

## **AMENDED AND RESTATED AUDIT COMMITTEE CHARTER**

**Approved by the Board of Directors on April 24, 2019**

### **Purpose**

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Parker Drilling Company (the "Company") shall be to assist the Board in overseeing (1) the integrity of (a) the process involved in the preparation of financial statements, internal accounting, and effectiveness of financial controls, disclosure controls and financial reporting processes of the Company, and (b) auditing of the financial statements of the Company, (2) the independent registered public accounting firm's qualifications and independence, (3) the performance of the Company's internal audit function and independent registered public accounting firm (the "independent accountant") and (4) the compliance by the Company with legal and regulatory requirements.

The Committee shall prepare the report to the extent required under the rules and regulations of the Securities and Exchange Commission (the "Commission") to be included in a required filing with the Commission.

The Committee shall perform an annual self-assessment at the end of each year.

### **Committee Membership**

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange ("NYSE") and of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission. Membership of the Committee shall be in compliance with all applicable rules and regulations promulgated by the Commission. In addition, all members of the Committee shall be financially literate, as determined by the Board, and at least one member of the Committee shall be an "audit committee financial expert" as defined by the Commission. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The members of the Committee shall be appointed by the Board after recommendation by the Corporate Governance Committee, and shall serve for such term as the Board determines or until their successors are elected or appointed or until their death, resignation or removal. Committee members may be replaced by the Board in its discretion. The Chairman of the Committee shall be appointed by the Board, or if the Board delegates that decision to the Committee, the Committee.

If any director serving on the Committee is also serving on the audit committee of three or more other public companies, the Board shall make a determination, as promptly as practicable following the time when the Company first becomes aware of such circumstances and thereafter on a periodic basis but no less frequently than annually, that such simultaneous service does not impair the ability of such director to effectively serve on the Committee, and shall disclose such determination on its website or in its annual proxy statement (or as otherwise required in any filing with the Commission or by any stock exchange).

If a member of the Committee ceases to be independent for reasons outside the member's reasonable control, his or her membership on the Committee may, if so permitted under then applicable NYSE rules, continue until the earlier of the Company's next annual meeting of shareholders or one year from the occurrence of the event that caused the failure to qualify as independent.

## **Meetings**

The Committee shall meet as frequently as necessary to carry out its responsibilities under the Charter, but not less frequently than quarterly. A majority of the members shall be present in person or by telephone at each meeting of the Committee to establish a quorum for the transaction of business by the Committee, and a vote of a majority of the members of the Committee present will constitute an act of the Committee. The Chairman of the Committee shall be responsible for scheduling all meetings of the Committee and, together with other members of the Committee and senior management as appropriate, developing a written agenda for each meeting. Each Committee member may submit items to be included on the agenda. The Chairman shall preside over meetings of the Committee. In the absence of the Chairman, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting. The Committee shall meet periodically in separate executive sessions with management (including the CEO, CFO and General Counsel), the internal auditors and the independent accountant and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent accountant to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The regularly scheduled meetings of the Committee are open to all directors.

## **Committee Authority and Responsibilities**

The Committee shall have the sole authority to appoint or replace the independent accountant (subject, if applicable, to shareholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent accountant (including resolution of disagreements between management and the independent accountant regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The independent accountant shall report directly to the Committee.

The Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent accountant, subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent accountant for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, compensation to any advisors employed by the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval, including consideration of changes that are necessary as a result of new laws or regulations.

The Committee, from time to time as required and otherwise to the extent it deems necessary or appropriate, shall:

### **Financial Statement and Disclosure Matters**

1. Meet to review and discuss with the management and the independent accountant the Company's annual audited financial statements, (a) disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, (b) their judgment about the application, not just the acceptability, of accounting principles, (c) the reasonableness of significant judgments, (d) the clarity of the disclosures in the financial statements and (e) the results of the audit, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
2. Meet to review and discuss with management and the independent accountant the Company's quarterly financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations prior to the filing of its Form 10-Q, including the results of the independent accountant's review of the quarterly financial statements, and reviewing the specific disclosures made in management's discussion and analysis.
3. Meet to review and discuss with management and the independent auditors, at the conclusion of the annual audit, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or generally accepted accounting principles ("GAAP") methods on the Company's financial statements.
4. Prepare the Committee report that the SEC rules require to be included in the Company's annual proxy statement.
5. Review and discuss with management and the independent accountant any major issues as to the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
6. Review and discuss with management (including the director of internal audit) and the independent accountant management's report on internal control over financial reporting and the independent accountant's report with respect to the

Company's internal control over financial reporting prior to the filing of the Company's Form 10-K.

7. Review and discuss quarterly with the independent accountant:
  - all critical accounting policies and practices used or to be used.
  - all alternative treatments of financial transactions in accordance with generally accepted accounting principles that have been discussed by management with the independent accountants, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent accountant.
  - other material, written communications between the independent accountant and management, such as any management letter or schedule of unadjusted differences.
8. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and ratings agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
9. Discuss with management and the independent accountant the effect of major legislative, regulatory or accounting initiatives as well as any off-balance sheet structures on the Company's financial statements.
10. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including policies regarding risk assessment and risk management policies.
11. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Qs about any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

#### ***Oversight of the Company's Relationship with the Independent Accountant***

1. Discuss with the independent accountant the matters required to be discussed by the applicable auditing standards relating to the conduct of the audit. In particular, discuss:
  - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the independent accountants, internal auditors or management.

- (b) Any significant findings and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
2. Obtain and review a report from the independent accountant at least annually regarding (a) the independent accountant's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues and (d) all relationships between the independent accountant and the Company. Evaluate whether or not the independent accountant's quality controls are adequate.
3. At least annually, consider the independence of the independent accountant, including whether the provision by the independent accountant of permitted non-audit services is compatible with independence, and obtain and review a report from the independent accountant describing all relationships between the auditor, the Company and its management. The discussion with the independent accountant regarding independence shall include the rotation of the audit partner as required by law. Review and evaluate the lead partner of the independent accountant team.
4. At least annually, discuss the overall qualifications and performance of the independent accountants, taking into account the opinions of management and the internal auditors.
5. Meet with the independent accountant prior to the audit to discuss the independent accountants' responsibilities under generally accepted auditing standards and the planned scope, timing and staffing of the audit.
6. Discuss with the independent accountant material issues on which the national office of the independent accountant was consulted by the Company's audit team.
7. Establish a policy for hiring of employees or former employees of the independent accountant.

### ***Oversight of the Company's Internal Audit Function***

1. Review the appointment, performance and replacement of the director of internal auditing.
2. Review significant reports prepared by the internal auditing department and management's responses.
3. Discuss with the independent accountant and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audits.

4. Review with the independent auditors any audit problems or difficulties and management's response, including the independent auditors' responses regarding accounting adjustments noted or proposed but passed (as immaterial or otherwise). Review with the independent auditors any management or internal control letter issued, or proposed to be issued, by the auditors.
5. Discuss the Internal Audit Charter at least annually.
6. Discuss the Sarbanes-Oxley audit plan and review any assistance to be provided to the independent auditors by the internal audit staff.
7. Discuss with management, the internal auditors and the independent auditors the adequacy and effectiveness of accounting, financial reporting and information systems procedures and controls. The review of such internal controls shall include whether there are any significant deficiencies or material weaknesses in design or operation that are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in internal control over financial reporting, in addition to any special audit steps adopted in light of material control deficiencies.

#### ***Compliance and Financial Oversight Responsibilities***

1. Obtain from the independent accountant assurance that Section 10A(b) of the Exchange Act has not been triggered based on information discovered during the audit.
2. Obtain and discuss an annual report from management that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Conduct based on annual compliance statements received from employees and agents. Review reports and disclosures of insider and affiliated and related-party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and the Company's Code of Conduct.
3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, internal accounting controls, information systems procedures and controls or auditing matters.
4. Meet at least annually with the Company's chief compliance officer regarding the implementation and effectiveness of the Company's compliance programs and at such other times as such officer may request.
5. Receive reports from the Company's chief compliance officer regarding any allegations of violations by the Company's Section 16 officers of (a) applicable law

or (b) the Company's Code of Conduct.

6. Discuss with management and the independent accountant any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
7. Discuss with the Company's counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.
8. The Committee shall receive quarterly reports on the Company's environmental and safety performance.
9. The Committee shall evaluate and recommend to the Board appropriate action with respect to significant financial matters including, but not limited to, the following items: the Company's capital structure, dividend policies and payments, debt ratings, corporate borrowings (including self-bonding and third-party surety obligations) and securities offerings.
10. Review related party transactions in accordance with the Company's policies on related party transactions.
11. Discuss the Company's guidelines and policies on risk assessment and management.
12. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

***Other Duties and Responsibilities.***

1. **Charter Review and Committee Self-Evaluations.** The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. Such review shall include input from counsel as to current best practices with respect to the Committee's duties and responsibilities. The Committee shall annually review the Committee's own performance and report to the Board on such review.
2. **Board Reports.** The Committee shall regularly report its activities to the Board in such manner and at such times as the Committee and the Board deem appropriate. Such reports shall include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the independence and performance of the Company's independent auditors, the performance of the internal audit function and any other matters that the Committee deems appropriate or is requested to include by the Board.
3. **Other Delegated Duties and Responsibilities.** The Committee shall perform any other

duties or responsibilities delegated to the Committee by the Board from time to time.

### **Resources and Authority**

The independent auditors shall report directly to the Committee. In that regard, the Committee is directly responsible for engagement of the independent auditors and has the sole authority to appoint or replace the independent auditors (subject to shareholder ratification). The Committee shall pre-approve all audit engagements and all non-audit engagements, including the fees and terms thereof, to be provided by the independent auditors pursuant to policies for approval of such engagements established by the Committee and disclosed in the Company's periodic reports filed with the SEC. In addition, it is a direct responsibility of the Committee for resolution of disagreements between management and the independent auditors regarding accounting and financial matters.

The Committee shall have appropriate resources and authority to discharge its responsibilities, including appropriate funding in such amount as the Committee deems necessary to compensate the independent auditors and any legal, accounting or other advisors retained by the Committee. The Committee shall have the sole authority to retain and terminate any such advisor.

### **Limitation of Committee's Role**

While the Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent accountant. In carrying out its oversight function, each member of the Committee shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, prepared and presented to the Committee by management and outside consultants.

### **Committee Powers**

The Committee shall also have the following powers:

1. To engage accounting or other advisors (including independent counsel) and to have direct access to all such advisors without the presence of any officer of the Company.
2. To interview and meet with any employee of the Company without the presence of any officer of the Company.
3. To investigate any matter brought to its attention within the scope of its duties.
4. To form and delegate authority to subcommittees and to delegate authority to one or more of its members.
5. Such other powers as may be necessary or appropriate to fulfill its purposes as defined in this Charter.