medical absences and vacation time, are essential. Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is appropriate, legitimate, or reasonable, ask your supervisor or your manager prior to incurring such expenses.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies. This applies equally to e-mail, internal memos, and formal reports. In the event of any actual or reasonably anticipated litigation or governmental

investigation, please consult the Company's Legal Department, prior to the destruction of any documents related to such litigation or governmental investigation.

10. Procedures for Expressing Concerns about Accounting and Auditing Matters or Violations of Applicable Laws

Any employee of the Company may submit a good faith expression of concern to the Company regarding accounting or auditing matters, or any violation of applicable laws, including U.S. securities laws, without fear of dismissal or retaliation of any kind. The Company's Audit Committee will oversee treatment of employee concerns in this area.

The Company's Audit Committee has established procedures for (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing matters or any violation of applicable laws, including U.S. securities laws, and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, or any violation of applicable laws, including U.S. securities laws.

Employees or others with concerns regarding accounting, internal control, auditing matters or any violation of applicable laws, including U.S. securities laws, may report their concerns to the Company's Legal Department. Employees may also make submissions on a confidential or anonymous basis through the Company's *EthicsAlertLine* as follows:

via the internet at <https://drilquip.alertline.com> (or at <https://drilquipEU.alertline.com> if from within the European Union);

by calling 877-316-2631 (toll free) from within the U.S., 704-552-8172 (collect) from within the European Union or 704-552-8177 (collect) from anywhere else in the world.

The *EthicsAlertLine* service is described further in Section 16 below. In addition, an employee may also make submissions directly to the Chairman of the Audit Committee in an envelope marked "Confidential" and addressed to the "Chairman of the Audit Committee" in care of the Company's Corporate Secretary.

These procedures relate to concerns or complaints relating to:

any questionable accounting or auditing matters, including, without limitation, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company or in the recording and maintaining of financial records of the Company;
- deficiencies in or noncompliance with the Company's internal accounting controls;

- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- other failure of the Company's financial statements to present fairly, in all material respects, the financial condition and results of operations of the Company; or
- any violation of any applicable law, including any U.S. securities laws.

A submission should include a description of the questionable accounting, internal control, auditing matter or violation of law in as much detail as can reasonably be provided. Upon receipt of a submission, a determination will be made whether it actually pertains to accounting, internal control, auditing matters or violation of law. When possible, or unless an employee submission is made anonymously, receipt will be acknowledged to the sender. Submissions relating to accounting, internal control, auditing matters or violation of law will be reviewed under Audit Committee direction and oversight by internal audit, the Legal Department or such other persons as the Audit Committee determines to be appropriate. Confidentiality of employee submissions will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.

Prompt and appropriate corrective action will be taken when and as warranted. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of concerns regarding accounting, internal control or auditing matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002, or of potential violations of law, including U.S. securities laws.

A record will be maintained of all submissions made under this procedure, tracking their receipt, investigation and resolution in accordance with the Company's document retention practices.

11. Confidentiality

Employees, officers and directors must maintain the confidentiality of proprietary information entrusted to them by the Company, its customers and joint venture partners, except when disclosure is authorized by appropriate senior management or required by applicable laws or regulations. Proprietary and confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its joint venture partners, if disclosed. It also includes information that vendors and customers have entrusted to us and which is covered by confidentiality provisions of various agreements with them. Proprietary information includes, without limitation, intellectual property, such as trade secrets, patents, trademarks and copyrights, as well as business plans, engineering and manufacturing designs/drawings, ideas, databases, records, compensation information and any unpublished financial data or other reports.

The obligation to preserve confidential and proprietary information continues even after employment ends.

12. Protection and Proper Use of Company Assets

All employees, officers and directors should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business. The obligation of employees, officers and directors to protect the Company's assets includes its proprietary information. Proprietary information includes not only information regarding the Company's products, but also its other trade secrets, engineering and development ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

13. Improper Payments and Payments to Government Personnel

Company policy prohibits the payment or transfer of Company funds to suppliers or customers in the form of bribes, kickbacks or other payoffs and prohibits your participation in any such scheme. The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. This prohibition extends to payments to consultants, agents or any other intermediary when you know or have reason to believe that some part of the payment or "fee" will be used to bribe or otherwise influence a public official. In addition, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's senior management can provide guidance to you in this area. The Company maintains a separate Anti-Corruption Policy that addresses the U.S. Foreign Corrupt Practices Act in more detail.

14. Trade Control

The Company must comply with the trade control and import/export laws and regulations of the countries in which it operates. All information furnished in connection with the export or import of products must be accurate and truthful. If you are involved in the export or import of goods for the Company and have any questions regarding these laws, contact the Legal Department.

The U.S. maintains complex export control laws and regulations that restrict the exportation of certain U.S. goods and technologies without a license. In addition, the U.S. imposes economic sanctions on certain foreign countries that prohibit or restrict the

Company from engaging in business in or with those countries, including its citizens and residents. Restrictions on those countries vary in scope and complexity and the countries subject to sanctions change periodically.

The U.S. antiboycott laws prohibit the Company's participation in boycotts against certain countries and nationalities, primarily the Arab boycott of Israel. In addition, U.S. law prohibits compliance with requests for information or other actions that further boycotts and requires us to report to the U.S. government boycott request in certain instances.

The Company maintains a separate Trade Control Policy that addresses these topics in more detail.

15. Waivers of the Code of Business Conduct and Ethical Practices

Any waiver of this Code for executive officers or directors may be made only by the Board or a Board committee and will be promptly disclosed as required by law or stock exchange regulation.

16. Reporting any Illegal or Unethical Behavior

Employees are encouraged to talk to supervisors, managers or the Legal Department about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. For issues related to general labor, harassment or employment, you are encouraged to talk with the Human Resources department. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

You may also file reports of violations of this Code through the Company's *EthicsAlertLine* service as follows:

via the internet at <https://drilquip.alertline.com> (or at <https://drilquipEU.alertline.com> if from within the European Union);

by calling 877-316-2631 (toll free) from within the U.S., 704-552-8172 (collect) from within the European Union or 704-552-8177 (collect) from anywhere else in the world.

The *EthicsAlertLine* is managed by an independent company and is staffed 24 hours a day, every day of the year. Although you do not have to identify yourself to describe your concern, without your identity, the Company might not have sufficient information to conduct a proper investigation. In accordance with the Company's investigation procedures, the Company will make every effort to maintain your confidentiality, subject to applicable law, rules, regulations or legal proceedings.

17. Full and Fair Disclosure; Periodic Reports and other Government Filings

It is the Company's policy that the information in its public communications, including periodic reports and other filings with the Securities and Exchange Commission, be timely and understandable and fair, complete and accurate in all material respects. Employees with responsibilities related to the preparation of these filings and communications, including Covered Executives and Financial Professionals designated in the Introduction above, should exercise diligence and care to do their part in acting in furtherance of this policy. All employees are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to anyone having a role in the Company's financial reporting and disclosure processes. Employees must not directly or indirectly take any action to fraudulently induce, coerce, manipulate or mislead the Company's or its subsidiaries' independent auditors for the purpose of rendering the financial statements of the Company and its subsidiaries misleading, or direct anyone else to do so. To the extent you believe that any of the Company's periodic reports contain any materially false or misleading information, you are encouraged to follow the procedures outlined in Section 18 below and to report any concerns, if necessary, through the procedure described in Section 10 above.

Covered Executives and Financial Professionals must promptly bring to the attention of the Company's Audit Committee any material information of which the employee may become aware that affects the disclosures made by the Company in its public filings or otherwise, and to otherwise assist the Audit Committee in fulfilling its responsibilities. In addition, each Covered Executive and Financial Professional must promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

Employees responsible for preparing reports and filings with agencies other than the Securities and Exchange Commission, whether in the United States or other jurisdictions, should take care to see that they are prepared accurately and in compliance with applicable requirements.

18. Compliance Procedures

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it with the Company's Human Resources Manager. If that also is not appropriate, speak with the Company's in-house legal counsel.
- You may report ethical violations in confidence and without fear of retaliation. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.

19. Other Provisions Applicable to Covered Executives and Financial Professionals

Each Covered Executive and Financial Professional will be held accountable for his or her adherence to this Code of Ethics. Each Covered Executive or Financial Professional is responsible for reporting any violation of Paragraphs 1, 2, 17 or 19 of this Code, or circumstances the Covered Executive or Financial Professional considers to involve a probable violation, to the Chairman of the Company's Audit Committee in an envelope addressed to the "Chairman of the Audit Committee" in care of the Company's Corporate Secretary. Employees may choose to remain anonymous in reporting violations or circumstances that may involve violations by marking such envelope "Confidential" or by using the *EthicsAlertLine* described in Section 16 above.