Integrated Management System
Innovative. Reliable. Efficient. This is the Parker Drilling Promise. Our Integrated Management System (IMS) plays a significant role in helping us achieve our strategic goals and in becoming the leading provider of premium contract drilling and drilling-related services, project management and rental tool services to the energy industry. Our success rests on the satisfaction of our clients; therefore, it is imperative that Parker Drilling deliver on this promise.

Our IMS reinforces our long-held Parker values of Integrity, Innovative Spirit, Superior Service to Our Customers, and Respect for People, Ethical Conduct, and the Law. We maintain high ethical standards and demand integrity in our dealings with competitors, customers, partners and each other. Parker Drilling creates exceptional value for our customers through our relentless pursuit of improvement in performance and the efficiency of our work. We are committed to helping customers become more successful through our superior service and enhanced value, and we always strive to work in a manner that protects and promotes the safety, health and well-being of the individual and the environment.

Parker Drilling’s greatest resource is our people and our organization is at its best when our people are informed and empowered. As such, this manual is used internally to guide the Parker Drilling organization to set priorities, manage risk, and ensure customer satisfaction. It emphasizes the importance of well-developed standards and procedures and a robust continual improvement process. This manual also introduces our IMS to our external stakeholders including clients, partners, and other interested parties to familiarize them with the controls we have in place to help us deliver value and reliable results. This ultimately should build and reinforce their confidence in our ability to consistently perform.

We strive to work in an integrated manner to strengthen our processes and share our best practices and lessons learned throughout our organization. Within our business units, individual Integrated Management Systems must provide a platform to improve our clients’ experience with Parker Drilling and effectively address operational risks and costs. Our operational plans must be consistently well executed, business unit audit and assessment programs must be focused on identifying improvement opportunities, and management reviews must use measurable performance metrics to ensure that we continually improve at all levels.

Delivering on the Parker Promise requires a commitment from each and every one of us. Each of us must take personal ownership of our pursuit of continual improvement to better meet the needs of our stakeholders. With each Parker team member doing their part and working together as a team, I am confident we can achieve our vision.

Gary Rich
President & Chief Executive Officer
Parker Drilling Company
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Purpose
The purpose of this Integrated Management System (IMS) Manual is to present the Parker Drilling organization with an integrated approach to quality and management in order to achieve operational excellence and consistency.

Scope
This manual is applicable to the entire Parker Drilling organization, to include all business units, functional divisions and locations. These include:

- Corporate Headquarters
- U.S. Drilling Operations
- International Drilling Operations
- Domestic Rental Tools Operations
- International Rental Tools Operations

Business units are authorized to maintain formal management systems provided: 1) their system is specific and certified to a recognized ISO or API quality management system specification, and/or 2) their system addresses the IMS components prescribed in this manual. Business unit management system processes, standards and procedures shall compliment, and not contradict the Parker Drilling IMS. Business units with formal management systems shall be audited to the specifics of their own system as described in their quality manual, standards and procedures and to how effectively their management system addresses the 12 Components of the Parker Drilling IMS.

Direction & Guidance
Although this manual captures the many programs and systems that are currently in effect within the Parker Drilling organization, it also provides the vision of what is expected through implementation of our IMS. In those areas where current practices, processes and/or procedures fall short of the vision, the organization is expected to aggressively address these shortfalls through the continual improvement process and in accordance with the direction and guidance contained within this manual.

Control and Distribution of this Manual
This manual is updated by the Quality Department each time there is a significant change to the IMS. It may be freely distributed to clients, company personnel and other interested parties.

This manual is published on the Inside Parker Drilling intranet website under Quality to facilitate access by all employees.

Readers are encouraged to provide their feedback and suggestions for improvement. Please send your recommendations to quality@parkerdrilling.com.
Parker Drilling Core Businesses

Founded in 1934, Parker Drilling (NYSE:PKD) is a global provider of contract drilling services, rental tools, well services, and drilling project management including rig design and operations management. The company's drilling services business serves customers on the North Slope of Alaska and the inland waters of the U.S. Gulf of Mexico operating Parker's rig fleet. Parker also operates in select domestic and international markets and in other harsh-environment regions utilizing Parker- and customer-owned equipment. The company's rental tools business supplies premium equipment and well services to operators on land and offshore in the U.S. and international markets. Oil and gas operators around the globe leverage the technical and safety leadership and project execution skills of the Parker team to enhance their drilling performance.
Parker Drilling Organization

Parker Drilling is organized into six (6) business units (International Rental Tools, U.S. Rental Tools, U.S. Barge & Offshore, Latin America, Arctic, and Europe, Middle East & Asia). Each business unit is responsible for its individual core business and management of operations at the local business unit or country level.

Four (4) functional divisions also report directly to the CEO. They provide functional leadership and develop our core competencies across the global organization.

Business units are intimately aware of, and focused on, our customer’s needs. Functional teams work passionately to strengthen our competencies, to continually improve our systems and processes, and to develop industry-leading practices. Together, the Parker Drilling team brings value to our customers through consistency, performance excellence, and by helping reduce customer risk and operating costs. The Parker Drilling organizational structure is depicted below.
Parker Drilling Integrated Management System (IMS)

To help us achieve our strategic objectives, Parker Drilling has developed an Integrated Management System (IMS) in line with our Vision, Values and Code of Conduct. Our IMS is composed of policies, standards, processes, procedures, and tools implemented to support our ability to execute on our vision by ensuring that customer satisfaction and quality requirements are met or exceeded. It provides a platform for reliable performance and is based on:

- An IMS System Policy and annual review of objectives
- Corporate direction & guidance, policy, standards & procedures managed and controlled through a Document Management System
- The management of key business processes
- A formalized Continual Improvement program

Integrated Management System (IMS) Policy Statement

Parker Drilling is fully committed to working in partnership with our customers and suppliers to achieve the vision of being the leading provider of premium contract drilling, drilling related services, and rental tool services to the energy industry.

We constantly strive to deliver innovative, reliable and efficient services and products across all of our business streams that satisfy the needs and expectations of our internal and external customers and create a competitive advantage for the company and our stakeholders.

We place the highest value on integrity, innovative spirit, superior service to our customers, and respect for people and the environment.

We maintain a robust Integrated Management System that is compliant with accepted international standards and industry regulations.

We are committed to continual improvement as a means to enhance performance excellence within the Parker Drilling organization, management system, people, technology and processes. Continual Improvement is achieved at all levels through self-assessment, dedicated training, annual audits and management reviews.
IMS Alignment with Recognized Industry Specifications

Parker Drilling’s IMS is founded on International Organization for Standardization (ISO) and American Petroleum Institute (API) standards.

Standards established by ISO, the world’s largest developer of International Standards, are global benchmarks for quality management systems. Created to measure and control best practices, ISO standards drive the assessment of performance throughout the entire business lifecycle process, defining quality system requirements for the design, development, production, delivery, installation, and maintenance of services and products.

API Q1 and API Q2 are ISO-based, oil and gas industry specific standards. API Q2 is a process- and risk-based system designed specifically to improve service-related product reliability, efficiency and to minimize risk. Parker Drilling IMS is aligned to the API Q2 Specification.

Individual business units and locations may hold certifications as deemed appropriate by management. Certification to quality standards such as ISO and API significantly enhances and improves our ability to meet customer requirements, and demonstrates our desire to supply quality service.

Because each client’s challenges are unique, and no single quality strategy fits all circumstances, we utilize all of these methodologies to assure confidence in our processes and services, and to deliver innovative, reliable and efficient solutions that improve our clients’ businesses.

The following graphic provides a general overview of the Parker Drilling IMS:
**Key Components of Parker Drilling IMS**

Parker Drilling’s IMS is comprised of twelve (12) key components which are based on core and supporting management processes. The key components are listed below and serve to help guide and assist Parker’s individual business units and functional areas in achieving and maintaining operational excellence.

1. Management Commitment
2. Information, Documentation & Records
3. Compliance
4. Safety & Environment
5. Competency & Training
6. Operational Risk Management
7. Supply Chain Management
8. Operations Planning & Execution
9. Asset Management & Preventive Maintenance
10. Management of Change
11. Audit & Assessment
12. Continual Improvement

Not any one component is more important than the other. The illustration below demonstrates the interdependent relationship that exists between each component and how together they come to form our integrated management system.
1. Management Commitment

At Parker Drilling, we are committed to meeting the needs of our stakeholders through operational excellence. Whether we are drilling in remote locations and challenging conditions, managing the project design of specialized drilling systems, or providing premier rental tools around the globe, we strive for continual process improvement, focused always on supplying superior value to our clients.

More than just an end result, operational excellence is a mindset. From attentive collaboration with each client to consistent service delivery, operational excellence is an end-to-end process. Our integrated management system is communicated and supported at every level of the organization:

- At the corporate level, Parker Drilling’s Leadership Team (LT), spearheaded by our CEO and comprising key senior executives, oversees all quality initiatives and reviews innovative and emerging methodologies.
- At the business unit level, individual drilling operations and subsidiaries may pursue certifications that benefit the clients and industries they serve.
- At the individual level, Parker Drilling employees are encouraged and enabled to pursue individual certifications which support Parker Drilling’s pursuit of operational excellence.

Our focus on operational excellence means we take pride in satisfying our customers by delivering services and products that meet their specified requirements at the agreed price and within schedule. It also means we are committed to continuously improving the processes by which we provide our services and products so that our work meets requirements and is done right the first time.

Customer satisfaction is fundamental to the company’s short-term and long-term success. The objective and expectation of management’s commitment to operational excellence is that customers will know and recognize Parker Drilling to be the innovative, reliable and efficient leader in the energy industry. Client expectations determine priorities and inspire our progress. Meeting expectations and earning client confidence will come from the efforts of each business unit, division, and employee in conjunction with the supportive contribution from every level of management.

The Parker Drilling management team is committed to continually fostering a business environment consistently focused on operational excellence and to providing a well-defined integrated management system, additional tools, and the necessary resources to achieve our aim. A comprehensive annual review of our IMS Policy and objectives is essential to our work and to the value we deliver our customers. Roles, responsibilities, authority and accountability within the Parker Drilling IMS are known, understood, and exercised. We apply our most important resource, our employees, to understand and continuously improve our processes.
2. Information, Documentation & Records

Accurate information is required in the Parker Drilling organization in order to facilitate sound decision making at all levels. Information includes, but is not limited to capabilities, processes, procedures, hazards, risks, and regulatory requirements.

Every business unit and functional area creates a great number of records in a variety of media. Our management understands the highly interconnected nature of information, documents and records. If information is not captured in records that are accessible, they will not be available when needed later. Poor documentation may result in loss of capability, efficiency and increased risk.

Due to the global and dynamic nature of our business, Parker Drilling cannot permit information to reside only in the memory of its personnel even in the short term. As personnel are transferred or leave the company, information that has not been documented may be lost and the quality of service that we provide our customers could be negatively impacted.

The flow of information and the management of documents and records are supported by a robust global communications and information technology (IT) infrastructure. The Parker Drilling Document Management System (DMS) and Records Information Management System (RIMS) provide a means for employees to capture, receive, store, organize, share, retrieve, re-use, protect and dispose of information in an electronic environment regardless of format and without geographic or organizational barriers.
3. Compliance

At Parker, we have an uncompromising commitment to providing our customers with quality service and product, while recognizing that our success depends on the trust and respect of our customers, investors, employees and the communities where we operate. We only earn that respect by demonstrating the highest ethical and business standards. While ethical conduct absolutely demands that we comply with the law, it also requires much more. To be truly ethical, we must demonstrate integrity – and do the “right thing” – in all of our actions.

Parker Drilling’s reputation for integrity and ethical conduct is a competitive advantage. Our brand is strengthened as a result, and our customers choose our company because of our outstanding reputation. Compliance helps the Parker Drilling organization build customer confidence, attract and retain the most talented personnel, reduce potential liabilities and enhance our efficiency and performance.

Our Code of Conduct is organized around our commitments to ethical behavior and compliance with the law.

- **To Everyone** – We commit to conduct business in an ethical manner and to obey the law
- **To Our Investors** – We commit to safeguard our technology and other assets, to maintain strong internal controls and accurate financial records and to provide timely information about our business to the public – while pursuing consistently superior financial results
- **To Our Employees** – We commit to provide exceptional training opportunities and a safe and welcoming work environment where all employees are treated with respect
- **To Our Customers** – We commit to deliver exceptional performance and to uphold our strong reputation within our industry
- **To the Communities Where We Operate** – We commit to protect the environment and to respect their laws and traditions
4. Safety & Environment

We believe our most valuable resource is our people and nothing has greater importance than our employees’ health and safety. In addition, we believe it is important to be good stewards of the environment and the communities in which we live and work. As such, Parker is committed to:

- Comply with applicable health, safety, and environmental laws
- Develop, implement and continually improve technologies, policies, standards and procedures that protect people, property, processes and the environment
- Promote a culture that values continual improvement in health, safety and environmental performance with the goal of incident free operations
- Communicate health, safety and environmental objectives to personnel so they understand their responsibility for ensuring a safe work place
- Provide employees with appropriate health, safety and environmental education and training
- Monitor and audit operations to assess whether health, safety and environmental standards and policies are achieving our objectives

Parker Drilling’s leadership is committed to providing the resources and support necessary to achieve these goals and objectives. Our employees embrace this commitment as we all believe that everyone’s involvement is necessary for us to best serve our customers and our people, while protecting the environment.

Parker Drilling’s health, safety, and environmental program helps to ensure our organization operates in a manner that protects the health and safety of our employees, customers, business associates, community neighbors, and the environment.
5. Competency & Training

Our people are key to our success and operation. Parker Drilling takes pride in employing some of the most skilled people in the energy and drilling industry. It is because of these problem-solving, team-oriented, and dedicated innovators that Parker is an industry leader in opening new markets and developing new technology.

The broad concept of competency focuses on our ability to perform particular tasks and duties to the standard of performance expected in the workplace. Competency requires the application of specified skills, knowledge and attitude. It covers all aspects of workplace performance and involves performing individual tasks, managing a range of different tasks, responding to contingencies, and dealing with the responsibilities of the workplace, including working with others. Competency requires the ability to apply relevant skills, knowledge and attitudes consistently over time, and in the required workplace situations and environments.

Parker Drilling employees are carefully screened, selected and placed within our organization. Functional, personal, and business competencies are identified as required for superior performance. Once identified, these competencies are used for selection or development of employees.

Competency-based training ensures that employee development is directly tied to job performance. Once competencies are defined, training is organized to support performance at different levels - from entry-level to upper management. Training focuses on what is expected of a competent individual in the workplace as an outcome of learning, rather than focusing on the learning process itself. However, the effectiveness of the training is always evaluated and documented to ensure that the material being presented is relevant and constructive.

Job descriptions outline agreed statements of the skills and knowledge required for effective performance in a particular job or job function and describe work outcome. Looking at the competencies required for different job levels also allows employees to set professional development goals.

Periodic reviews of employee performance are conducted to determine competency training requirements and employee development opportunities.
6. Operational Risk Management

Parker Drilling’s Operational Risk Management (ORM) process provides oversight of operational risk by providing a proactive tool for risk identification, assessment, risk decision making, implementation of risk controls, which results in acceptance, mitigation or risk avoidance.

Risks are inherent in almost everything we do and are more easily controlled when identified early in the planning process. ORM decisions are made by the leader directly responsible for the operation. Prudence, experience, judgment, intuition, and situational awareness of leaders directly involved in the planning and execution of the operation are the critical elements in making effective ORM decisions.

The ORM methodology is applicable to any Parker Drilling activity and is designed to enhance decision making skills. These methods provide a tool for employees at all levels to increase operational effectiveness by identifying, assessing and managing risks. At Parker Drilling, ORM is a mindset that when incorporated in all aspects of company operations, reduces the potential for loss and thereby raises the probability for success.
7. Supply Chain Management

Parker Drilling’s Supply Chain Management (SCM) organization is committed to providing our internal and external customers with an efficient, predictable, and compliant supply chain, based on the most sophisticated, innovative technology, and close collaboration with top tier suppliers and freight forwarders.

Parker Drilling’s Houston-based SCM department manages development and execution of strategic sourcing, planning and contract execution, procurement, warehousing and inventory control, and international and domestic logistics. It also ensures that suppliers providing goods and services to Parker Drilling perform in a manner that is consistent with Parker Drilling’s operational requirements.

Parker’s SCM includes the following:

- **Strategic Sourcing** – Through close collaboration with its internal and external customers, SCM identifies potential suppliers who can provide the best “Total Cost of Ownership” for each product and service category. Through a formal “request for proposal” (RFP) process, SCM selects alliance partners providing high quality materials and services with documented quality and compliance systems and procedures in place. In addition, potential suppliers are evaluated based on their global footprint relative to Parker’s international and domestic operations.

- **Formal Policies, Procedures & Controls** – SCM has established policies, procedures, and controls, to control purchase and shipment of materials and equipment, and for contracting services. Included is a Buyer’s Guide specifying approved suppliers for each category of equipment and materials. Generally, Parker’s approved suppliers are original equipment manufacturers (OEM’s) or their authorized distributors.

- **Integrated Requisition To Pay Technology** – SCM utilizes software to fully integrate inventories, requisitioning, and procurement. Warehouse inventory Master Items tie to strategic sourcing contracts. Strategic sourcing contracts are linked to electronic catalogs including fixed pricing for goods and services. Catalog procurement eliminates the need for obtaining quotations for individual transactions, thereby streamlining the procurement process.

- **Compliance/Auditing** – To mitigate risk, SCM utilizes a formal Vendor Addition & Change process to screen potential new suppliers. SCM performs annual supplier audits to ensure that suppliers adhere to their responsibility to provide product quality in accordance with the appropriate standards, on-time delivery, and at appropriate pricing.

- **Logistics Management** – SCM manages Parker’s global logistics network through freight forwarding contracts for all international and domestic operations. Purchase orders (PO’s) are electronically transmitted to the freight forwarders, and the freight forwarder’s “Goods Receipt” and “Goods Shipped” information is electronically transmitted to Parker’s PO line items. Therefore, all SCM’s internal customers can electronically access current receipt and shipping information by PO line item.
8. Operations Planning & Execution

Parker Drilling’s operations consist of providing clients with worldwide drilling services, rental tools, project management, rig design, and/or operations management. In all business units and functional divisions, Parker Drilling personnel work to properly plan and execute operations to provide innovative, reliable and efficient service that consistently satisfies the needs of our customers. Our goal of operational excellence is measured by client satisfaction, reduced operational risk and cost.

Through effective planning, the Parker Drilling team partners with our clients to better understand customer-specified requirements, clearly define deliverables, and develop critical success factors and key performance indicators (KPIs) in order to measure and track success. Legal and regulatory requirements are also reviewed to ensure compliance. An initial operational risk assessment is made to identify high risk activities and to develop a plan for mitigation and/or avoidance. Parker personnel assess and determine the resources required to complete the project, identify critical equipment and components, and begin to plan for contingencies. Management of change (MOC) procedures are also reviewed and implemented. Planning culminates in a review with the customer to confirm that:

- Deliverables for service and product are clearly defined
- Specifications and all regulatory and permit requirements have been met
- Emergency, operations and maintenance procedures are adequate and in place
- Required action has been taken to address Operational Risk Management (ORM) recommendations
- Proper resources are in place and critical equipment is inspected and tested
- Training has been accomplished as determined appropriate

Throughout execution, Parker Drilling personnel monitor the status of compliance, personnel competence and training, critical equipment and service-related product. In addition, they track KPIs, continually pursue the ORM process, monitor suppliers and third-party service providers and manage change as it occurs via the MOC process.
9. Asset Management & Preventive Maintenance

The Maintenance Management System (MMS) ensures that assets owned and operated by Parker Drilling are properly identified, tracked, and maintained in order to ensure equipment availability, minimize downtime, and satisfy the needs and expectations of our customers. MMS optimizes the maintenance performed to control costs and safeguard personnel and environmental safety.

Specifically, MMS is designed to maximize the mean time to failure and extend the life cycle of equipment; thus minimizing unplanned rig downtime due to equipment failures. Maintenance costs are reduced through the optimum combination of both calendar-based and predictive-based preventive and breakdown maintenance. As a result, the costs of maintaining spare parts are also reduced. MMS establishes performance measures for business units and divisions to allow all levels of the organization to gauge their performance and identify areas for improvement.

MMS incorporates the following basic tools:

- A total software-based predictive maintenance system (e.g., IVARA) that provides integrated control of the maintenance processes
- A preventive maintenance (PM) program that establishes a routine of inspections and component maintenance activities to improve the availability of critical equipment
- A condition-based maintenance (CBM) program that analyzes equipment performance to anticipate failures before they occur to enable overhauls and major maintenance to occur “just in time,” and to optimize preventive maintenance scheduling activities
- An equipment failure investigation process that facilitates an accurate identification of the ‘cause of failure’ and ensure that corrective actions are implemented
- Development and implementation of maintenance procedures for complex maintenance activities
- Procedures to commission new or repaired equipment
- Procedures for the acquisition and control of critical spare parts
- Procedures to document and track equipment history
10. Management of Change

Management of Change (MOC) procedures exist to ensure that risk arising from change remains at acceptable levels and does not compromise the safety of those involved or the quality of service we provide our customers. Parker Drilling is committed to implement change in a safe and efficient manner. The MOC process shall be applied to all company activities that fall under the umbrella of change.

Change can be the result of a conscious decision to exchange, substitute, convert, alter, add, modify or vary a component of an existing process, its equipment and/or control and management systems. Change can be administrative, organizational and/or technical. Changes in operations, procedures, standards, facilities, customers, suppliers, organizational structure, key personnel, equipment specifications and/or application, legal or any other reason for change must be evaluated to avoid unintended consequences and managed to maintain risk at acceptable levels.
11. Audit & Assessment

Parker Drilling has various means to detect and measure the effective deployment of its IMS, as well as strategy and improvement plans to achieve stated objectives. These include audits conducted internally by cross-functional teams, and externally by clients and third party certification bodies. In addition, client feedback, internal surveys and self-assessments are effective means to measure effectiveness.

Based on the results of these metrics, subsequent analysis is carried out and reviewed by management in regular quality reviews. These reviews are crucial to engaging management, understanding risk, and determining whether new improvement projects are needed.

An audit produces the following:

- Determines whether an organization’s activities and related results comply with planned arrangements to deliver customer, stakeholder and regulatory requirements
- Provides management with information regarding the organization’s ability to meet management system related business objectives
- Identifies problems that may prevent the client from meeting its management system related business objectives
- Identifies meaningful opportunities for improvement and areas of risk that may not have been previously identified or managed

An assessment produces the following:

- Raises awareness at all levels within an organization
- Helps identify potential problem areas before they become major issues
- Helps to orient the continual improvement process
- Spot checks quality metrics and KPIs
12. Continual Improvement

Continual improvement is at the heart of the Parker Drilling IMS. This includes all activity implemented or planned to improve the quality of our services and product. Our improvement loop is driven by client feedback, our nonconformance system, and reporting of HSE incidents and near misses. Improvement opportunities are also identified through management reviews, internal audits, and risk assessments.

Parker Drilling strives to ensure that actions taken to improve our services and products are efficiently handled, effective, sustainable, and communicated across the organization. Within our business units, “Continual Improvement Plans” are developed and managed to drive improvements in our operations, enhance client satisfaction, and address identified business risks.

Every employee, supplier and customer is regarded as an essential part of the process, and is committed to:

- Continual improvement in terms of quality and effectiveness is fundamental to Parker’s development, and an important source of its competitive advantage
- Working cooperatively with our customers for timely resolution of quality issues such as “Out Of Specification” results or nonconformance issues
- Developing all personnel through training at all levels of the company’s operations
- Working toward an error-free performance standard, based on prevention and a “operations excellence” attitude
- Ensuring compliance with applicable regulatory requirements, which is accomplished by monitoring changes to regulatory requirements that might impact the various aspects of our business
- Sharing of Lessons Learned and Best Practices globally across the entire Parker Drilling organization
**IMS Documents**

Parker Drilling’s IMS incorporates a Document Management System (DMS) that delineates the hierarchy of corporate, business unit, functional division, and local IMS documentation. The Parker DMS is managed by the Quality Department within the Corporate, Technical Services Division and is published on the company intranet.

The following illustration depicts the hierarchy of corporate, functional division, business unit and local IMS documentation:

- **Tier I – Corporate Policy, Direction & Guidance** – The set of basic principles and associated guidelines, overall policy, intentions and directions of the Parker Drilling organization as formulated and enforced by Parker Drilling Leadership Team (LT) and formally expressed by the Chief Executive Officer to direct and limit the actions of the entire organization or multiple business units/functional divisions in pursuit of long-term goals. i.e. Code of Conduct, IMS Policy, IMS Objectives, Corporate Policy & Standards for Communications, Compliance & Risk, Legal, IT, HSE, Finance & Accounting, and Treasury, Corporate Vision & Strategic Plans.

- **Tier II – Corporate Standards & Procedures** – Corporate Standards establish expectations and set limits or rule for the entire Parker Drilling organization. They are monitored for compliance. Corporate Procedures are a fixed, step-by-step sequence of activities or course of action (with definite start and end points) that must be followed in the same order to correctly perform a task in order to provide standardization and achieve efficiencies within the organization. Corporate procedures outline core and supporting processes and will apply to the entire organization or at a minimum more than one business unit and/or functional area.
Tier III – IMS Subsystem Manuals – Individual business unit IMS Manuals are framework documents that provide descriptions of individual systems and subsystems that exist within the Parker Drilling IMS. Business unit (BU) IMS Manuals are published and maintained at this level in order to demonstrate the BU’s ability to consistently provide services that meet customer, legal, and other applicable requirements and to support certification where applicable.

Tier IV – Business Unit/Functional Division-specific Procedures & Standards – Standing procedures and/or standards that are specific and apply only to that individual BU and/or Functional division.

Tier V – Work Instructions – Individual or composite instructions and/or checklists that are specific and related to a procedure and/or standard.

Tier VI – Forms & Records – Forms are standardized and specific to a procedure or standard. Completed forms and other documents identified by corporate policy as records shall be maintained as per their designated retention schedule.
Quality Department

The Quality Department resides at Parker Drilling’s corporate headquarters within the Technical Services group. It is responsible for managing the Parker Integrated Management System (IMS) and initiating organizational-wide programs and efforts to ensure that the global organization is delivering high-quality services and products to our clients and to increase overall performance excellence.

The Director of Quality leads a team of specialists to improve selected processes that will affect multiple divisions and business units. In addition, the Quality Department will:

- Lead process improvement initiatives
- Develop and deliver training on the IMS and related Quality Issues
- Maintain and control the Documentation Management System (DMS)
- Maintain and control the Records & Information Management System (RIMS)
- Manage the “Continual Improvement” process
- Support strategic planning and deployment initiatives
- Measure progress through implementation of quality metrics
- Drive efficiency through promotion and sharing of best practices and lessons learned
Quality Managers / Coordinators

Quality Managers / Coordinators within each Business Unit report functionally to the Director of Quality, and are responsible for the proper implementation of the IMS and continual improvement within their respective BU. Quality Managers / Coordinators are required to:

- Lead BU quality teams to deliver high-quality services and products to our client’s satisfaction
- Define and deliver annual objectives aligned to Parker Drilling organizational strategy
- Ensure processes are in place for reporting and analyzing nonconformities and client feedback
- Develop and deploy continual improvement programs
- Conduct effective quality management reviews
- Develop and deliver annual audit and assessment program
- Designate Quality Representatives and/or Champions by rig or location as necessary to maintain an effective quality program

Quality Representatives / Champions

Rental Tool BUs with multi-site activities will also have local Quality Representatives onsite who report functionally to their BU Quality Manager / Coordinator and are responsible for proper IMS implementation at their specific location and/or region.

Quality Champions may also be named by rig and or location as deemed appropriate by Quality Coordinators/Managers in order to maintain an effective quality program within their BU.

Quality Representatives from every functional area and department located within Corporate Headquarters are identified and designated to assist their leadership with quality issues and IMS implementation to include: quality metrics, document and records control, continual improvement and handling of nonconformities. Quality Representatives attend quarterly meetings and training to pass on information regarding quality and the IMS to fellow employees.
Parker’s Commitment to Health, Safety & Environment

Parker Drilling provides contract drilling and drilling-related services, project management and rental tools that are vital to a vibrant world economy, and in a manner that protects the communities where we live and work. The health and safety of our employees and their families, our neighbors and the communities where we operate is among the highest priority for our company. Safety and environmental responsibility are an integral part of our culture, and these values drive improved quality in every aspect of our operations.

Parker’s commitment is to comply with applicable health, safety and environmental (HSE) laws and regulations, while developing the best feasible operating procedures, technologies, and processes. Parker expects each employee to demonstrate this same commitment to safety excellence.

HSE Policy

Our drilling and project management operations are governed by the Parker Drilling Health, Safety and Environmental Policy, which is our vision for HSE management and performance. Our HSE policy ensures that Parker delivers services and products that conform to government regulations, industry standards, and customer requirements.

Parker’s Actions

We have made significant investment to provide our employees with a comprehensive curriculum of HSE and technical training to ensure our people are prepared to operate safely while meeting our performance objectives. Our training programs were met with such a positive response from our customers that we established the Parker Training Center to train not only our own employees, but those of our customers and other personnel inside and outside of our industry.

We have a long history in creating technologies that improve drilling efficiency, reduce environmental impacts, and enhance safety in drilling operations. Parker Drilling is proud to be an industry leader in safety performance. For over a decade, our Total Recordable Incidence Rate (TRIR) has continuously outperformed the average TRIR of our peers.
Safety and Environmental Management System (SEMS)

Parker Drilling recognizes the value of Safety and Environmental Management System (SEMS) and compliance with customers’ SEMS on U.S. Outer Continental Shelf (OCS) facilities that operate under the jurisdiction of the U. S. Bureau of Safety and Environmental Enforcement (BSEE).

Parker Drilling is contracted to operators in the OCS of the U.S. We provide safe and reliable equipment as well as trained employees who are familiar with offshore oil and gas operations. Parker Drilling requires program elements of SEMS to be properly documented and available at field and/or office locations, as appropriate for each program element. We are committed to being familiar with the Operator’s SEMS and to have safety and environmental policies, standards and procedures that are consistent with the Operator’s SEMS. In addition, we are committed to continually maintain and improve our policies, standards, and procedures based on changing requirements, audit results, and evolving technologies.

Our objective is to promote safety and environmental protection during the performance of offshore oil and gas operations. Therefore our program complies with our customers’ SEMS and addresses the identification and management of safety hazards and environmental impacts in design, construction, start-up, operation, inspection, and maintenance, of new, existing, or modified drilling facilities, including Mobile Offshore Drilling Units (MODUs), while under Bureau of Safety and Environmental Enforcement (BSEE) jurisdiction.

The Parker Drilling compliance program is based on the following hierarchy of program development:

- Safety and Environmental Policy
- Planning
- Implementation and operation
- Verification and corrective action
- Management review
- Continual improvement
The IMS Advantage

There are many advantages to operating under the Integrated Management System (IMS), but none can be realized without the commitment and diligence of all Parker employees. The successful implementation of the concepts contained within the IMS will place every business unit, functional area, department, rig and location on the path to sustainable operational excellence ...consistent quality of service that manages operational risk and cost.

Parker Drilling’s IMS provides:

- A leadership team attentive to the needs of the organization, our clients and our people
- A delineated organizational structure with clearly defined roles and responsibilities
- An informed and prepared workforce empowered to deliver innovative, reliable and efficient solutions
- Compliance with applicable legal and regulatory requirements
- A focus on operational risk management which places ORM at the center of operations planning and execution
- An effective personal and environmental safety management system
- A formalized continual improvement process that breaks down barriers between business units and functional areas
- A means to ensure customer and stakeholder expectations are met
External certifications are maintained predominantly by our international rental tool organization at multiple locations around the world.

**International Tubular Services Ltd**
Greenbank Road, East Tullos, Aberdeen, AB12 3BQ, Scotland
- API 5CT
- API 7-1
- API Q1
- TS 29001
- ISO 9001
- ISO 14001
- OHSAS 18001

**International Tubular Services (Great Yarmouth)**
Havenshore Base, South Denes Rd, Great Yarmouth, Norfolk NR30 3QD
- ISO 9001

**International Tubulars FZE (Dubai) - Indian Operations**
Project Office: Survey No. 99/1A/3 & 99/1A/2(Part), Village VAVANJE, Near Taloja M.I.D.C., TALOJA, Raigad-410208, Maharashtra
- ISO 9001
- ITS India PVT Ltd. (Kakinada)
- Plot No. 13A Industrial Park, Vakalapudi, Kakinada, Andhra Pradesh 533003 India
- API 5CT
- API 7-1
- API Q1
- API 6A
- ISO 9001
- ISO 14001
- OHSAS 18001

**ITS India PVT Ltd. (Mumbai)**
Survey No. 99/1A/3 & 99/1A/2(Part), Village VAVANJE, Near Taloja M.I.D.C., TALOJA, Raigad-410208, Maharashtra
- API 5CT
- API 7-1
- API Q1
- ISO 9001
- ISO 14001
- OHSAS 18001

**ITS Netherlands B.V.**
Koning Willem II weg 1C
1756 BH ’t Zand
The Netherlands
- API 5CT
- API 7-1
- API Q1
- ISO 9001
- ISO 14001
- OHSAS 18001

**ITS Energy Services - Trinidad**
1196-C Guayaguayare Rd,
Calmapas Village, Mayaro,
Trinidad, West Indies
- API 5CT
- API 7-1
- API 6A
- TS 29001
- ISO 9001

**ITS Scomi Asia Pacific Pte Ltd**
152 Beach Road #05-06. Gateway East, Singapore 189721.
- API Q1
- TS 29001
- ISO 9001
## Revision History

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