



Policy Number:

Effective Date:

Approved By:

Revised Date:

Clawback Policy

Policy

Key Energy Services, Inc. (“Key” or the “Company”) has adopted a Clawback Policy as described below.

In the event that the Company is required to prepare an accounting restatement due to the Company’s material noncompliance with any financial reporting requirement under applicable U.S. federal securities laws (a “**Restatement**”) regardless of individual fault, (“**Restatement Trigger**”) the the Board of Directors of the Company (the “**Board**”) or the Compensation Committee of the Board or another committee designated by the Board (each, the “**Committee**”) may, in its sole discretion, take such action as it deems appropriate to recover from any Covered Executive Officer any or all of the “**Excess Incentive Compensation**” that the Covered Executive Officer was awarded during the “**Recoupment Period**.”

A restatement of the Company’s financial statements due to a change in accounting policies or principles shall not be deemed a Restatement for purposes of this Policy.

Definitions

“**Covered Executive Officer**” means any any current or former Executive Officer.

“**Excess Incentive-Based Compensation**” means the amount of Incentive-Based Compensation awarded by the Company to a Covered Executive Officer in excess of what would have been awarded to that Covered Executive Officer under the circumstances reflected by the Restatement, but in no event will such Excess Incentive Compensation exceed the total amount of such Incentive-Based Compensation realized by that Covered Executive.

“**Executive Officer**” means those officers of the Company subject to Section 16 of the Securities Act of 1934.

“**Incentive-Based Compensation**” means, with respect to an Executive Officer, cash-based and share-based compensation as to which the vesting, payment or settlement depends upon the satisfaction of one or more performance conditions related directly to one or more financial measures disclosed on Key Energy’s financial statements. For avoidance of doubt, a financial measure shall include a measure that reflects adjustments made to a financial measure disclosed on Key Energy’s financial statements.



POLICY

Policy Number:

Effective Date:

Approved By:

Revised Date:

“Recoupment Period” means the twenty-four (24) month period preceding the date on which the Company is required to prepare the Restatement.

Applicability

This policy applies to all current and former Executive Officers.

Responsibility

The Board and any designated Committee are responsible for implementing and enforcing this policy.

Details

To the extent permitted by applicable law and as the Board or Committee in its sole discretion deems appropriate and in the best interests of the Company, the Board or Committee may seek the recoupment or forfeiture of any Excess Incentive-Based Compensation (the “Clawback Amount”).

This policy shall be interpreted (including the determination of the amounts recoverable) by the Board or Committee in its sole discretion, exercising its business judgment. To the extent that applicable rules or regulations with respect to recovery of Excess Incentive-Based Compensation are adopted by the Securities and Exchange Commission and NYSE pursuant to Section 10D of the Securities Exchange Act of 1934, as amended, nothing in this policy shall be deemed to limit or restrict the right or obligation of the Company to recover Excess Incentive-Based Compensation, to the fullest extent required by such rules or regulations. The Board may amend this policy in its discretion at any time, including, without limitation, to the extent required by applicable law, rules or regulations.

In recovering the Clawback Amount from an affected Covered Executive Officer, the Board or the Committee has the right to determine the form and timing, which may consist of, but is not limited to the following:

- Requiring reimbursement by such Covered Executive Officer of the Clawback Amount relating to any cash-based Incentive-Based Compensation paid to such Covered Executive Officer under the Company’s annual bonus plan (including forfeiture of cash amounts not yet paid);
- Causing the cancellation, forfeiture, or reduction of outstanding equity awards, in whole or in part, issued under the Company’s equity compensation plan(s) to such Covered Executive Officer to the extent of the Clawback Amount;



POLICY

Policy Number:

Effective Date:

Approved By:

Revised Date:

-
- Requiring reimbursement by such Covered Executive Officer of any gains actually realized (net of brokers' commissions and taxes paid) on the exercise of Company stock options or sale of stock attributable to other Company stock awards to the extent of the Clawback Amount;
 - Reducing future compensation due such Covered Executive Officer to the extent of the Clawback Amount;
 - Requiring reimbursement by such Covered Executive Officer of the Clawback Amount relating to any cash-based Incentive-Based Compensation paid to such Covered Executive Officer under the Company's long-term Incentive Based Compensation plan (including forfeiture of amounts not yet paid); and/or
 - Requiring reimbursement by the such Covered Executive Officer of the Clawback Amount relating to any share-based Incentive-Based Compensation paid to such Officer under the Company's long-term Incentive-Based Compensation plan (including forfeiture of amounts not yet paid), provided such reimbursement may be made in shares delivered, the cash equivalent or a combination thereof.

In addition, the Board or the Committee may take other action to enforce a Covered Executive Officer's obligations to the Company as the Board may deem appropriate in view of all facts surrounding the particular case, including authorizing termination of the Covered Executive Officer or initiation of appropriate legal action by the Company.

Limitation on Period for Recoupment

The Board may only seek recoupment under this policy if the restatement shall have occurred within 24 months of the publication of the audited financial statements that have been restated.

Record retention

This policy shall be reviewed periodically by the Board as the Board deems appropriate.

Amendment of Policy; Conflicts of Laws

The Board may amend this Policy from time to time, including to address the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations issued by the Securities and Exchange Commission or any national securities exchange. The validity, construction, and effect of this Policy and any determinations relating to this Policy shall be construed



POLICY

Policy Number:

Effective Date:

Approved By:

Revised Date:

in accordance with the laws of the State of Delaware without regard to its conflict of laws principles.

Revision History

DATE	REVISIONS
ApprovedDate	New policy

.