

# **PIONEER ENERGY SERVICES CORP.**

## **AUDIT COMMITTEE CHARTER**

As Adopted July 31, 2020

### **Purpose**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Pioneer Energy Services Corp. (the “Company”) to (1) oversee the integrity of the Company’s financial statements, including the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company, (2) oversee the independent auditors’ qualifications and independence, (3) oversee the performance of the Company’s internal audit function and independent auditors, (4) oversee the Company’s compliance with legal and regulatory requirements, (5) prepare the audit committee report to be included in the Company’s annual proxy statement, and (6) fulfill any other responsibilities set forth in this Charter.

Pursuant to the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission (the “SEC”), the Committee will be directly responsible for the appointment, compensation, retention, and oversight of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company (referred to in this Charter as the Company’s “Independent Auditors”).

All of the requirements of this Charter are qualified by the understanding that the role of the Committee is to act in an oversight capacity and are not to imply or require a detailed review of the work performed by the Independent Auditors or the Company’s internal auditors or other personnel responsible for the internal audit function (referred to in this Charter as the Company’s “Internal Auditors”), unless specific circumstances are brought to the Committee’s attention warranting such a review. The Committee should expect that (1) the Company’s Independent Auditors, Internal Auditors or management have the responsibility to plan and conduct financial audits and to determine that the Company’s financial statements and related disclosures are complete, accurate, and in accordance with U.S. generally accepted accounting principles (“GAAP”) and other applicable rules and regulations, and (2) Company management has the responsibility to ensure the Company’s compliance with applicable legal and regulatory requirements.

### **Membership and Meetings**

The Committee will consist of not less than three directors, each of whom will serve at the discretion of the Board. The Board will designate the chairperson of the Committee (the “Chairperson”). The Board must determine, using its business judgment, that each Committee member meets the independence requirements of the New York Stock Exchange (“NYSE”), Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and any other applicable law, rule, regulation, or Company policy governing independence. The Board must determine, using its business judgment, that each Committee member is financially literate as contemplated by the rules of the NYSE, or is provided reasonable assurance that the member

will become financially literate within a reasonable period of time after his or her appointment to the Committee. The Board must also determine, using its business judgment, that at least one Committee member has the attributes of an “audit committee financial expert,” as defined by the SEC. Unless otherwise determined by the Board of Directors, no member of the Committee may simultaneously serve on the audit committees of more than two other public companies.

Committee members, including the Chairperson, will be appointed by the Board on an annual basis. Committee members will serve until their earlier resignation, retirement, or removal by the Board, or until their successors are duly appointed and qualified.

The Committee will meet at least quarterly, and more frequently as circumstances dictate. The Chairman of the Board or any Committee member may call a special meeting of the Committee. Meetings may be held in person, by telephone conference or by other communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting will constitute presence in person at such meeting. A majority of the Committee members at a meeting will constitute a quorum of the Committee and the vote of a majority of the members present thereat will be the act of the Committee. Unless restricted by the Company’s Certificate of Incorporation, the Committee may also act by unanimous written consent. The Committee may invite to its meetings any director, any member of management, and such other persons as it deems appropriate in order to carry out its responsibilities.

The Chairperson will be responsible for providing the Committee with a written agenda for each meeting. The Chairperson will preside at the meetings of the Committee. In the absence of the Chairperson, the majority of the members of the Committee present at a meeting will appoint a member to preside at the meeting. The Committee will keep minutes and make regular reports to the Board.

The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as may be necessary or desirable and not inconsistent with the provisions of the Bylaws of the Company or this Charter.

### **Authority and Responsibilities**

The Committee will have the following responsibilities in carrying out its purpose as set forth above. These responsibilities should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business or other conditions.

1. Review and discuss with management and the Independent Auditors the annual audited financial statements and quarterly financial statements, including the disclosures made in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s periodic reports on Form 10-K and Form 10-Q, prior to such reports being filed with the SEC. In connection with these reviews, the Committee will:

(a) Review and discuss with management and the Independent Auditors (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles, (ii) major issues concerning the adequacy of the Company's internal controls, any special audit steps adopted in light of significant control deficiencies and material weaknesses in financial reporting controls, and the adequacy of disclosures regarding changes in internal control over financial reporting, (iii) analyses prepared by management and/or the Independent Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on such financial statements and (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.

(b) Review and discuss with the Independent Auditors all (i) critical accounting policies and practices to be used by the Company, (ii) alternative treatments of financial information within GAAP that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditors, and (iii) other material written communications between the Independent Auditors and management, such as the Independent Auditors' engagement letter and independence letter.

(c) Review with management the Company's press releases regarding earnings, with particular emphasis on the use of any "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies, if any. Such discussions may be done generally, consisting of discussing the types of information to be disclosed and the types of presentations to be made.

(d) Discuss with management the Company's major financial risk exposures and the steps management is taking to monitor and control such exposures, including the Company's risk assessment and risk management policies. While the Committee is not required to be the sole body responsible for risk assessment and management, the Committee will discuss guidelines and policies to govern the process by which risk assessment and management is undertaken.

(e) Review with the Independent Auditors any audit problems or difficulties they may have encountered during the course of the audit work (including any restrictions imposed on their scope of activities or access to requested information and any significant disagreements with management) and management's responses to such matters. Among the items that the Committee may review with the Independent Auditors are: (i) any accounting adjustments that were noted or proposed by the Independent Auditors but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the Independent Auditors' national office with respect to auditing or accounting issues presented by the engagement, (iii) any "management" or "internal control" letters issued, or proposed to be issued, by the Independent Auditors to the Company, and (iv) any reports required to be furnished to the Committee under Section 10A of the Exchange Act and any information with respect to illegal acts in accordance with Section 10A.

(f) Review the disclosures made to the Committee and the Independent Auditors by the Company's principal executive and financial officers during their certification process of the Company's periodic reports on Form 10-K and Form 10-Q concerning any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting and any fraud, whether material or not, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

(g) Recommend to the Board whether the annual audited financial statements should be included in the Company's annual report on Form 10-K.

2. Discuss with the Independent Auditors the matters required to be communicated by the Independent Auditors pursuant to Statement on Auditing Standards No. 61 (AICPA Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board ("PCAOB") in Rule 3200T, as then in effect and any successor standard or policy.

3. Appoint, compensate, retain, and oversee the work of the Independent Auditors (including resolution of disagreements between management and the Independent Auditors regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit, review, attest, or related services for the Company. The Independent Auditors will report directly to the Committee and be ultimately accountable to the Board and the Committee, as opposed to management of the Company.

4. Preapprove any audit, review, or attest services and permitted non-audit services (including the terms and fees thereof) to be performed for the Company or its subsidiaries by the Independent Auditors, subject to the de minimis exceptions for permitted non-audit services described in Section 10A of the Exchange Act. The Committee may delegate such preapprovals to one or more of its members. The member or members to whom authority is delegated must report any preapproval decisions to the full Committee at its next scheduled meeting and such preapproval decisions must otherwise comply with applicable law.

5. At least annually, evaluate the experience, qualifications, independence, and performance of the Independent Auditors, including the lead audit partner and other senior members of the audit team. In making its evaluation, the Committee should take into account the opinions of management and the Internal Auditors. The Committee will present its conclusions to the Board. In conducting its evaluation, the Committee will (a) obtain and review a report by the Independent Auditors describing (i) the Independent Auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, peer review, or PCAOB review of the Independent Auditors, 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, and any steps taken to deal with any such issues, and (iii) all relationships between the Independent Auditors and the Company as required by applicable requirements of the PCAOB regarding independent accountants' communications with audit committees concerning independence, and (b) engage in a dialogue with the Independent Auditors with respect to any disclosed relationships or services that may impact the

objectivity and independence of the Independent Auditors and take, or recommend that the full Board take, appropriate action to oversee the independence of the Independent Auditors.

6. Confirm the regular rotation of the audit partners as required by law and establish hiring policies for the Company's employment of the Independent Auditors' personnel or former personnel, which may take into account whether a proposed employee participated in any capacity in the audit of the Company.

7. In connection with each annual audit, discuss with management, the Independent Auditors, and the Internal Auditors the overall scope and plans for such audit, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of the annual audit.

8. Meet separately, periodically, with management, the Internal Auditors and the Independent Auditors.

9. Review the responsibilities, budget, and staffing of the Company's internal audit function, including (a) the activities, organizational structure, and credentials of the internal audit department, (b) the scope of the internal audit plan, (c) integration of the internal and external audit efforts, (d) significant findings, recommendations, and reports, and management responses thereto, and (e) any issues that the internal audit lead believes warrants the attention of the Committee or the Board. The Company's internal audit function will report directly to the Committee.

10. Review the appointment, performance, and replacement of the internal audit lead.

11. Obtain and review reports, if any, from management and the Internal Auditors concerning the Company's compliance with applicable legal and regulatory requirements.

12. At least annually, review with Company's legal counsel (a) legal matters that could have a material effect on the Company's financial statements or compliance with applicable laws or internal governance policies, (b) correspondence between the Company and regulators or governmental agencies, and (c) any employee complaints raising material issues with respect to the Company's financial reporting process, internal controls, or financial statements.

13. Review and approve related person transactions (as defined by the SEC) as required by the SEC and the NYSE. The Committee will periodically reassess these transactions to ensure their continued appropriateness.

14. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

15. Prepare and approve the Audit Committee Report as required by the SEC to be included in the Company's proxy statement for the annual meeting of shareholders.

16. Except as prohibited by law, the Committee may form and delegate authority to subcommittees, each such subcommittee to consist solely of members of the Board who satisfy the independence requirements of the NYSE and all other qualifications required by applicable law.

### **Miscellaneous**

The Committee will have the sole authority to retain and terminate any independent legal, accounting, or other advisors it deems appropriate, and will have sole authority to approve such advisors' fees and other retention terms. The Company will provide appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditors for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, 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.

Annually, the Committee will (a) review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval, and (b) review its performance and effectiveness.

### **Reliance Permitted**

1. The Committee will act in reliance on the Company's management, Independent Auditors, Internal Auditors, advisors, and experts, as it deems necessary or appropriate to enable it to carry out its duties.

2. Nothing in this Charter will, or will be deemed to, decrease or modify in any manner adverse to any Committee member, such member's right to rely on statements and certifications made by the Company's officers, employees, agents, counsel, experts, or Independent and Internal Auditors.

3. Nothing in this Charter will, or will be deemed to, adversely affect in any manner the rights of Committee members to indemnification and advancement of expenses under applicable law, the Company's Certificate of Incorporation or Bylaws, or under any contract, agreement, arrangement, or understanding benefiting such member.

4. Notwithstanding any other provision of this Charter, no provision of this Charter will, except to the extent required by applicable law, rule, or regulation, be construed to create any legal duty or obligation on the part of the Committee or any of its members or to increase their liability.

5. Nothing in this Charter will be deemed to amend the provisions of the Company's Bylaws with respect to the Committee or other committees of the Board absent a separate resolution of the Board expressly amending the Company's Bylaws.