

SCHLUMBERGER LTD /NV/
Form DEF 14A
March 01, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Schlumberger N.V. (Schlumberger Limited)

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Schlumberger Limited
5599 San Felipe, 17th Floor
Houston, Texas 77056

42, rue Saint-Dominique
75007 Paris, France

Parkstraat 83
2514 JG The Hague
The Netherlands

NOTICE OF ANNUAL GENERAL MEETING OF STOCKHOLDERS To Be Held April 11, 2007

March 1, 2007

The Annual General Meeting of Stockholders of Schlumberger Limited (Schlumberger N.V.) will be held at the Avila Beach Hotel, Penstraat 130, Willemstad, Curaçao, Netherlands Antilles, on Wednesday, April 11, 2007 at 10:30 in the morning (Curaçao time), for the following purposes:

1. To elect 13 directors.
2. To report on the course of business during the year ended December 31, 2006, to approve the Company's Consolidated Balance Sheet as at December 31, 2006, its Consolidated Statement of Income for the year ended December 31, 2006, and the declaration of dividends by the Board of Directors as reflected in the Company's 2006 Annual Report to Stockholders.
3. To approve the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm to audit the accounts of the Company for 2007.

Action will also be taken upon such other matters as may come properly before the meeting.

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The close of business on February 21, 2007 has been fixed as the record date for the meeting. All holders of common stock of record at the close of business on that date are entitled to vote at the meeting.

By order of the Board of Directors,

Ellen Summer
Secretary

Please sign, date and promptly return the enclosed proxy card in the enclosed envelope, or grant a proxy and give voting instructions by telephone or internet, so that you may be represented at the meeting. Instructions are on your proxy card or on the voting instruction card included by your broker.

PROXY STATEMENT

March 1, 2007

General

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Schlumberger Limited (Schlumberger N.V.) (Schlumberger or the Company) of proxies to be voted at the 2007 Annual General Meeting of Stockholders. The approximate mailing date of this proxy statement is March 1, 2007. Business at the meeting is conducted in accordance with the procedures determined by the Chairman of the meeting and is generally limited to matters properly brought before the meeting by or at the direction of the Board of Directors or by a stockholder in accordance with specified requirements requiring advance notice and disclosure of relevant information.

The Schlumberger 2006 Annual Report to Stockholders is included in this package as a separate document. The Company's Consolidated Balance Sheet as at December 31, 2006, its Consolidated Statement of Income for the year ended December 31, 2006 and the supplemental financial information with respect to dividends included in the Annual Report are incorporated by reference as part of this proxy soliciting material.

The Company will pay the cost of furnishing proxy material to all stockholders and of soliciting proxies by mail and telephone. D. F. King & Co., Inc. has been retained by the Company to assist in the solicitation of proxies for a fee estimated at \$11,000 plus reasonable expenses. Directors, officers and employees of the Company may also solicit proxies for no additional compensation. The Company will reimburse brokerage firms, fiduciaries and custodians for their reasonable expenses in forwarding the solicitation material to beneficial owners.

Proxies and Voting Procedures

Each stockholder of record at the close of business on February 21, 2007 is entitled to one vote for each share registered in the stockholder's name. A stockholder of record is a person or entity who held shares on that date *registered* in its name on the records of Computershare Trust Company, N.A. (Computershare), Schlumberger's stock transfer agent. Persons who held shares on the record date through a broker, bank or other nominee are considered *beneficial* owners. On February 21, 2007, there were 1,178,552,017 outstanding shares of common stock of Schlumberger, excluding 155,660,147 shares held in treasury.

Shares cannot be voted at the meeting unless the owner of record is present in person or is represented by proxy. Schlumberger is incorporated in the Netherlands Antilles and, as provided by Netherlands Antilles law, meetings of stockholders are held in the Netherlands Antilles. Because many stockholders cannot personally attend the meeting, it is necessary that a large number be represented by proxy.

Fifty percent of the outstanding shares, exclusive of shares held in treasury, must be present in person or by proxy to constitute a quorum for the taking of any action at the meeting. Abstentions and broker non-votes (described below) are counted for determining the presence of a quorum. If a quorum is not present at the meeting, the Board may call a second General Meeting at which the quorum requirement will not apply.

Brokers holding shares must vote according to specific instructions they receive from the beneficial owners of those shares. If specific instructions are not received, brokers may generally vote the shares in their discretion. However, the New York Stock Exchange precludes brokers from exercising voting discretion on certain proposals without specific instructions from the beneficial owner. Under the rules of the New York Stock Exchange, brokers will have discretion to vote on ALL items scheduled to be presented at the Annual General Meeting.

Stockholders with shares *registered* in their names with Computershare and participants who hold shares in the Schlumberger Discounted Stock Purchase Plan (DSPP) may authorize a proxy by:

The internet at the following internet address: <http://www.investorvote.com>;

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Telephonically in the United States by calling toll-free 1-800-652-8683 or outside the United States by calling collect 1-781-575-2300 on a touch tone phone; or
Completing and mailing the enclosed proxy card.

The internet and telephone voting facilities for stockholders of record will close at 11:59 p.m. Eastern time on April 10, 2007. The internet and telephone voting procedures have been designed to authenticate stockholders and to allow you to vote your shares and to confirm that your instructions have been properly recorded.

A number of banks and brokerage firms participate in a program that also permits beneficial stockholders to direct their vote by the internet or telephone. If shares are held in an account at a bank or brokerage firm that participates in such a program, beneficial stockholders may direct the vote of these shares by the internet or telephone by following the instructions on the voting form.

You can revoke your proxy at any time before it is exercised by timely delivery of a properly executed, later-dated proxy (including an internet or telephone vote) or by voting by ballot at the meeting. By providing your voting instructions promptly, you may save the Company the expense of a second mailing.

All shares entitled to vote and represented by properly executed proxies received prior to the meeting and not revoked will be voted at the meeting in accordance with your instructions.

1. Election of Directors

It is intended to fix the number of directors at 13 and to elect a Board of Directors of 13 members, each to hold office until the next Annual General Meeting of Stockholders and until a director's successor is elected and qualified or until a director's death, resignation or removal. Each of the nominees, other than Philippe Camus, Nikolay Kudryavtsev and Leo Rafael Reif, is now a director and was previously elected by the stockholders. Unless instructed otherwise, the proxies will be voted for the election of the 13 nominees named below. If any nominee is unable or unwilling to serve, proxies may be voted for another person designated by the Board of Directors. The Board knows of no reason why any nominee will be unable or unwilling to serve if elected. Mr. John Deutch and Mr. André Lévy-Lang have reached normal retirement age for directors and are not standing for re-election.

A majority of the votes cast is required to elect each nominee for director.

The Board of Directors Recommends a Vote FOR All Nominees.

The Board of Directors' nominees for election to the Board, together with information furnished by them with respect to their business experience, and other information regarding them, are set forth below:

Nominee, Age and Five-Year Business Experience	Director Since
PHILIPPE CAMUS, 58; Co-Managing Partner, Société Lagardère, a French media and technology company, since March 1998, and Senior Managing Director, Evercore Partners Inc., an advisory and investment firm, since July 2005; co-Chief Executive Officer of the European Aeronautic Defence & Space Company, an aerospace and defense contractor, from July 2000 to July 2005, New York, New York (1)	N/A
JAMIE S. GORELICK, 56; Partner, Wilmer Cutler Pickering Hale and Dorr LLP, an international law firm, since July 2003; Vice Chair of Fannie Mae, financing of U.S. home mortgages, from May 1997 to July 2003, Washington, D.C. (2)	2002
ANDREW GOULD, 60; Chairman and Chief Executive Officer since February 2003, President and Chief Operating Officer, March 2002 to February 2003, Executive Vice President Oilfield Services from January 1999 to March 2002 (3)	2002
TONY ISAAC, 65; Retired; Former Chief Executive of The BOC Group plc, an international group with three business segments consisting of Gases and Related Products, Vacuum Technology and Supply Chain Solutions, from September 1999 to October 2006, Surrey, U.K. (4)	2003

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NIKOLAY KUDRYAVTSEV, 56; Rector, Moscow Institute of Physics and Technology since June 1997, Moscow, Russia (5)	N/A
ADRIAN LAJOUS, 63; Senior Energy Advisor, McKinsey & Company, Houston, Texas, and President of Petrométrica, an energy consulting company, since January 2001, Mexico City (6)	2002

Nominee, Age and Five-Year Business Experience	Director Since
MICHAEL E. MARKS, 56; Member of Kohlberg Kravis Roberts & Co., a private equity firm, since January 2006, Menlo Park, California; Chief Executive Officer of Flextronics, an electronics manufacturing services company, from January 1994 to January 2006 and Chairman of the Board since January 2006 and from July 1993 to January 2003, Singapore (7)	2005
DIDIER PRIMAT, 62; President, Primwest Holding N.V., an investment management company, Curaçao, Netherlands Antilles (8)	1988
LEO RAFAEL REIF, 56; Provost, Chief Academic Officer and Chief Budget Officer, Massachusetts Institute of Technology since August 2005, Head of Electrical Engineering and Computer Science Department, from September 2004 to July 2005, and Associate Department Head for Electrical Engineering, Department of Electrical Engineering and Computer Science from January 1999 to August 2004, Cambridge, Massachusetts	N/A
TOR I. SANDVOLD, 59; Chairman, Sandvold Energy AS, an advisory company in the energy business, since September 2002; Chairman of the Board of Petoro AS, a Norwegian state-owned oil company, from May 2001 to September 2002; Director General, Norwegian Ministry of Oil & Energy from 1990 to May 2001, Oslo, Norway (9)	2004
NICOLAS SEYDOUX, 67; Chairman, Gaumont, a French filmmaking enterprise, Paris (8) (10)	1982
LINDA GILLESPIE STUNTZ, 52; Partner, Stuntz, Davis & Staffier P.C., a law firm, Washington, D.C. (11)	1993
RANA TALWAR, 58; Chairman, Sabre Capital Worldwide Inc., a private equity and management firm focused on investing in financial institutions in emerging markets with an emphasis on Asia, since December 2002, Tortola, British Virgin Islands; Group Chief Executive, Standard Chartered PLC, a global bank, from June 1997 to December 2001, London (12)	2005

- (1) Mr. Camus is a director of Accor S.A., a hotel and tourism related company, where he serves on its Audit Committee, and a director of Credit Agricole, a banking company, where he is a member of the Audit Committee and Chairman of the Compensation Committee.
- (2) Ms. Gorelick is a director of United Technologies Corporation, a provider of high technology products and services, where she serves on its Finance and Public Issues Review Committees, and serves on the boards of the John D. and Catherine T. MacArthur Foundation and the Carnegie Endowment for International Peace. She is a member of the Council on Foreign Relations.
- (3) Mr. Gould is a director of Rio Tinto plc and Rio Tinto Limited, a mineral resources group, and is Chairman of its Audit Committee and a member of its Remuneration Committee.
- (4) Mr. Isaac is a senior independent director of International Power plc, an independent power producer, and is Chairman of its Audit Committee and serves on its Remuneration and Appointments Committees; and a senior independent director of the Hogg Robinson Group, a corporate travel services company, where he serves on its Remuneration Committee and is Chairman of its Audit Committee.
- (5) Mr. Kudryavtsev is a member of the Russian Academy of Sciences and a member of the Council of the Ministry of Education and Science of Russia for Scientific Programs.
- (6) Mr. Lajous is a director of Ternium, S.A., a flat and long steel producer headquartered in Luxembourg, and a member of its Audit Committee; a director of Trinity Industries, Inc., a volume producer of freight and tank railcars in the United States and Mexico; and Chairman of Oxford Institute for Energy Studies, Oxford, U.K.
- (7) Mr. Marks is a director at SanDisk, a memory products company headquartered in California, and a member of its Compensation and Nominating and Governance Committees; and a director of Crocs, Inc., a specialty shoe manufacturer. Mr. Marks also serves on several private company boards in connection with his employment by Kohlberg Kravis Roberts & Co.
- (8) Mr. Primat and Mr. Seydoux are cousins.
- (9) Mr. Sandvold is a director of Teekay Shipping Corporation, a leading provider of international crude oil and petroleum product transportation services, where he is a member of its Audit Committee, and also serves on the boards of Lambert Energy Advisory Ltd., E.on Rührgas Norge AS, Energy Policy Foundation

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of Norway, Stavanger University and Offshore Northern Seas (ONS).

- (10) Mr. Seydoux is a director of Arte, a Franco-German TV company.
- (11) Mrs. Stuntz is a director of Raytheon Company, a defense technology company, where she serves on its Audit Committee and is Chair of its Public Affairs Committee.
- (12) Mr. Talwar is a director of Pearson PLC, an international media company in London, and a member of its Personnel, Nominating and Treasury Committees; a director of Fortis, an integrated financial services provider in Belgium and the Netherlands, and a member of its Nominations and Remuneration Committees; Chairman of Centurion Bank, India, and a member of its Executive and Nominating Committees; a member of the Governing Body of the Indian School of Business; a director of the National Society for the Prevention of Cruelty to Children in the U.K.; and a member of the Strategy Board in the U.K. Department of Trade and Industry.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information with respect to persons known by the Company to be the beneficial owners of 5% or more of the common stock.

Name and Address	Beneficial Ownership of Common Stock	
	Number of Shares	Percentage of Class
Capital Research and Management Company (1)	109,838,500	9.3%
333 South Hope Street		
Los Angeles, CA 90071		
FMR Corp. (2)	94,202,906	7.9%
82 Devonshire Street		
Boston, Massachusetts 02109		

- (1) Based on an amendment to a Statement on Schedule 13G dated February 7, 2007. Such filing indicates that Capital Research and Management Company acts as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940, has sole voting power with respect to 27,857,500 shares and sole dispositive power with respect to 109,838,500 shares. The filing indicates that the common stock was acquired in the ordinary course of business and not for the purpose of changing or influencing the control of the Company.
- (2) Based on an amendment to a Statement on Schedule 13G dated February 14, 2007. Such filing indicates that FMR Corp. has sole voting power with respect to 6,577,375 shares and sole dispositive power with respect to 94,202,906 shares. FMR Corp. is the parent of Fidelity Management & Research Company, investment adviser to the Fidelity group of investment companies. The filing indicates that the common stock was acquired in the ordinary course of business and not for the purpose of changing or influencing the control of the Company.

The following lists the shares of Schlumberger common stock beneficially owned as of February 12, 2007 by all directors and nominees, by each of the named executive officers, and by the directors, director nominees and executive officers as a group. Except as footnoted, each individual has sole voting and investment power over the shares listed by that individual's name. As of February 12, 2007, no nominee for director owned more than 1% of the outstanding shares of the Company's common stock, except Mr. Primat who owned 2.7%. All directors, director nominees and executive officers as a group owned 3.3% of the outstanding shares of the Company at February 12, 2007.

Name	Shares
Dalton Boutte	590,406 ⁽¹⁾
Philippe Camus	
Mark Corrigan	83,827 ⁽²⁾
John Deutch	15,200 ⁽³⁾

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Jamie S. Gorelick	19,200 ⁽⁴⁾
Andrew Gould	2,776,042 ⁽⁵⁾
Tony Isaac	8,000 ⁽⁶⁾
Nikolay Kudryavtsev	
Adrian Lajous	10,380 ⁽⁷⁾
André Lévy-Lang	23,000
Michael E. Marks	8,000
Satish Pai	346,496 ⁽⁸⁾
Jean-Marc Perraud	378,014 ⁽⁹⁾
Didier Primat	32,329,256 ⁽¹⁰⁾
Leo Rafael Reif	
Tore I. Sandvold	12,000
Chakib Sbiti	520,568 ⁽¹¹⁾
Nicolas Seydoux	487,320 ⁽¹²⁾
Linda Gillespie Stuntz	23,200 ⁽¹³⁾
Rana Talwar	8,000
All directors, director nominees and executive officers as a group (30 persons)	38,997,672 ⁽¹⁴⁾

- (1) Includes 578,738 shares which may be acquired by Mr. Boutte within 60 days through the exercise of stock options.
- (2) Includes 55,000 shares which may be acquired by Mr. Corrigan within 60 days through the exercise of stock options.
- (3) Includes 1,200 shares owned by Mr. Deutch's wife, as to which he disclaims beneficial ownership, and excludes 1,000 shares which he deferred receipt under the Stock and Deferral Plan for Non-Employee Directors.
- (4) Excludes 9,000 shares which she deferred receipt under the Stock and Deferral Plan for Non-Employee Directors.
- (5) Includes 1,708,222 shares which may be acquired by Mr. Gould within 60 days through the exercise of stock options and 153,760 pledged shares.
- (6) Excludes 5,000 shares which he deferred receipt under the Stock and Deferral Plan for Non-Employee Directors.
- (7) Held through a limited liability company in which Mr. Lajous has an indirect interest, and excludes 4,000 shares for which he deferred receipt under the Stock and Deferral Plan for Non-Employee Directors.
- (8) Includes 329,540 shares which may be exercised by Mr. Pai within 60 days by the exercise of stock options.
- (9) Includes 320,000 shares which may be acquired by Mr. Perraud within 60 days through the exercise of stock options.
- (10) Includes 1,120,000 shares as to which Mr. Primat shares investment power, 7,998,016 shares held for account of the minor children of Mr. Primat as to which he has joint voting and investment power, and 1,320,000 pledged shares.
- (11) Includes 485,000 shares which may be acquired by Mr. Sbiti through the exercise of stock options.
- (12) Excludes 30,728 shares owned by Mr. Seydoux's wife, as to which he has no voting and investment power, and includes 137,173 pledged shares.
- (13) Includes 6,000 shares as to which Mrs. Stuntz shares voting power and 600 shares owned by a minor child in a trust for which Mrs. Stuntz serves as trustee and excludes 2,400 shares which she deferred under the Stock and Deferral Plan for Non-Employee Directors.
- (14) Includes 5,688,312 shares which may be acquired by executive officers as a group within 60 days through the exercise of stock options and excludes 21,400 shares for which directors deferred receipt under the Stock and Deferral Plan for Non-Employee Directors.

Section 16 (a) Beneficial Ownership Reporting Compliance

The Company believes, based upon a review of the forms filed by its officers and directors, that during 2006 all of its officers and directors filed on a timely basis the reports required to be filed under Section 16 (a) of the Securities Exchange Act of 1934, except for a late Form 4 filing by Adrian Lajous to report the sale of 1,400 shares of Schlumberger stock.

Director Stock Ownership Guidelines

The Board believes that ownership of Schlumberger stock by Board members aligns their interests with the interests of the Company's stockholders. Accordingly, the Board has established a guideline that, within five years after April 22, 2004 or after joining the Board, each Board member own at least 10,000 shares or restricted stock units.

Corporate Governance

Schlumberger is committed to adhering to sound principles of corporate governance and has adopted corporate governance principles that the Board believes promote the effective functioning of the Board of Directors, its committees and the Company.

Majority Voting for Directors

Schlumberger's Articles of Incorporation provide that director nominees must be elected at a general meeting of stockholders by a majority of votes cast.

Director Independence

The Board of Directors has determined that each director and director nominee is independent, as defined for purposes of the New York Stock Exchange's listing standards, other than Mr. Gould, who is Chairman and Chief Executive Officer of Schlumberger. In making this determination, the Board affirmatively determined that each independent director and director nominee has no material relationship with Schlumberger or

management, and that none of the express disqualifications contained in the NYSE rules applied to any of them. As contemplated by NYSE rules, the Company has categorical standards to assist the Board in making independence determinations, under which relationships that fall within the categorical standards are not required to be disclosed in the proxy statement and their impact on independence need not be separately discussed. The Board, however, considers all material relationships with each director nominee in making its independence determinations. A relationship falls within the current categorical standards if it:

Is a type of relationship addressed in Section 303A.02(b) of the NYSE Listed Company Manual, but under those rules does not preclude a determination of independence; or

Is a type of relationship addressed in Item 404 of Regulation S-K of the Securities and Exchange Commission, but under that item does not require disclosure; or

Consists of charitable contributions by the Company to an organization where a director is an executive officer and does not exceed the greater of \$1 million or 2% of the organization's gross revenue in any of the last 3 years.

None of the independent directors or director nominees has ongoing relationships relevant to an independence determination that were outside the scope of the Board's categorical standards.

Director Nominations

The Nominating and Governance Committee recommends to the Board the number and names of persons to be proposed by the Board for election as directors at the annual general meeting of stockholders. In obtaining the names of possible nominees, the Nominating and Governance Committee makes its own inquiries and will receive suggestions from other directors, management, stockholders and other sources, and its process for evaluating nominees identified in unsolicited recommendations from security holders is the same as its process for unsolicited recommendations from other sources. In the case of Messrs. Camus, Kudryavtsev and Reif, who are being nominated as directors for the first time this year, Messrs. Camus and Reif were both recommended by members of the Nominating and Governance Committee, and Mr. Kudryavtsev was recommended by Mr. Gould, Schlumberger's Chief Executive Officer. All potential director nominees must be considered by the Nominating and Governance Committee before being contacted by other Company directors or officers as possible nominees and before having their names formally considered by the full Board. The Nominating and Governance Committee will consider nominees recommended by security holders who meet the eligibility requirements for submitting stockholder proposals for inclusion in the next proxy statement and submit their recommendations in writing to Chair, Nominating and Governance Committee, care of the Secretary, Schlumberger Limited, 5599 San Felipe, 17th Floor, Houston, Texas 77056 by the deadline for such stockholder proposals referred to at the end of this proxy statement. Unsolicited recommendations must contain all of the information that would be required in a proxy statement soliciting proxies for the election of the candidate as a director, a description of all direct or indirect arrangements or understandings between the recommending security holder and the candidate, all other companies to which the candidate is being recommended as a nominee for director, and a signed consent of the candidate to cooperate with reasonable background checks and personal interviews, and to serve as a director of the Company, if elected.

The Nominating and Governance Committee believes that nominees should, in the judgment of the Board, be persons of integrity and honesty, be able to exercise sound, mature and independent business judgment in the best interests of the stockholders as a whole, be recognized leaders in business or professional activity, have background and experience that will complement those of other board members, be able to actively participate in Board and Committee meetings and related activities, be able to work professionally and effectively with other Board members and Schlumberger management, be available to remain on the Board long enough to make an effective contribution, and have no material relationship with competitors, customers, or other third parties that could present realistic possibilities of conflict of interest or legal issues. The Nominating and Governance Committee also believes that the Board should include appropriate expertise and reflect gender, cultural and geographical diversity.

Meetings of the Board of Directors and its Committees

During 2006, the Board of Directors held five meetings. Schlumberger has an Audit, a Compensation, a Nominating and Governance, a Finance, and a Technology Committee. During 2006, the Audit Committee met five times; the Compensation Committee met five times; the Finance Committee met twice; the Nominating and Governance Committee met five times; and the Technology Committee met twice. All incumbent director nominees attended at least 75% of the aggregate of the meetings of the Board and of the committees of the Board on which such directors served. From time to time between meetings, board and committee members may confer with each other and with management and independent consultants regarding relevant issues, and representatives of management may meet with the independent consultants on behalf of the relevant committee.

Board meetings have historically been held on the third Thursday of January, April, July and October, and committee meetings have been held on the day before each Board meeting. In 2006, the Board also began meeting on the first Thursday of June without any associated committee meetings to discuss topics of significance, such as business strategy, and to visit company facilities. Additional meetings of the Board are held from time to time as required.

Board Committees
Members of the Committees of the Board of Directors for 2006

	Audit	Compensation	Finance	Nominating and Governance	Technology
	Committee	Committee	Committee	Committee	Committee
John Deutch (1)				X	X*
Jamie S. Gorelick		X	X		
Andrew Gould					
Tony Isaac	X		X*		
Adrian Lajous	X	X		X	
André Lévy-Lang (1)	X*			X	X
Michael Marks		X			
Didier Primat			X		
Tore I. Sandvold			X		X
Nicolas Seydoux		X		X*	
Linda Gillespie Stuntz		X*		X	
Rana Talwar	X				

* Chair

(1) Messrs. Deutch and Lévy-Lang have reached normal retirement age for directors (68) and are not standing for re-election.

Audit Committee

The Audit Committee consists of four independent directors who meet the independence and other requirements of the New York Stock Exchange's listing standards. The Audit Committee assists the Board in its oversight of the integrity of the Company's financial statements, legal and regulatory compliance, the independent registered public accounting firm's qualifications, independence, performance and related matters, and the performance of Schlumberger's internal audit function. The authority and responsibilities of the Audit Committee include the following:

- recommend for stockholder approval the independent registered public accounting firm to audit the accounts of the Company for the year;
- evaluate the independence and qualification of the independent registered public accounting firm;
- review with the independent registered public accounting firm the scope and results of its audit, and any audit problems or difficulties and management's response;
- discuss the Schlumberger annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm;
- review with management, the internal audit department and the independent registered public accounting firm the adequacy and effectiveness of the Company's disclosure and internal control procedures, including any material changes or deficiencies in such controls;
- discuss with management Schlumberger's risk assessment and risk management policies;
- discuss with management and the independent registered public accounting firm Schlumberger's earnings press releases, as well as the type of financial information and earnings guidance, if any, provided to analysts and rating agencies;
- review Schlumberger's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements;
- set policies for the hiring of employees or former employees of the Company's independent registered public accounting firm;

review with the internal audit department the status and results of the annual internal audit plan, assessments of the adequacy and effectiveness of internal controls, and the sufficiency of the department's resources;
establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, as well as for confidential, anonymous submission by employees, and others, if requested, of concerns regarding questionable accounting or auditing matters; and
prepare an annual audit committee report for the Schlumberger annual proxy statement.

The independent registered public accounting firm is accountable to the Audit Committee. The Audit Committee pre-approves all engagements, fees and terms for audit and other services provided by the Company's independent registered public accounting firm.

The Board of Directors has determined that Messrs. Isaac, Lévy-Lang and Talwar, who are independent under applicable New York Stock Exchange listing standards, are audit committee financial experts as defined by applicable SEC rules. The Audit Committee operates pursuant to a written charter, which is available on the Company's website at www.slb.com/content/about/audit_committee.asp. Stockholders may also obtain a copy of the charter without charge by writing to the Secretary of the Company at 5599 San Felipe, 17th Floor, Houston, Texas 77056.

Compensation Committee

The Compensation Committee consists of five independent directors who meet the independence requirements of the New York Stock Exchange's listing standards. The purpose of the Compensation Committee is to assist Schlumberger's Board of Directors in discharging its responsibilities with regard to executive compensation, oversee Schlumberger's general compensation philosophy, serve as the stock option committee under Schlumberger's stock option plans and prepare the annual Compensation Committee Report required by the rules of the Securities and Exchange Commission. The authority and responsibilities of the Compensation Committee include the following:

review and approve the objectives, evaluate the performance, and review and recommend the compensation of the Company's Chief Executive Officer to the full Board meeting in an executive session of independent directors. The Compensation Committee bases its recommendations regarding CEO compensation on:

- CEO performance in light of those objectives;
- the Company's financial and business performance, and relative shareholder returns;
- the CEO's compensation in prior years; and