

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 21, 2017

PARKER DRILLING COMPANY
(Exact name of registrant as specified in its charter)

Delaware 1-7573 73-0618660
(State or other jurisdiction (Commission File Number) (I.R.S. Employer
of incorporation) Identification No.)

5 Greenway Plaza, Suite 100
Houston, Texas 77046
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(281) 406-2000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item Entry into Material Definitive Agreements.
1.01**

Underwriting Agreements

On February 22, 2017, Parker Drilling Company (the “Company”) entered into Underwriting Agreements (each, an “Underwriting Agreement” and together the “Underwriting Agreements”) with Barclays Capital Inc., as the sole underwriter (the “Underwriter”). Pursuant to the Underwriting Agreements, the Company agreed to (i) sell the Underwriter an aggregate of 12,000,000 shares of the Company’s common stock, par value \$0.16 2/3 per share (the “Common Stock”), at a price to the public of \$2.10 per share and (ii) sell the Underwriter 500,000 shares of the Company’s 7.25% Series A Mandatory Convertible Preferred Stock, par value \$1.00 (the “Mandatory Convertible Preferred Stock”), with a liquidation preference and a price to the public of \$100 per share, in each case in a registered offering under the Company’s shelf registration statement on Form S-3 (File No. 333-197977) filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), as supplemented by a prospectus supplement with respect to each offering. Pursuant to the respective Underwriting Agreements, the Company also granted the Underwriter a 30 day option to purchase up to an additional 1,800,000 shares of Common Stock and an additional 75,000 shares of Mandatory Convertible Preferred Stock, as applicable.

The Underwriting Agreements contain customary representations, warranties and agreements of the parties, and customary conditions to closing, obligations of the parties and termination provisions. The Company has agreed to reimburse the Underwriter for certain expenses, to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the Underwriter may be required to make in respect of those liabilities.

The offerings are expected to close on February 27, 2017, subject to customary closing conditions. The Company expects to use the net proceeds of the offerings, including any net proceeds from the exercise of the Underwriters’ options to purchase additional shares, for general corporate purposes, which may include, without limitation, working capital, capital expenditures, acquisitions or the repayment, redemption or refinancing of a portion of its indebtedness.

The Underwriter and certain of its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Underwriter and certain of its affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for the Company and its affiliates, for which they received or may in the future receive customary fees and expenses.

The foregoing description of the Underwriting Agreements is not complete and is qualified in its entirety by reference to the full text of the Underwriting Agreements, which are filed as Exhibits 1.1 and 1.2 to this Current Report on Form 8-K.

Amendment to Credit Agreement

On February 21, 2017, the Company entered into the Fourth Amendment to the Second Amended and Restated Credit Agreement (the “Fourth Amendment”) with Bank of America N.A., as administrative agent (in such capacity, the “Administrative Agent”), the lenders party thereto and the subsidiary guarantors thereunder. The Fourth Amendment amends the Second Amended and Restated Credit Agreement dated as of January 26, 2015 among the Company, the lenders party thereto from time to time, the Administrative Agent, and the other parties thereto.

The Fourth Amendment, among other things, permits the sale and issuance of certain equity interests of the Company, including the Mandatory Convertible Preferred Stock, and permits the Company to pay dividends on the Mandatory Convertible Preferred Stock, up to certain aggregate amounts specified therein.

The above description of the Fourth Amendment is not complete and is qualified in its entirety by reference to the full text of the Fourth Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Item 3.03 Material Modification to Rights of Security Holders.

In connection with the offering of shares of its Mandatory Convertible Preferred Stock pursuant to the registered offering described in Item 1.01 above, on February 27, 2017, the Company filed a Certificate of Designations (the "Certificate of Designations") with the Secretary of State of the State of Delaware to establish the preferences, limitations and relative rights of the Mandatory Convertible Preferred Stock. The Certificate of Designations became effective upon filing.

Subject to certain exceptions, so long as any share of Mandatory Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the shares of the Company's Common Stock or any other class or series of junior stock, and no Common Stock or any other class or series of junior or parity stock shall be purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries unless all accumulated and unpaid dividends for all preceding dividend periods have been declared and paid upon, or a sufficient sum of cash or number of shares of the Company's Common Stock has been set apart for the payment of such dividends upon, all outstanding shares of Mandatory Convertible Preferred Stock.

Unless converted or redeemed earlier pursuant to the Certificate of Designations, each share of Mandatory Convertible Preferred Stock will convert automatically on March 31, 2020, into between 41.4079 and 47.6190 shares of the Company's Common Stock, subject to customary anti-dilution adjustments. The number of shares of Common Stock issuable upon conversion will be determined based on the average volume weighted average price per share of the Company's Common Stock over the 20 consecutive trading day period beginning on, and including, the 23rd scheduled trading day immediately preceding the mandatory conversion date. Dividends on the Mandatory Convertible Preferred Stock will be payable on a cumulative basis when, as and if declared by the Company's Board of Directors, at an annual rate of 7.25% of the liquidation preference of \$100 per share, and may be paid in cash, or subject to certain limitations, in shares of the Company's Common Stock or any combination of cash and shares of the Company's Common Stock on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 2017 and ending on, and including, March 31, 2020.

In addition, upon the Company's voluntary or involuntary liquidation, winding-up or dissolution, each holder of Mandatory Convertible Preferred Stock will be entitled to receive a liquidation preference in the amount of \$100 per share of the Mandatory Convertible Preferred Stock, plus an amount equal to accumulated and unpaid dividends on the shares, whether or not declared, to, but not including, the date fixed for liquidation, winding-up or dissolution to be paid out of the Company's assets available for distribution to the Company's stockholders, after satisfaction of liabilities to the Company's creditors and holders of shares of any senior stock and before any payment or distribution is made to holders of junior stock (including the Company's Common Stock).

The foregoing description of the Certificate of Designations does not purport to be complete and is qualified in its entirety by reference to the full text of the Certificate of Designations, which is filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated into this Item 3.03 by reference. A copy of the form of certificate for the Mandatory Convertible Preferred Stock is filed as Exhibit 4.1 to this Current Report on Form 8-K and incorporated into this Item 3.03 by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On February 27, 2017, the Company filed the Certificate of Designations with the Secretary of State of the State of Delaware to establish the preferences, limitations and relative rights of the Mandatory Convertible Preferred Stock. The Certificate of Designations, which is filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated into this Item 5.03 by reference, became effective upon filing. The information set forth under Item 3.03 above is incorporated into this Item 5.03 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 1.1 Underwriting Agreement, dated February 22, 2017, by and between Parker Drilling Company and Barclays Capital Inc., as the sole underwriter, with respect to the offering of Common Stock.
- 1.2 Underwriting Agreement, dated February 22, 2017, by and between Parker Drilling Company and Barclays Capital Inc., as the sole underwriter, with respect to the offering of 7.25% Series A Mandatory Convertible Preferred Stock.
- 3.1 Certificate of Designations of 7.25% Series A Mandatory Convertible Preferred Stock of Parker Drilling Company, dated February 27, 2017.
- 4.1 Form of Certificate for the 7.25% Series A Mandatory Convertible Preferred Stock (included as Exhibit A to Exhibit 3.1).
- 5.1 Opinion of Baker Botts L.L.P. relating to the Common Stock.
- 5.2 Opinion of Baker Botts L.L.P. relating to the 7.25% Series A Mandatory Convertible Preferred Stock.
- 10.1 Fourth Amendment to the Second Amended and Restated Credit Agreement, dated February 21, 2017, among Parker Drilling Company, as Borrower, Bank of America, N.A., as Administrative Agent and L/C Issuer, Wells Fargo Bank, National Association, as Syndication Agent, Barclays Bank PLC, as Documentation Agent, and the other lenders and L/C issuers from time to time party thereto.
- 23.1 Consent of Baker Botts L.L.P. (included in Exhibit 5.1).
- 23.2 Consent of Baker Botts L.L.P. (included in Exhibit 5.2).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARKER DRILLING COMPANY

By: /s/ Christopher T. Weber
Christopher T. Weber
Senior Vice President and Chief Financial Officer

Date: February 27, 2017

INDEX TO EXHIBITS

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12,000,000

Parker Drilling Company

Shares of Common Stock

UNDERWRITING AGREEMENT

February 22, 2017

BARCLAYS CAPITAL INC.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

Parker Drilling Company, a Delaware corporation (the “*Company*”), proposes to sell to Barclays Capital Inc. (the “*Underwriter*”) 12,000,000 shares (the “*Firm Stock*”) of the Company’s common stock, par value \$0.16 2/3 per share (the “*Common Stock*”). In addition, the Company proposes to grant to the Underwriter an option to purchase up to 1,800,000 additional shares of the Common Stock on the terms set forth in Section 2 (the “*Option Stock*”) of this agreement (this “*Agreement*”). The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the “*Stock*”. This Agreement is to confirm the agreement concerning the purchase of the Stock from the Company by the Underwriter.

SECTION 1. *Representations, Warranties and Agreements of the Company*. The Company represents, warrants and agrees that:

(a) A shelf registration statement on Form S-3 (File No. 333-197977) relating to the Stock (i) has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the “*Securities Act*”), and the rules and regulations of the Securities and Exchange Commission (the “*Commission*”) thereunder; (ii) has been filed with the Commission under the Securities Act; and (iii) has become effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you as the Underwriter. As used in this Agreement:

(i) “*Applicable Time*” means 8:15 A.M. (New York City time) on February 22, 2017;

(ii) “*Effective Date*” means the date and time at which such registration statement was declared effective by the Commission in accordance with the rules and regulations under the Securities Act;

(iii) “*Issuer Free Writing Prospectus*” means each “issuer free writing prospectus” (as defined in Rule 433 under the Securities Act);

(iv) “**Preliminary Prospectus**” means any preliminary prospectus relating to the Stock included in such registration statement or filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(v) “**Pricing Disclosure Package**” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with the information included in the Pricing Term Sheet (as defined in Section 5(c) below) and any other Issuer Free Writing Prospectus filed or used by the Company at or before the Applicable Time, other than a road show, that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 under the Securities Act;

(vi) “**Prospectus**” means the final prospectus relating to the Stock, as filed with the Commission pursuant to Rule 424(b) under the Securities Act; and

(vii) “**Registration Statement**” means such registration statement, as amended as of the Effective Date, including any Preliminary Prospectus or the Prospectus, all exhibits to such registration statement and including the information deemed by virtue of Rule 430B under the Securities Act to be part of such registration statement as of the Effective Date.

Any reference to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein pursuant to Form S-3 under the Securities Act as of the date of such Preliminary Prospectus or the Prospectus, as the case may be. Any reference to the “**most recent Preliminary Prospectus**” shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) under the Securities Act immediately prior to the Applicable Time. Any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), after the date of such Preliminary Prospectus or the Prospectus, as the case may be, and before the date of such amendment or supplement and incorporated by reference in such Preliminary Prospectus or the Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to include any document filed with the Commission pursuant to Section 13(a), 14 or 15(d) of the Exchange Act after the Effective Date and before the date of such amendment that is incorporated by reference in the Registration Statement. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or threatened by the Commission.

(a) The Company has not sold or issued any securities that would be integrated with the offering of the Stock contemplated by this Agreement pursuant to the Securities Act, the rules and regulations thereunder or the interpretations thereof by the Commission.

(b) The Company was not at the time of initial filing of the Registration Statement and at the earliest time thereafter that the Company or another offering participant

made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Stock, is not on the date hereof and will not be on the applicable Delivery Date (as defined in Section 4), an “ineligible issuer” (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement conformed and will conform in all material respects on the Effective Date and on the applicable Delivery Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the rules and regulations thereunder. The most recent Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) under the Securities Act and on the applicable Delivery Date to the requirements of the Securities Act and the rules and regulations thereunder. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus conformed when filed with the Commission, in all material respects to the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the Commission thereunder.

(d) Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder on the date of first use, and the Company has complied with all prospectus delivery and any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Securities Act and rules and regulations thereunder. The Company has not made any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Underwriter. The Company has retained in accordance with the Securities Act and the rules and regulations thereunder all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Securities Act and the rules and regulations thereunder.

(e) The Registration Statement did not, as of the Effective Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(f) The Prospectus will not, as of its date or as of the applicable Delivery Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(g) The documents incorporated by reference in any Preliminary Prospectus or the Prospectus did not when filed with the Commission, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(i) Each Issuer Free Writing Prospectus listed in Schedule II hereto, when taken together with the Pricing Disclosure Package, as of the Applicable Time, did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and did not include any information that conflicted with the information contained in the Registration Statement and Preliminary Prospectus; *provided*, that no representation or warranty is made as to information contained in or omitted from such Issuer Free Writing Prospectus listed in Schedule II hereto in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(j) Except as described in the most recent Preliminary Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(k) The Company has not distributed and, prior to the later to occur of any Delivery Date and completion of the distribution of the Stock, will not distribute any offering material in connection with the offering and sale of the Stock other than any Preliminary Prospectus, the Prospectus, and any Issuer Free Writing Prospectus to which the Underwriter has consented.

(l) The Company has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder. This Agreement has been duly authorized and validly executed and delivered by the Company.

(m) Except as described in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or that would not, individually or in the aggregate, result in a Material Adverse Effect; and, since the respective dates as of which information is given in the most recent Preliminary Prospectus (in each case exclusive of any amendment or supplement thereto), there has not been any change in the capital stock (except for issuances of common stock pursuant to employee benefit plans or upon exercise of options or convertible securities outstanding on such date) or material increase

in the long-term debt of the Company or any of its subsidiaries considered as a whole or any material adverse change, or any development that could reasonably be expected to result in a material adverse change, in or affecting the financial condition, results of operations, business, management, properties or operations of the Company and its subsidiaries, taken as a whole (any such change or development, a “**Material Adverse Change**”), otherwise than as set forth or contemplated in the most recent Preliminary Prospectus.

(n) KPMG LLP, which has certified certain consolidated financial statements of the Company (including the related notes thereto) included or incorporated by reference in the most recent Preliminary Prospectus and the Prospectus, is and was during the periods covered by such financial statements an independent registered public accounting firm with respect to the Company as required by the Securities Act and the rules and regulations thereunder.

(o) The historical financial statements of the Company (including the related notes and supporting schedules) included or incorporated by reference in the most recent Preliminary Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act and present fairly in all material respects the financial condition, results of operations, changes in financial position and cash flows of the entities purported to be shown thereby at the dates and for the periods indicated and have been prepared in conformity with accounting principles generally accepted in the United States applied on a consistent basis throughout the periods involved.

(p) The Company and each of its “significant subsidiaries,” as defined by Rule 1-02 of Regulation S-X under the Securities Act (the “**Significant Subsidiaries**”) have been duly incorporated, formed or organized, as the case may be, and is validly existing as a corporation or other applicable legal entity, as the case may be, in good standing under the laws of its jurisdiction of incorporation, formation or organization, is duly qualified to do business and is in good standing (to the extent such qualification exists) under the laws of each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, and has full power and authority necessary to own, lease or hold its properties and to conduct the businesses in which it is engaged except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, business, management, properties or operations of the Company and its subsidiaries, taken as a whole, or the authority or the ability of the Company to perform its obligations under this Agreement (a “**Material Adverse Effect**”).

(q) The Company has an authorized capitalization as set forth in each of the most recent Preliminary Prospectus and the Prospectus, and all of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable. All of the issued shares of capital stock or other ownership interest of each Significant Subsidiary of the Company have been duly authorized and validly issued and, in the case of any corporation, are fully paid and non-assessable and, in the case of a limited liability company, the Company has no obligation to make further payments for its limited liability company interests or contributions to such subsidiary solely by reason of its ownership of such limited liability company interests or its status as a member of such subsidiary, and the Company

will have no personal liability for the obligations of such subsidiary solely by reason of being a member of such subsidiary. All of the issued shares of capital stock or other ownership interest of each Significant Subsidiary of the Company (except for directors' qualifying shares, if any, or as otherwise disclosed or contemplated in the most recent Preliminary Prospectus and for pledges in favor of the lenders under the Second Amended and Restated Credit Agreement, dated as of January 26, 2015, as amended, restated, supplemented or otherwise modified, by and among the Company as Borrower, Bank of America, N.A., as Administrative Agent and L/C Issuer, Wells Fargo Bank, National Association, as Syndication Agent, Barclays Bank PLC, as Documentation Agent, and the lenders from time to time party thereto and the other persons from time to time party thereto) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens, encumbrances, equities or claims as would not, individually or in the aggregate, have a Material Adverse Effect.

(r) The shares of the Stock to be issued and sold by the Company to the Underwriter hereunder have been duly authorized and, upon payment and delivery in accordance with this Agreement, will be validly issued, fully paid and non-assessable, will conform to the description thereof contained in the most recent Preliminary Prospectus and will be free of statutory and contractual preemptive rights, rights of first refusal and similar rights.

(s) The issue and sale of the Stock, the execution, delivery and performance of this Agreement by the Company, the consummation of the transactions contemplated hereby and the application of the proceeds from the sale of the Stock as described under "Use of Proceeds" in the most recent Preliminary Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) violate the charter, by-laws or other constitutive documents of the Company or any of its subsidiaries, (iii) violate any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets, (iv) result in the imposition or creation of (or the obligation to create or impose) a material lien, encumbrance, equity, claim or adverse interest under any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets is bound, or (v) result in the suspension, termination or revocation of any Material Authorization (as defined below) of the Company or any of its subsidiaries or any other impairment of the rights of the holder of any such Material Authorization, other than in the case of clauses (i), (iii), (iv) and (v) for such conflicts, breaches, violations, defaults, suspensions, terminations, revocations or impairments that would not have a Material Adverse Effect.

(t) No consent, approval, authorization or order of, or filing, registration or qualification (each a "**consent**") with, any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets is required for the issue and sale of the Stock, the execution, delivery and performance of this Agreement by the Company, the consummation of the transactions contemplated hereby, the

application of the proceeds from the sale of the Stock as described under “Use of Proceeds” in the most recent Preliminary Prospectus, except (i) for the registration of the Stock under the Securities Act and such consents as may be required under the Exchange Act, applicable state securities laws or “Blue Sky” laws, and the bylaws and rules of the Financial Industry Regulatory Authority (“*FINRA*”) in connection with the purchase and sale of the Stock by the Underwriter, (ii) for such consents that have been or, prior to the Initial Delivery Date, will be obtained or made, or (iii) for any such consents the absence or omission of which would not reasonably be expected to materially impair the ability of the Company to consummate the transactions contemplated hereby.

(u) Each of the Company and its subsidiaries (i) makes and keeps accurate books and records and (ii) maintains internal accounting controls which provide reasonable assurance that (A) transactions are executed in accordance with management’s authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements and to maintain accountability for its assets, (C) access to its assets is permitted only in accordance with management’s authorization and (D) the reported accountability for its assets is compared with existing assets at reasonable intervals.

(v) Since the date as of which information is given in the most recent Preliminary Prospectus, neither the Company nor any of its Significant Subsidiaries has (i) issued or granted any securities (except for grants of restricted stock and options to purchase common stock pursuant to employee benefit plans and for issuances of common stock pursuant to employee benefit plans or upon exercise of options or convertible securities outstanding on such date), (ii) incurred any material liability or obligation, indirect, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any material transaction or agreement not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock (except for dividends or distributions paid or made to the Company or any of its subsidiaries by their respective subsidiaries).

(w) None of the Company or any of its subsidiaries (i) is in violation of its charter, by-laws or other constitutive documents, (ii) is in default, and, no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii) and (iii) for such violations, defaults and failures which would not have a Material Adverse Effect.

(x) The Company and its subsidiaries have good title to all real property and personal property owned by them, in each case free and clear of all liens, encumbrances, equities or claims except such as are described or contemplated in the most recent Preliminary Prospectus or would not, individually or in the aggregate, have a Material Adverse Effect and do not materially

interfere with the use made or to be made of such property by the Company and its subsidiaries; and all real property and buildings held under lease by the Company and its subsidiaries are held by them under valid and enforceable leases, with no exceptions that would materially interfere with the use made or to be made of such property and buildings by the Company and its subsidiaries.

(y) Each of the Company and the subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an “**Authorization**”) of, and has made all filings with and notices to, all governmental or regulatory authorities (whether domestic or foreign) and self-regulatory organizations and all courts and other tribunals, including, without limitation, under any applicable environmental law, ordinance, rule, regulation, order, judgment, decree or permit, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, individually or in the aggregate, have a Material Adverse Effect (each such Authorization, a “**Material Authorization**”); each Material Authorization is valid and in full force and effect and each of the Company and the subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Material Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Material Authorization, except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, individually or in the aggregate, have a Material Adverse Effect.

(z) The Company and its subsidiaries carry or are covered by insurance by reputable institutions in such amounts and covering such risks as is customary for companies engaged in similar businesses. In the Company’s judgment, such insurance insures against such losses and risks as are adequate to protect the Company and its subsidiaries and their respective businesses. The Company and its subsidiaries are in compliance with the term of such policies and instruments in all material respects. Neither the Company nor any of its subsidiaries has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance. The Company has no reason to believe that it or any subsidiary will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not have a Material Adverse Effect.

(aa) The Company and its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, inventions, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and licenses necessary for the conduct of their respective businesses and have no reason to believe that the conduct of their respective businesses will conflict with, and have not

received any notice of infringement of or conflict with asserted rights of others with respect to, any of such intellectual property that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(bb) Except as described in the most recent Preliminary Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that if determined adversely to the Company and its subsidiaries would, individually or in the aggregate, have a Material Adverse Effect; and to the best of the Company's knowledge, no such proceedings are threatened by governmental authorities or others.

(cc) No labor disturbance by the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(dd) Except as disclosed in the most recent Preliminary Prospectus or as disclosed to the United States Department of Justice (the "**DOJ**") in connection with the Deferred Prosecution Agreement entered into by the Company and the DOJ on April 16, 2013, neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any affiliate, director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) taken any action (A) in furtherance of an offer, provision, payment, or promise to pay anything of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity, agency or instrumentality, or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper business advantage; or (B) that would otherwise violate any applicable anti-corruption, anti-money laundering, anti-terrorism and economic sanction and anti-boycott laws of the United States, including any provision of the U.S. Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder, any provision of the Bribery Act 2010 of the United Kingdom, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any similar laws in any other relevant jurisdictions; or (iv) made of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(ee) To the knowledge of the Company, (i) each "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"), as to which the Company or any of its subsidiaries is the plan sponsor, is in compliance in all material respects with all applicable provisions of ERISA and the U.S. Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "**Code**"); (ii) each such "employee benefit plan" has been established and administered in all material respects in accordance with its terms and each of the Company and its subsidiaries is in compliance in all

material respects with its obligations under ERISA and the Code with respect to each such “employee benefit plan”; (iii) no “reportable event” (within the meaning of Section 4043(c) of ERISA) has occurred with respect to any “employee benefit plan” for which the Company or any of its subsidiaries is the plan sponsor, except as would not, individually or in the aggregate, result in a Material Adverse Effect; (iv) each of the Company and its subsidiaries has not incurred and does not expect to incur liability under (A) Title IV of ERISA with respect to termination of, or complete or partial withdrawal from, any “employee benefit plan” or (B) Section 412, 4971 or 4975 of the Code and (v) each “employee benefit plan” for which the Company or any of its subsidiaries is the plan sponsor that is intended to be qualified under Section 401(a) of the Code is so qualified in all respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification, except as would not, individually or in the aggregate, result in a Material Adverse Effect.

(ff) Each of the Company and its subsidiaries (i) has filed all federal, state, local and foreign tax returns required to be filed through the date hereof other than such returns for which the failure to file would not, individually or in the aggregate, result in a Material Adverse Effect and (ii) has paid all taxes shown to be due thereon, except those (A) currently payable without penalty or interest, (B) being contested in good faith and by appropriate proceedings and for which, in the case of both (A) and (B), adequate reserves have been established on the books and records of the Company or its subsidiaries in accordance with generally accepted accounting principles or (C) for which the failure to pay would not, individually or in the aggregate, have a Material Adverse Effect. Except as disclosed or contemplated in the most recent Preliminary Prospectus, no tax deficiency has been determined adversely to the Company or any of its subsidiaries that has had (nor does the Company have any knowledge of any tax deficiency which, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have), individually or in the aggregate, a Material Adverse Effect.

(gg) Except as disclosed or contemplated in the most recent Preliminary Prospectus, there has been no violation by the Company or any of its subsidiaries of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit relating to the protection of natural resources, human health or the environment (“**Environmental Law**”) or storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes, hazardous substances or any other material that is regulated under, or that could result in the imposition of liability under, any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, petroleum and petroleum products (collectively, “**Hazardous Substances**”), by the Company or any of its subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned, leased or operated by the Company or its subsidiaries in violation of any Environmental Law or which would require remedial action under any Environmental Law or which would otherwise result in liability under any Environmental Law, except for any violation, remedial action or liability which would not have, individually or in the aggregate with all such violations, remedial actions and liabilities, a Material Adverse Effect; except as disclosed or contemplated in the most recent Preliminary Prospectus, there has been no spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any Hazardous Substances due to

or caused by the Company or any of its subsidiaries or with respect to which the Company has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have, individually or in the aggregate with all such spills, discharges, leaks, emissions, injections, escapes, dumping and releases, a Material Adverse Effect; except as disclosed in the most recent Preliminary Prospectus, there is no claim by any governmental agency or body against the Company or any of its subsidiaries under any Environmental Law that the Company believes may result in a fine or other monetary sanction of \$100,000 or more; and except as disclosed in the most recent Preliminary Prospectus, no material expenditures by the Company or any of its subsidiaries are anticipated in order to maintain compliance with any Environmental Law.

(hh) In the ordinary course of its business, the Company conducts a periodic review of the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review and the amount of its established reserves, the Company has reasonably concluded that such associated costs and liabilities would not, individually or in the aggregate, have a Material Adverse Effect.

(ii) There are no contracts or other documents required to be described in the Registration Statement or the most recent Preliminary Prospectus or filed as exhibits to the Registration Statement, that are not described and, if applicable, filed as required. The statements made in the most recent Preliminary Prospectus, insofar as they purport to constitute summaries of the terms of the contracts and other documents described and, if applicable, filed, constitute accurate summaries of the terms of such contracts and documents in all material respects.

(jj) Except as described in the most recent Preliminary Prospectus, no material relationship, direct or indirect, exists between or among the Company and its subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company and its subsidiaries, on the other hand, that is required by the Securities Act to be described in the most recent Preliminary Prospectus and that is not so described.

(kk) The statistical and market-related data included in the most recent Preliminary Prospectus are based on or derived from sources that the Company believes to be reliable in all material respects.

(ll)

(i) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act), which (A) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and principal financial officer, or persons performing similar

functions, by others within those entities; (B) have been evaluated for effectiveness as of the end of the Company's most recent fiscal quarter; (C) are effective in all material respects to perform the functions for which they were established; and (D) provide reasonable assurance that the interactive data in eXtensible Business Reporting Language included or incorporated by reference in any Preliminary Prospectus or the Prospectus is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(ii) Based on the evaluation of its disclosure controls and procedures, the Company is not aware of (A) any significant deficiency or material weakness in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

(iii) Since the date of the Company's most recent evaluation of such disclosure controls and procedures, there have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(iv) There is and has been no failure on the part of the Company and its subsidiaries and, to the knowledge of the Company, any of the Company's and its subsidiaries directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith.

(mm) The Company has not taken, directly or indirectly, any action designed to or that has constituted or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of the Stock.

(nn) The Stock has been approved for listing, subject to official notice of issuance, on The New York Stock Exchange.

(oo) Neither the Company nor any subsidiary is, and as of the applicable Delivery Date and, after giving effect to the offer and sale of the Stock and the application of the proceeds therefrom as described under "Use of Proceeds" in the most recent Preliminary Prospectus and the Prospectus, none of them will be, an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(pp) Except as disclosed in the most recent Preliminary Prospectus and the Prospectus, the operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules,

regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “ **Money Laundering Laws**”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(qq)

(i) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries has been a person described or designated in the most current list of “Specially Designated Nationals and Blocked Persons” maintained by the Office of Foreign Assets Control of the U.S. Treasury Department (“**OFAC**”) or has otherwise been a person with whom transactions are currently prohibited under:

a.the economic sanctions laws and regulations administered by OFAC or by the U.S. Department of State (“**US Economic Sanctions Laws**”);

b.any economic sanctions administered or enforced by Her Majesty’s Treasury or the Export Control Organisation of the United Kingdom (“**UK Economic Sanctions Laws**”); or

c.any European Union restrictive measure, including economic sanctions imposed against certain states, entities, and/or individuals (“**EU Economic Sanctions Laws**,” and together with US Economic Sanctions Laws and UK Economic Sanctions Laws, “**International Economic Sanctions Laws**”); and

(ii) neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any enforcement actions by the OFAC, Her Majesty’s Treasury of the United Kingdom, the Export Control Organisation of the United Kingdom or any other competent authority of any member state of the European Union in relation to any breach of International Economic Sanctions Laws;

(iii) neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries, is engaged in or facilitating, and will not knowingly engage in or facilitate, and will use its best efforts to avoid engaging in or facilitating, any activities or unauthorized transactions (including, but not limited to, leases of its rigs for use) in violation of International Economic Sanctions Laws; and

(iv) the Company will not, and will not permit its respective subsidiaries to, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person

or entity (A) for the purpose of financing or facilitating, directly or indirectly, activities (i) of any person that is the target of any International Economic Sanctions Laws, or (ii) in contravention of any International Economic Sanctions Laws, or (B) in any manner that would cause a breach by the Underwriter of any law applicable to them.

(rr) The statements set forth in each of the most recent Preliminary Prospectus and the Prospectus under the captions “Description of Capital Stock” and “Material U.S. Federal Income Tax Considerations for Non-U.S. Holders,” insofar as they purport to summarize the provisions of the laws referred to therein, are accurate in all material respects.

(ss) Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or the Underwriter for a brokerage commission, finder’s fee or like payment in connection with the offering and sale of the Stock.

Any certificate signed by any officer of the Company and delivered to the Underwriter or counsel for the Underwriter in connection with the offering of the Stock shall be deemed a representation and warranty by the Company, as to matters covered thereby, to the Underwriter.

SECTION 2. *Purchase of the Stock by the Underwriter.* On the basis of the representations, warranties and covenants contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell 12,000,000 shares of the Firm Stock to the Underwriter, and the Underwriter agrees to purchase 12,000,000 shares of the Firm Stock.

In addition, the Company grants to the Underwriter an option to purchase up to 1,800,000 additional shares of Option Stock. Such option is exercisable in the event that the Underwriter sells more shares of Common Stock than the number of shares of Firm Stock in the offering and as set forth in Section 4 hereof.

The purchase price payable by the Underwriter for both the Firm Stock and any Option Stock is \$2.013 per share.

The Company is not obligated to deliver any of the Firm Stock or Option Stock to be delivered on the applicable Delivery Date, except upon payment for all such Stock to be purchased on such Delivery Date as provided herein.

SECTION 3. *Offering of Stock by the Underwriter.* The Underwriter proposes to offer the Firm Stock for sale upon the terms and conditions to be set forth in the Prospectus.

SECTION 4. *Delivery of and Payment for the Stock.* Delivery of and payment for the Firm Stock shall be made at 10:00 A.M., New York City time, on the third full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Underwriter and the Company. This date and time are sometimes referred to as the “*Initial Delivery Date*”. Delivery of the Firm Stock shall be made to the account of the Underwriter against

payment by the Underwriter of the aggregate purchase price of the Firm Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Underwriter hereunder. The Company shall deliver the Firm Stock through the facilities of the Depository Trust Company (“*DTC*”) unless the Underwriter shall otherwise instruct.

The option granted in Section 2 will expire 30 days after the date of this Agreement and may be exercised in whole or from time to time in part by written notice being given to the Company by the Underwriter; *provided* that if such date falls on a day that is not a business day, the option granted in Section 2 will expire on the next succeeding business day. Such notice shall set forth the aggregate number of shares of Option Stock as to which the option is being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Underwriter, when the shares of Option Stock are to be delivered; *provided, however*, that this date and time shall not be earlier than the Initial Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. Each date and time the shares of Option Stock are delivered is sometimes referred to as an “*Option Stock Delivery Date*”, and the Initial Delivery Date and any Option Stock Delivery Date are sometimes each referred to as a “*Delivery Date*”.

Delivery of the Option Stock by the Company and payment for the Option Stock by the Underwriter shall be made at 10:00 A.M., New York City time, on the date specified in the corresponding notice described in the preceding paragraph or at such other date or place as shall be determined by agreement between the Underwriter and the Company. On each Option Stock Delivery Date, the Company shall deliver, or cause to be delivered, the Option Stock, to the account of the Underwriter, against payment by the Underwriter of the purchase price of the Option Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Underwriter hereunder. The Company shall deliver the Option Stock through the facilities of DTC unless the Underwriter shall otherwise instruct.

SECTION 5. *Further Agreements of the Company and the Underwriter* . (a) The Company agrees:

(i) To prepare the Prospectus in a form approved by the Underwriter and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Delivery Date except as provided herein; to advise the Underwriter, promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or the Prospectus has been filed and to furnish the Underwriter with copies thereof; to advise the Underwriter, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding or examination for any such purpose or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal.

(ii) To furnish promptly upon request to the Underwriter and to counsel for the Underwriter a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(iii) To deliver promptly to the Underwriter such number of the following documents as the Underwriter shall reasonably request: (A) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of per share earnings), (B) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, (C) each Issuer Free Writing Prospectus and (D) any document incorporated by reference in any Preliminary Prospectus or the Prospectus; and, if the delivery of a prospectus is required at any time after the date hereof in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Underwriter and, upon its request, to file such document and to prepare and furnish without charge to the Underwriter and to any dealer in securities as many copies as the Underwriter may from time to time reasonably request of an amended or supplemented Prospectus that will correct such statement or omission or effect such compliance.

(iv) To file promptly with the Commission any amendment or supplement to the Registration Statement or the Prospectus that may, in the judgment of the Company or the Underwriter, be required by the Securities Act or requested by the Commission.

(v) Prior to filing with the Commission any amendment or supplement to the Registration Statement or the Prospectus, any document incorporated by reference in the Prospectus or any amendment to any document incorporated by reference in the Prospectus, to furnish a copy thereof to the Underwriter and counsel for the Underwriter and obtain the consent of the Underwriter to the filing.

(vi) Not to make any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Underwriter.

(vii) To comply with all applicable requirements of Rule 433 under the Securities Act with respect to any Issuer Free Writing Prospectus. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Underwriter and, upon its request, to file such document and to prepare and furnish without charge to the Underwriter as many copies as the Underwriter may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(viii) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 405 days or, if the fourth quarter following the fiscal quarter that includes the Effective Date is the last fiscal quarter of the Company's fiscal year, 440 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Underwriter (or to make available through the Commission's Electronic Data Gathering, Analysis and Retrieval System) an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158).

(ix) Promptly from time to time to take such action as the Underwriter may reasonably request to qualify the Stock for offering and sale under the securities or Blue Sky laws of Canada and such other jurisdictions as the Underwriter may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; *provided*, that in connection therewith the Company shall not be required to (A) qualify as a foreign corporation in any jurisdiction in which it would not otherwise be required to so qualify, (B) file a general consent to service of process in any such jurisdiction, or (C) subject itself to taxation in any jurisdiction in which it would not otherwise be subject.

(x) For a period commencing on the date hereof and ending on the 60th day after the date of the Prospectus (the “**Lock-Up Period**”), not to, directly or indirectly, (A) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock (other than the Stock and shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans existing on the date hereof or pursuant to currently outstanding options, warrants or rights not issued under one of those plans), or sell or grant options, rights or warrants with respect to any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than the grant of options pursuant to option plans existing on the date hereof), (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of Common Stock, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (C) file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible, exercisable or exchangeable into Common Stock or any other securities of the Company (other than any registration statement on Form S-8), or (D) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of the Underwriter and to cause each officer, director and stockholder of the Company set forth on Schedule I hereto to furnish to the Underwriter, prior to the Initial Delivery Date, a letter or letters, substantially in the form of Exhibit A hereto (the “**Lock-Up Agreements**”). The restrictions in the foregoing sentence shall not apply to the issuance of (i) the Company’s concurrent issuance of 500,000 shares of its Series A Mandatory Convertible Preferred Stock (575,000 shares if the Underwriter exercises its option to purchase additional shares in full) or the issuance of any Common Stock upon conversion of such Series A Mandatory Convertible Preferred Stock or (ii) up to 10.0% of the Company’s outstanding shares of Common Stock (or any securities convertible or exchangeable into such Common Stock) on a fully diluted basis after giving effect to the Offering as payment of any part of the purchase price for businesses that are acquired by the Company or in connection with any joint venture entered into by the Company; *provided* that prior to the issuance of such shares of Common Stock pursuant to subparagraph (ii) each recipient of such shares agrees in writing to be subject to the “lock-up” described in this Section 5(x) for the remaining term of the Lock-Up Period.

(xi) To apply the net proceeds from the sale of the Stock being sold by the Company substantially in accordance with the description as set forth in the Prospectus under the caption “Use of Proceeds.”

(xii) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Securities Act.

(xiii) If the Company elects to rely upon Rule 462(b) under the Securities Act, the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) under the Securities Act by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing pay the Commission the filing fee for the Rule 462(b) Registration Statement.

(xiv) The Company and its affiliates will not take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Stock.

(xv) The Company will do and perform all things required or necessary to be done and performed under this Agreement by it prior to each Delivery Date, and to satisfy all conditions precedent to the Underwriter’s obligations hereunder to purchase the Stock.

(b) The Underwriter agrees that it shall not include any “issuer information” (as defined in Rule 433 under the Securities Act) in any “free writing prospectus” (as defined in Rule 405 under the Securities Act) used or referred to by the Underwriter without the prior consent of the Company (any such issuer information with respect to whose use the Company has given its consent, “**Permitted Issuer Information**”); *provided* that (i) no such consent shall be required with respect to any such issuer information contained in any document filed by the Company with the Commission prior to the use of such free writing prospectus, and (ii) “issuer information”, as used in this Section 5(b), shall not be deemed to include information prepared by or on behalf of the Underwriter on the basis of or derived from issuer information.

(c) The Company will prepare a pricing term sheet (the “**Pricing Term Sheet**”) in substantially the form attached hereto as Exhibit D.

SECTION 6. *Expenses.* The Company agrees, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, to pay all expenses, costs, fees and taxes incident to and in connection with (a) the authorization, issuance, sale and delivery of the Stock and any stamp duties or other taxes payable in that connection, and the preparation and printing of certificates for the Stock; (b) the preparation, printing and filing under the Securities Act of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto; (c) the distribution of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto, or any document incorporated by reference therein, all as provided in this Agreement; (d) the production and distribution of this Agreement and any other

related documents in connection with the offering, purchase, sale and delivery of the Stock; (e) any required review by the FINRA of the terms of sale of the Stock (including related fees and expenses of counsel to the Underwriter in an amount that is not greater than \$30,000); (f) the listing of the Stock on the New York Stock Exchange; (g) the qualification of the Stock under the securities laws of the several jurisdictions as provided in Section 5(a)(ix) and the preparation, printing and distribution of a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriter); (h) the investor presentations on any “road show,” undertaken in connection with the marketing of the Stock, including, without limitation, expenses associated with any electronic road show, travel and lodging expenses of the representatives and officers of the Company and one half of the cost of any aircraft chartered in connection with the road show; and (i) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; *provided* that, except as provided in this Section 6 and in Section 10, the Underwriter shall pay its own costs and expenses, including the costs and expenses of its counsel, any transfer taxes on the Stock which they may sell, the expenses of advertising any offering of the Stock made by the Underwriter, and the transportation and other expenses incurred by the Underwriter on its own behalf in connection with presentations to prospective purchasers of the Stock.

SECTION 7. *Conditions of the Underwriter’s Obligations.* The obligations of the Underwriter hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 5(a)(i). The Company shall have complied with all filing requirements applicable to any Issuer Free Writing Prospectus used or referred to after the date hereof; no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding or examination for such purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with. If the Company has elected to rely upon Rule 462(b) under the Securities Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to such Delivery Date that the Registration Statement, the Prospectus or the Pricing Disclosure Package, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Latham & Watkins LLP, counsel for the Underwriter, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein (in the case of the Pricing Disclosure Package and the Prospectus, in the light of the circumstances under which such statements were made) not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Stock, the Registration Statement,

the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriter, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Baker Botts L.L.P. shall have furnished to the Underwriter its written opinion, as counsel to the Company, addressed to the Underwriter and dated such Delivery Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form attached hereto as Exhibit B.

(e) Ed Menger shall have furnished to the Underwriter his written opinion, as deputy general counsel for the Company, addressed to the Underwriter and dated such Delivery Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form attached hereto as Exhibit C.

(f) The Underwriter shall have received from Latham & Watkins LLP, counsel for the Underwriter, such opinion or opinions, dated such Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and the Pricing Disclosure Package and other related matters as the Underwriter may reasonably require, and the Company shall have furnished to such counsel such documents as it reasonably requests for the purpose of enabling it to pass upon such matters.

(g) At the time of execution of this Agreement, the Underwriter shall have received from KPMG LLP a letter, in form and substance satisfactory to the Underwriter, addressed to the Underwriter and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act, and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(h) With respect to the letter of KPMG LLP referred to in the preceding paragraph and delivered to the Underwriter concurrently with the execution of this Agreement (the "*initial letter*"), the Company shall have furnished to the Underwriter a letter (the "*bring-down letter*") of such accountants, addressed to the Underwriter and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than three days prior to the date

of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter, and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(i) The Company shall have furnished to the Underwriter a certificate, dated such Delivery Date, of its Chief Executive Officer and its Chief Financial Officer as to such matters as the Underwriter may reasonably request, including, without limitation, a statement:

(i) That the representations, warranties and agreements of the Company in Section 1 are true and correct on and as of such Delivery Date, and the Company has complied with all its agreements contained herein and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date;

(ii) That no stop order suspending the effectiveness of the Registration Statement has been issued; and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened;

(iii) That they have examined the Registration Statement, the Prospectus and the Pricing Disclosure Package, and, in their opinion, (A) (1) the Registration Statement, as of the Effective Date, (2) the Prospectus, as of its date and on the applicable Delivery Date, and (3) the Pricing Disclosure Package, as of the Applicable Time, did not and do not contain any untrue statement of a material fact and did not and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (except in the case of the Registration Statement, in the light of the circumstances under which they were made) not misleading, and (B) since the Effective Date, no event has occurred that should have been set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth; and

(iv) To the effect of Section 7(j) (*provided* that no representation with respect to the judgment of the Underwriter need be made) and Section 7(j).

(j) Except as described in the most recent Preliminary Prospectus, (i) neither the Company nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, stockholders' equity, properties, management, prospects or business of the Company and its subsidiaries taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is, individually or in the aggregate, in the judgment of the Underwriter, so material and adverse as to make it impracticable or

inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(k) Subsequent to the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization" (as defined by the Commission in Section 3(a)(62) of the Exchange Act), and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock.

(l) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) (A) trading in securities generally on any securities exchange that has registered with the Commission under Section 6 of the Exchange Act (including the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market), or (B) trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a general moratorium on commercial banking activities shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States, or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of the Underwriter, impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(m) The New York Stock Exchange shall have approved the Stock for listing, subject only to official notice of issuance.

(n) The Lock-Up Agreements between the Underwriter and the officers, directors and stockholders of the Company set forth on Schedule I, delivered to the Underwriter on or before the date of this Agreement, shall be in full force and effect on such Delivery Date.

(o) On or prior to each Delivery Date, the Company shall have furnished to the Underwriter such further certificates and documents as the Underwriter may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriter.

SECTION 8. *Indemnification and Contribution.*

(a) The Company hereby agrees to indemnify and hold harmless the Underwriter, its affiliates, directors, officers and employees and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which the Underwriter, affiliate, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) any Preliminary Prospectus, the Registration Statement, the Prospectus or in any amendment or supplement thereto, (B) any Issuer Free Writing Prospectus or in any amendment or supplement thereto, (C) any Permitted Issuer Information used or referred to in any “free writing prospectus” (as defined in Rule 405 under the Securities Act) used or referred to by the Underwriter, (D) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Stock, including any “road show” (as defined in Rule 433 under the Securities Act) not constituting an Issuer Free Writing Prospectus (“**Marketing Materials**”), or (E) any Blue Sky application or other document prepared or executed by the Company (or based upon any written information furnished by the Company for use therein) specifically for the purpose of qualifying any or all of the Stock under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a “**Blue Sky Application**”) or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein (in the case of any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto, in the light of the circumstances under which they were made) not misleading, and shall reimburse the Underwriter and each such affiliate, director, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Underwriter, affiliate, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, in reliance upon and in conformity with written information concerning the Underwriter furnished to the Company through the Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 8(e). The foregoing indemnity agreement is in addition to any liability

which the Company may otherwise have to the Underwriter or to any affiliate, director, officer, employee or controlling person of the Underwriter.

(b) The Underwriter shall indemnify and hold harmless the Company, its directors, officers and employees, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning the Underwriter furnished to the Company through the Underwriter specifically for inclusion therein, which information is limited to the information set forth in Section 8(e). The foregoing indemnity agreement is in addition to any liability that the Underwriter may otherwise have to the Company or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; *provided, however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under paragraphs (a) and (b) of this Section 8 except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses) by such failure and, *provided, further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that the indemnified party shall have the right to employ counsel to represent jointly the indemnified party and those other indemnified parties and their respective directors, officers, employees and controlling

persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought under this Section 8 if (i) the indemnified party and the indemnifying party shall have so mutually agreed; (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party; (iii) the indemnified party and its directors, officers, employees and controlling persons shall have reasonably concluded that there may be legal defenses available to them that are different from or in addition to those available to the indemnifying party; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the indemnified parties or their respective directors, officers, employees or controlling persons, on the one hand, and the indemnifying party, on the other hand, and representation of both sets of parties by the same counsel would be inappropriate due to actual or potential differing interests between them, and in any such event the fees and expenses of such separate counsel shall be paid by the indemnifying party. No indemnifying party shall (x) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party, or (y) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for reasonable fees and expenses of counsel as contemplated by Section 8(a) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request or disputed in good faith the indemnified party's entitlement to such reimbursement prior to the date of such settlement.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a), 8(b) or 8(c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other, from the offering of the Stock, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i)

above but also the relative fault of the Company, on the one hand, and the Underwriter, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriter, on the other, with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriter with respect to the shares of the Stock purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriter agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(d) shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), in no event shall the Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by the Underwriter with respect to the offering of the Stock exceeds the amount of any damages that the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(a) The Underwriter confirms and the Company acknowledges and agrees that the statements set forth on (i) the cover page regarding delivery of the Stock, and (ii) the following statements under the heading “Underwriting,” (A) the Underwriter’s participation in the sale of Stock, (B) the second paragraph under the heading “Commissions and Expenses,” and (C) the paragraphs (including the bullet points contained therein) under the heading “Stabilization and Short Positions,” in each case contained in the most recent Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning the Underwriter furnished in writing to the Company specifically for inclusion in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials.

SECTION 9. *Termination.* The obligations of the Underwriter hereunder may be terminated by notice given to and received by the Company prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 7(j), 7(k) and 7(l) shall

have occurred or if the Underwriter shall decline to purchase the Stock for any reason permitted under this Agreement.

SECTION 10. *Reimbursement of Underwriter's Expenses.* If (a) the Company shall fail to tender the Stock for delivery to the Underwriter for any reason (other than by reason of a default by the Underwriter), or (b) the Underwriter shall decline to purchase the Stock for any reason permitted under this Agreement, the Company will reimburse the Underwriter for all reasonable out-of-pocket expenses (including fees and disbursements of counsel for the Underwriter) incurred by the Underwriter in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company shall pay the full amount thereof to the Underwriter.

SECTION 11. *Research Analyst Independence.* The Company acknowledges that the Underwriter's research analysts and research departments are required to be independent from its investment banking division and are subject to certain regulations and internal policies, and that the Underwriter's research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of its investment banking division. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriter with respect to any conflict of interest that may arise from the fact that the views expressed by its independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by the Underwriter's investment banking divisions. The Company acknowledges that the Underwriter is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

SECTION 12. *No Fiduciary Duty.* The Company acknowledges and agrees that in connection with this offering, sale of the Stock or any other services the Underwriter may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriter: (a) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Underwriter, on the other, exists; (b) the Underwriter is not acting as advisor, expert or otherwise, to the Company, including, without limitation, with respect to the determination of the public offering price of the Stock, and such relationship between the Company, on the one hand, and the Underwriter, on the other, is entirely and solely commercial, based on arms-length negotiations; (c) any duties and obligations that the Underwriter may have to the Company shall be limited to those duties and obligations specifically stated herein; and (d) the Underwriter and its affiliates may have interests that differ from those of the Company. The Company hereby waives any claims that the Company may have against the Underwriter with respect to any breach of fiduciary duty in connection with this offering.

SECTION 13. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriter, shall be delivered or sent by mail or facsimile transmission to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 8(c), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; and

(b) if to the Company, shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Legal Department (Fax: 281-406-2139).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made by the Underwriter.

SECTION 14. *Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the Underwriter, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the directors, officers and employees of the Underwriter and each person or persons, if any, who control the Underwriter within the meaning of Section 15 of the Securities Act, and (b) the indemnity agreement of the Underwriter contained in Section 8(b) of this Agreement shall be deemed to be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 15, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

SECTION 15. *Survival*. The respective indemnities, representations, warranties and agreements of the Company and the Underwriter contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

SECTION 16. *Definition of the Terms "Business Day", "Affiliate" and "Subsidiary"*. For purposes of this Agreement, (a) "**business day**" means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close, and (b) "**affiliate**" and "**subsidiary**" have the meanings set forth in Rule 405 under the Securities Act.

SECTION 17. *Governing Law*. **This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles (other than Section 5-1401 of the General Obligations Law).**

SECTION 18. *Patriot Act*. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriter is required to

obtain, verify and record information that identifies its clients, including the Company, which information may include the name and address of its clients, as well as other information that will allow the Underwriter to properly identify its clients.

SECTION 19. *Waiver of Jury Trial*. The Company and the Underwriter hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 20. *Counterparts*. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

SECTION 21. *Headings*. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement between the Company and the Underwriter, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

PARKER DRILLING COMPANY

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Treasurer

Accepted:

BARCLAYS CAPITAL INC.

By: /s/ Amit Chandra
Authorized Representative

Signature Page to Underwriting Agreement - Common Stock

SCHEDULE I

PERSONS DELIVERING LOCK-UP AGREEMENTS

Directors

Gary G. Rich
Jonathan M. Clarkson
Peter T. Fontana
Gary R. King
Richard D. Paterson
R. Rudolph Reinfrank
Zaki Selim
Robert L. Parker, Jr.
Roger B. Plank

Officers

Gary G. Rich
Christopher T. Weber
Jon-Al Duplantier
Leslie K. Nagy
Bryan Ray Collins

SCHEDULE II

ISSUER FREE WRITING PROSPECTUSES

1. Road Show Materials.
2. Pricing Term Sheet, substantially in the form of Exhibit D hereto.

EXHIBIT A

FORM OF LOCK-UP LETTER AGREEMENT

BARCLAYS CAPITAL INC.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that you (the “*Underwriter*”) propose to enter into an Underwriting Agreement (the “*Underwriting Agreement*”) providing for the purchase by the Underwriter of shares (the “*Stock*”) of common stock, par value \$0.16 2/3 per share (the “*Common Stock*”), of Parker Drilling Company, a Delaware corporation (the “*Company*”), and that the Underwriter proposes to reoffer the Stock to the public (the “*Offering*”).

In consideration of the execution of the Underwriting Agreement by the Underwriter, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that, without the prior written consent of the Underwriter, the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (including, without limitation, shares of Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Common Stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Common Stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (3) make any demand for or exercise any right or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or any other securities of the Company, or (4) publicly disclose the intention to do any of the foregoing for a period commencing on the date hereof and ending on the 60th day after the date of the Prospectus relating to the Offering (such 60-day period, the “*Lock-Up Period*”).

The foregoing paragraph shall not apply to (a) transactions relating to shares of Common Stock or other securities acquired in the open market after the completion of the offering, (b) bona fide gifts, sales or other dispositions of shares of any class of the Company’s capital stock, in each case that are made exclusively between and among the undersigned or members of the undersigned’s family, or affiliates of the undersigned, including its partners (if a partnership) or members (if a limited liability company); *provided*

Exhibit A-1

that it shall be a condition to any transfer pursuant to this clause (b) that (i) the transferee/donee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee/donee were a party hereto, (ii) each party (donor, donee, transferor or transferee) shall not be required by law (including without limitation the disclosure requirements of the Securities Act of 1933, as amended (the *Securities Act*)), and the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) to make, and shall agree to not voluntarily make, any filing or public announcement (other than in a Form 5) of the transfer or disposition prior to the expiration of the 60-day period referred to above, and (iii) the undersigned notifies the Underwriter at least two business days prior to the proposed transfer or disposition, (c) the exercise of warrants or the exercise of stock options granted pursuant to the Company’s stock option/incentive plans or otherwise outstanding on the date hereof; *provided*, that the restrictions set forth in this Lock-Up Letter Agreement shall apply to shares of Common Stock issued upon such exercise or conversion, (d) the establishment of any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 (a “*Rule 10b5-1 Plan*”) under the Exchange Act; *provided, however*, that no sales of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock, shall be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the Lock-Up Period; *provided further*, that the Company is not required to report the establishment of such Rule 10b5-1 Plan in any public report or filing with the Commission under the Exchange Act during the Lock-Up Period and does not otherwise voluntarily effect any such public filing or report regarding such Rule 10b5-1 Plan, (e) shares of Common Stock transferred for the primary purpose of satisfying any tax or other governmental withholding obligation, through cashless surrender, with respect to an award of equity-based compensation pursuant to any incentive plan of the Company described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (f) any demands or requests for, exercise any right with respect to, or take any action in preparation of, the registration by the Company under the Securities Act of the undersigned’s shares of Common Stock; *provided* that no transfer of the undersigned’s shares of Common Stock registered pursuant to the exercise of any such right and no registration statement shall be filed under the Securities Act with respect to any of the undersigned’s shares of Common Stock during the Lock-Up Period, and (g) the offer, sale or sales (which may be effected in any manner whatsoever), together with offers and sales by other officers or directors of the Company signing substantially similar lock-up letter agreements with you in connection with the Offering, of up to an aggregate of 0.1% of the Company’s shares of Common Stock on a fully diluted basis after giving effect to the Offering.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Company notifies the Underwriter that it does not intend to proceed with the Offering, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive

Exhibit A-2

termination) shall terminate or be terminated prior to payment for and delivery of the Stock, the undersigned will be released from its obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Company and the Underwriter will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriter.

[Signature page follows]

Exhibit A-3

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Very truly yours,

By: _____

Name:

Title:

Dated: _____

Exhibit A-4

EXHIBIT B

FORM OF OPINION OF COMPANY'S COUNSEL

1. The Company is validly existing in good standing as a corporation under the Delaware General Corporation Law (the "DGCL") with all requisite corporate power and authority to (i) own, lease and operate its properties and conduct its business as described in the Prospectus and (ii) execute and deliver the Underwriting Agreement and to consummate the transactions contemplated thereunder.
2. The Underwriting Agreement has been duly authorized and validly executed and delivered by the Company.
3. The Shares have been duly authorized by the Company and, when issued and delivered to the Underwriter in accordance with the terms of the Underwriting Agreement against payment of the consideration therefor, will be validly issued, fully paid and nonassessable and free and clear of any preemptive rights under the DGCL and the Company's Organizational Documents.
4. The execution and delivery of the Underwriting Agreement by the Company does not, and the performance by the Company of its obligations thereunder will not (i) violate the Company's Organizational Documents, (ii) result in a breach or violation of any of the terms or provisions of, or constitute a default (or an event that, with notice or lapse of time or both, would constitute such a default) under, or result in the acceleration of indebtedness under, or the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company under, any Specified Agreement or (iii) violate the DGCL or any statute, rule or regulation of the United States or the State of New York that, in our experience, is normally applicable to transactions of the type contemplated by the Underwriting Agreement, other than federal or state securities laws, as to which such counsel need not express an opinion; provided that such counsel need not express an opinion as to whether the execution and delivery of the Underwriting Agreement by the Company, or the performance by the Company of its obligations thereunder, constitutes a violation or breach of, or a default under, any covenant, restriction or provision with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the Company or any of its subsidiaries.
5. No consent, approval, authorization, order, registration, filing or qualification of or with any governmental authority is required under United States federal law or under the DGCL in connection with the execution and delivery of the Underwriting Agreement by the Company, or the performance by the Company of its obligations thereunder, except such as may have been required under applicable state securities laws or under the Securities Act, as to which such counsel need not express any opinion, and those which have been previously made or obtained.

Exhibit B-1

6. The Registration Statement has been declared effective under the Securities Act; any required filing of the Prospectus, and any supplements thereto, pursuant to Rule 424(b) under the Securities Act has been made in the manner and within the period required by Rule 424(b); to our knowledge, no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use has been issued and no proceedings for that purpose have been instituted and are pending.
7. The statements included in the Registration Statement and the Prospectus under the caption “Description of Capital Stock – Common Stock,” insofar as they purport to constitute summaries of the terms of the Common Stock, are accurate in all material respects.
8. The statements set forth in the Registration Statement and the Prospectus under the caption “Material U.S. Federal Income Tax Considerations for Non-U.S. Holders,” insofar as they purport to constitute a summary of United States federal income tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the United States federal income tax law and regulations or legal conclusions described therein in all material respects, subject to the assumptions and qualifications set forth therein.
9. The Company is not, and immediately after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement and the Prospectus, will not be required to be registered as an “investment company” under the Investment Company Act of 1940, as amended.

We have reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and have participated in conferences with officers and other representatives of the Company, with representatives of the Company’s independent registered public accounting firm and with your representatives and your counsel, at which the contents of the Registration Statement, the Pricing Disclosure Package, the Prospectus and related matters were discussed. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus, and we have not undertaken to verify independently any of the factual matters in such documents. Moreover, many of the determinations required to be made in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus involve matters of a non-legal nature. Accordingly, we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained or included in the Registration Statement, the Pricing Disclosure Package and the Prospectus (except to the extent stated in paragraphs 7 and 8 above). Subject to the foregoing and on the basis of the information we gained in the course of performing the services referred to above, we advise you that:

- (a) the Registration Statement, as of the latest Effective Time, the Preliminary Prospectus, as of the Applicable Time, and the Prospectus, as of its date and the date hereof, appear on their face to be appropriately responsive in all material respects

Exhibit B-2

to the requirements of the Securities Act and the rules and regulations of the Commission thereunder;
and

(b) nothing came to our attention that caused us to believe that:

(i) the Registration Statement, as of the latest Effective Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading,

(ii) the Pricing Disclosure Package, as of the Applicable Time, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or

(iii) the Prospectus, as of its date or as of the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

it being understood that in each case we have not been asked to, and do not, express any belief with respect to (a) the financial statements and schedules or other financial, accounting or statistical information contained or included or incorporated by reference therein or omitted therefrom, or (b) representations and warranties and other statements of fact contained in the exhibits to the Registration Statement or to documents incorporated by reference therein.

Exhibit B-3

EXHIBIT C

FORM OF OPINION OF GENERAL COUNSEL

1. The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or be in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (as defined in the Underwriting Agreement).
2. Each significant subsidiary (as defined by Rule 1-02 of Regulation S-X) (each a “Significant Subsidiary”) of the Company is duly qualified as a foreign corporation, limited partnership or limited liability company, as the case may be, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or be in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
3. The execution, delivery and performance of the Underwriting Agreement by the Company, the consummation of the transactions contemplated by the Underwriting Agreement and the application of the proceeds from the sale of the Shares as described under “Use of Proceeds” in the Prospectus do not and will not, (i) result in the imposition or creation of (or the obligation to create or impose) a material lien, encumbrance, equity, claim or adverse interest under any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets is bound, other than such as would not reasonably be expected to have a Material Adverse Effect; or (ii) result in the suspension, termination or revocation of any Material Authorization (as defined in the Underwriting Agreement) of the Company or any of its subsidiaries or any other impairment of the rights of the holder of any such Material Authorization.
4. To my knowledge, there are no contracts, agreements or understandings between the Company, on the one hand, and any person, on the other hand, granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person and to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.
5. To my knowledge, there are no contracts or other documents that would be required to be described in the Pricing Disclosure Package or the Prospectus that have not been so described therein.
6. To my knowledge, after reasonable investigation, except as set forth in the Pricing Disclosure Package and the Prospectus, there are no legal or governmental proceedings pending to which

Exhibit C-1

the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that if determined adversely to the Company and its subsidiaries could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and to my knowledge, no such proceedings are threatened by governmental authorities or others.

Exhibit C-2

EXHIBIT D

FORM OF PRICING TERM SHEET

**Filed pursuant to Rule 433
Registration No. 333-197977
February 22, 2017**

Parker Drilling Company

Concurrent Offerings of

**12,000,000 Shares of Common Stock, par value \$0.16 2/3 per Share (the “Common Stock”)
(the “Common Stock Offering”)**

and

**500,000 Shares of 7.25% Series A Mandatory Convertible Preferred Stock (the “Mandatory Convertible Preferred Stock”)
(the “Mandatory Convertible Preferred Offering”)**

*The information in this pricing term sheet relates only to the Common Stock Offering and the Mandatory Convertible Preferred Offering and should be read together with (i) the preliminary prospectus supplement dated February 21, 2017 relating to the Common Stock Offering (the “**Common Stock Preliminary Prospectus Supplement**”), including the documents incorporated by reference therein, (ii) the preliminary prospectus supplement dated February 21, 2017 relating to the Mandatory Convertible Preferred Offering (the “**Mandatory Convertible Preferred Preliminary Prospectus Supplement**”), as the case may be, including the documents incorporated by reference therein and (iii) the related base prospectus dated February 25, 2015, each filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, Registration No. 333-197977. Neither the Common Stock Offering nor the Mandatory Convertible Preferred Offering is contingent on the successful completion of the other offering. Terms not defined in this pricing term sheet have the meanings given to such terms in the Common Stock Preliminary Prospectus Supplement or the Mandatory Convertible Preferred Preliminary Prospectus Supplement, as applicable. All references to dollar amounts are references to U.S. dollars.*

Issuer: Parker Drilling Company
Ticker / Exchange for the Common Stock: PKD / The New York Stock Exchange (“NYSE”)
Trade Date: February 22, 2017.
Settlement Date: February 27, 2017.

Common Stock Offering

Exhibit D-1

Common Stock Offered:	12,000,000 shares of Common Stock.
Option for Underwriter to Purchase Additional Shares of Common Stock:	1,800,000 additional shares of Common Stock.
NYSE Last Reported Sale Price of the Common Stock on February 21, 2017:	\$2.35 per share.
Public Offering Price:	\$2.10 per share.
Underwriting Discount:	\$0.087 per share.
Net Proceeds (before expenses):	\$24,156,000 (or \$27,779,400 if the underwriter exercises its option to purchase additional shares in full).
CUSIP / ISIN:	701081101 / US7010811013
Sole Book-Runner:	Barclays Capital Inc.

Mandatory Convertible Preferred Offering

Mandatory Convertible Preferred Stock Offered:	500,000 shares of the Issuer's 7.25% Series A Mandatory Convertible Preferred Stock.
Option for Underwriter to Purchase Additional Shares of Mandatory Convertible Preferred Stock:	75,000 additional shares of the Mandatory Convertible Preferred Stock.
Public Offering Price:	\$100 per share.
Underwriting Discount:	\$3.25 per share.
Net Proceeds (before expenses):	\$48,375,000 (or \$55,631,250 if the underwriter exercises its option to purchase additional shares in full).
Dividends:	7.25% of the liquidation preference of \$100 per share of the Mandatory Convertible Preferred Stock per year. Dividends will accumulate from the Settlement Date and, to the extent that the Issuer's board of directors, or an authorized committee thereof, declares (out of funds lawfully available for payment in the case of dividends paid in cash or if lawfully permitted in the case of dividends paid in shares of the Common Stock) a dividend payable with respect to the Mandatory Convertible Preferred Stock, the Issuer will pay such dividends in cash, by delivery of shares of Common Stock or through any combination of cash and shares of Common Stock, as determined by the Issuer in its sole discretion (subject to certain limitations); <i>provided</i> that any unpaid dividends will continue to accumulate.
	The expected dividend payable on the first dividend payment date is approximately \$2.48 per share of the Mandatory Convertible Preferred Stock. Each subsequent dividend is expected to be approximately \$1.81 per share of the Mandatory Convertible Preferred Stock.
Dividend Record Dates:	The March 15, June 15, September 15 and December 15 immediately preceding the relevant Dividend Payment Date.

Exhibit D-2

Dividend Payment Dates: March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 2017 and ending on, and including, March 31, 2020.

Mandatory Conversion Date: The third business day immediately following the last trading day of the 20 consecutive trading day period beginning on, and including, the 23rd scheduled trading day immediately preceding March 31, 2020.

Initial Price: Approximately \$2.10, which is equal to \$100, *divided by* the Maximum Conversion Rate.

Threshold Appreciation Price: Approximately \$2.4150, which represents a premium of approximately 15% over the Initial Price and is equal to \$100, *divided by* the Minimum Conversion Rate.

Floor Price: Initially \$0.74 (approximately 35% of the Initial Price), subject to adjustment.

Conversion Rate: The conversion rate for each share of Mandatory Convertible Preferred Stock will not be more than 47.6190 shares of Common Stock and not less than 41.4079 shares of Common Stock (respectively, the “**Maximum Conversion Rate**” and “**Minimum Conversion Rate**”), depending on the applicable market value (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) of the Common Stock, as described below.

The following table illustrates the conversion rate per share of the Mandatory Convertible Preferred Stock, subject to certain anti-dilution adjustments described in the Mandatory Convertible Preferred Preliminary Prospectus Supplement, based on the applicable market value of the Common Stock:

Applicable Market Value of the Common Stock	Conversion Rate per Share of Mandatory Convertible Preferred Stock
Greater than the Threshold Appreciation Price	41.4079 shares of Common Stock, which is the Minimum Conversion Rate
Equal to or less than the Threshold Appreciation Price but greater than or equal to the Initial Price	Between 41.4079 and 47.6190 shares of Common Stock, determined by dividing \$100 by the applicable market value
Less than the Initial Price	47.6190 shares of Common Stock, which is the Maximum Conversion Rate.

Early Conversion at the Option of the Holder: Other than during a fundamental change conversion period (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement), at any time prior to March 31, 2020, a holder of Mandatory Convertible Preferred Stock may elect to convert such holder’s shares of Mandatory Convertible Preferred Stock, in whole or in part, at the Minimum Conversion Rate of 41.4079 shares of Common Stock per share of Mandatory Convertible Preferred Stock, subject to adjustment as described in the Mandatory Convertible Preferred Preliminary Prospectus Supplement.

Exhibit D-3

Early Conversion at the Option of the Holder Upon a Fundamental Change; Fundamental Change Dividend Make-whole Amount:

If a fundamental change (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) occurs on or prior to March 31, 2020, holders of the Mandatory Convertible Preferred Stock will have the right to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part, into shares of Common Stock (or units of exchange property as described in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) at the fundamental change conversion rate (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) during the fundamental change conversion period (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement).

The following table sets forth the fundamental change conversion rate per share of Mandatory Convertible Preferred Stock based on the fundamental change effective date and the stock price (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) in the fundamental change:

Effective Date	\$ 1.00	\$ 1.50	\$ 2.10	\$ 2.42	\$ 3.00	\$ 3.50	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 10.00
February 27, 2017	42.3786	40.6214	39.6761	39.4927	39.4318	39.5142	39.6359	39.8792	40.0653	40.1957	40.2830	40.3843
March 31, 2018	44.4392	42.3020	40.8237	40.4656	40.2256	40.2383	40.3128	40.4900	40.6177	40.6933	40.7391	40.7833
March 31, 2019	46.5488	44.5307	42.2356	41.5525	41.0121	40.9300	40.9510	41.0338	41.0779	41.0957	41.1032	41.1084
March 31, 2020	47.6190	47.6190	47.6190	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079

The exact stock price and fundamental change effective date may not be set forth in the table, in which case:

- if the stock price is between two stock prices in the table or the fundamental change effective date is between two fundamental change effective dates in the table, the number of additional shares by which the conversion rate will be increased will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock prices and the earlier and later fundamental change effective dates based on a 365-day year, as applicable;
- if the stock price is greater than \$10.00 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), then the fundamental change conversion rate will be the minimum conversion rate; and
- if the stock price is less than \$1.00 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), then the fundamental change conversion rate will be the maximum conversion rate.

Discount Rate for Purposes of Fundamental Change Dividend Make-Whole Amount:

The discount rate for purposes of determining the fundamental change dividend make-whole amount (as defined in the Mandatory Convertible Preferred Prospectus Supplement) is 10% per annum.

Listing:

The Issuer intends to apply to list the Mandatory Convertible Preferred Stock on the New York Stock Exchange under the symbol "PKDP," subject to meeting the listing requirements in the New York Stock Exchange Listed Company Manual.

Exhibit D-4

CUSIP / ISIN for the Mandatory Convertible Preferred Stock: 701081 309 / US7010813092

Sole Book-Runner: Barclays Capital Inc.

The issuer has filed a registration statement (including a prospectus) and a preliminary prospectus supplement with the U.S. Securities and Exchange Commission (SEC) for each of the offerings to which this communication relates. Before you invest, you should read the prospectus supplement for the applicable offering, the issuer's prospectus in that registration statement and any other documents the issuer has filed with the SEC for more complete information about the issuer and the offerings. You may get these documents for free by searching the SEC online data base (EDGAR) on the SEC web site at <http://www.sec.gov>. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the applicable prospectus supplement and prospectus if you request it by calling Barclays Capital Inc. toll-free at 1-888-603-5847.

This communication should be read in conjunction with the Common Stock Preliminary Prospectus Supplement or the Mandatory Convertible Preferred Preliminary Prospectus Supplement, as the case may be, and the prospectus. The information in this communication supersedes the information in the Common Stock Preliminary Prospectus Supplement or the Mandatory Convertible Preferred Preliminary Prospectus Supplement, as the case may be, and the prospectus to the extent it is inconsistent with the information in such preliminary prospectus supplement or the prospectus.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.

Exhibit D-5

Parker Drilling Company**500,000 Shares of 7.25% Series A Mandatory Convertible Preferred Stock****(initial liquidation preference of \$100 per share)****UNDERWRITING AGREEMENT**

February 22, 2017

BARCLAYS CAPITAL INC.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

Parker Drilling Company, a Delaware corporation (the “*Company*”), proposes to sell to Barclays Capital Inc. (the “*Underwriter*”) 500,000 shares (the “*Firm Stock*”) of the Company’s 7.25% Series A Mandatory Convertible Preferred Stock, with an initial liquidation preference of \$100 per share (“*Mandatory Convertible Preferred Stock*”). In addition, the Company proposes to grant to the Underwriter an option to purchase up to 75,000 additional shares of Mandatory Convertible Preferred Stock on the terms set forth in Section 2 (the “*Option Stock*”) of this agreement (this “*Agreement*”). The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the “*Stock*”. The Stock will be convertible into a variable number of shares of the Company’s common stock (the “*Conversion Shares*”), par value \$0.16 2/3 per share (the “*Common Stock*”). This Agreement is to confirm the agreement concerning the purchase of the Stock from the Company by the Underwriter.

The terms of the Mandatory Convertible Preferred Stock will be set forth in a certificate of designations (the “*Certificate of Designations*”) to be filed by the Company with the Secretary of State of the State of Delaware as an amendment to the Company’s Restated Certificate of Incorporation, dated May 16, 2007.

SECTION 1. *Representations, Warranties and Agreements of the Company*. The Company represents, warrants and agrees that:

(a) A shelf registration statement on Form S-3 (File No. 333-197977) relating to the Stock (i) has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the “*Securities Act*”), and the rules and regulations of the Securities and Exchange Commission (the “*Commission*”) thereunder; (ii) has been filed with the Commission under the Securities Act; and (iii) has become effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you as the Underwriter. As used in this Agreement:

(i) “*Applicable Time*” means 8:15 A.M. (New York City time) on February 22, 2017;

(ii) “**Effective Date**” means the date and time at which such registration statement was declared effective by the Commission in accordance with the rules and regulations under the Securities Act;

(iii) “**Issuer Free Writing Prospectus**” means each “issuer free writing prospectus” (as defined in Rule 433 under the Securities Act);

(iv) “**Preliminary Prospectus**” means any preliminary prospectus relating to the Stock included in such registration statement or filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(v) “**Pricing Disclosure Package**” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with the information included in the Pricing Term Sheet (as defined in Section 5(f) below) and any other Issuer Free Writing Prospectus filed or used by the Company at or before the Applicable Time, other than a road show, that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 under the Securities Act;

(vi) “**Prospectus**” means the final prospectus relating to the Stock, as filed with the Commission pursuant to Rule 424(b) under the Securities Act; and

(vii) “**Registration Statement**” means such registration statement, as amended as of the Effective Date, including any Preliminary Prospectus or the Prospectus, all exhibits to such registration statement and including the information deemed by virtue of Rule 430B under the Securities Act to be part of such registration statement as of the Effective Date.

Any reference to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein pursuant to Form S-3 under the Securities Act as of the date of such Preliminary Prospectus or the Prospectus, as the case may be. Any reference to the “**most recent Preliminary Prospectus**” shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) under the Securities Act immediately prior to the Applicable Time. Any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), after the date of such Preliminary Prospectus or the Prospectus, as the case may be, and before the date of such amendment or supplement and incorporated by reference in such Preliminary Prospectus or the Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to include any document filed with the Commission pursuant to Section 13(a), 14 or 15(d) of the Exchange Act after the Effective Date and before the date of such amendment that is incorporated by reference in the Registration Statement. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or threatened by the Commission.

(a) The Company has not sold or issued any securities that would be integrated with the offering of the Stock contemplated by this Agreement pursuant to the Securities Act, the rules and regulations thereunder or the interpretations thereof by the Commission.

(b) The Company was not at the time of initial filing of the Registration Statement and at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h) (2) under the Securities Act) of the Stock, is not on the date hereof and will not be on the applicable Delivery Date (as defined in Section 4), an “ineligible issuer” (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement conformed and will conform in all material respects on the Effective Date and on the applicable Delivery Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the rules and regulations thereunder. The most recent Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) under the Securities Act and on the applicable Delivery Date to the requirements of the Securities Act and the rules and regulations thereunder. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus conformed when filed with the Commission, in all material respects to the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the Commission thereunder.

(d) Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder on the date of first use, and the Company has complied with all prospectus delivery and any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Securities Act and rules and regulations thereunder. The Company has not made any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Underwriter. The Company has retained in accordance with the Securities Act and the rules and regulations thereunder all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Securities Act and the rules and regulations thereunder.

(e) The Registration Statement did not, as of the Effective Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(f) The Prospectus will not, as of its date or as of the applicable Delivery Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(g) The documents incorporated by reference in any Preliminary Prospectus or the Prospectus did not when filed with the Commission, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(i) Each Issuer Free Writing Prospectus listed in Schedule II hereto, when taken together with the Pricing Disclosure Package, as of the Applicable Time, did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and did not include any information that conflicted with the information contained in the Registration Statement and Preliminary Prospectus; *provided*, that no representation or warranty is made as to information contained in or omitted from such Issuer Free Writing Prospectus listed in Schedule II hereto in reliance upon and in conformity with written information furnished to the Company through the Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(j) Except as described in the most recent Preliminary Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(k) The Company has not distributed and, prior to the later to occur of any Delivery Date and completion of the distribution of the Stock, will not distribute any offering material in connection with the offering and sale of the Stock other than any Preliminary Prospectus, the Prospectus, and any Issuer Free Writing Prospectus to which the Underwriter has consented.

(l) The Company has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder. This Agreement has been duly authorized and validly executed and delivered by the Company.

(m) The Certificate of Designations has been duly authorized by the Company. The Certificate of Designations sets forth the rights, preferences and priorities of the Mandatory Convertible Preferred Stock, and the holders of the Mandatory Convertible Preferred Stock will have the rights set forth in the Certificate of Designations upon filing with the Secretary of State

for the State of Delaware. The Certificate of Designations conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(n) Except as described in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or that would not, individually or in the aggregate, result in a Material Adverse Effect; and, since the respective dates as of which information is given in the most recent Preliminary Prospectus (in each case exclusive of any amendment or supplement thereto), there has not been any change in the capital stock (except for issuances of common stock pursuant to employee benefit plans or upon exercise of options or convertible securities outstanding on such date) or material increase in the long-term debt of the Company or any of its subsidiaries considered as a whole or any material adverse change, or any development that could reasonably be expected to result in a material adverse change, in or affecting the financial condition, results of operations, business, management, properties or operations of the Company and its subsidiaries, taken as a whole (any such change or development, a “**Material Adverse Change**”), otherwise than as set forth or contemplated in the most recent Preliminary Prospectus.

(o) KPMG LLP, which has certified certain consolidated financial statements of the Company (including the related notes thereto) included or incorporated by reference in the most recent Preliminary Prospectus and the Prospectus, is and was during the periods covered by such financial statements an independent registered public accounting firm with respect to the Company as required by the Securities Act and the rules and regulations thereunder.

(p) The historical financial statements of the Company (including the related notes and supporting schedules) included or incorporated by reference in the most recent Preliminary Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act and present fairly in all material respects the financial condition, results of operations, changes in financial position and cash flows of the entities purported to be shown thereby at the dates and for the periods indicated and have been prepared in conformity with accounting principles generally accepted in the United States applied on a consistent basis throughout the periods involved.

(q) The Company and each of its “significant subsidiaries,” as defined by Rule 1-02 of Regulation S-X under the Securities Act (the “**Significant Subsidiaries**”) have been duly incorporated, formed or organized, as the case may be, and is validly existing as a corporation or other applicable legal entity, as the case may be, in good standing under the laws of its jurisdiction of incorporation, formation or organization, is duly qualified to do business and is in good standing (to the extent such qualification exists) under the laws of each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, and has full power and authority necessary to own, lease or hold its properties and to conduct the businesses in which it is engaged except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a material adverse effect on the

financial condition, results of operations, business, management, properties or operations of the Company and its subsidiaries, taken as a whole, or the authority or the ability of the Company to perform its obligations under this Agreement (a “*Material Adverse Effect*”).

(r) The Company has an authorized capitalization as set forth in each of the most recent Preliminary Prospectus and the Prospectus, and all of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable. All of the issued shares of capital stock or other ownership interest of each Significant Subsidiary of the Company have been duly authorized and validly issued and, in the case of any corporation, are fully paid and non-assessable and, in the case of a limited liability company, the Company has no obligation to make further payments for its limited liability company interests or contributions to such subsidiary solely by reason of its ownership of such limited liability company interests or its status as a member of such subsidiary, and the Company will have no personal liability for the obligations of such subsidiary solely by reason of being a member of such subsidiary. All of the issued shares of capital stock or other ownership interest of each Significant Subsidiary of the Company (except for directors’ qualifying shares, if any, or as otherwise disclosed or contemplated in the most recent Preliminary Prospectus and for pledges in favor of the lenders under the Second Amended and Restated Credit Agreement, dated as of January 26, 2015, as amended, restated, supplemented or otherwise modified, by and among the Company as Borrower, Bank of America, N.A., as Administrative Agent and L/C Issuer, Wells Fargo Bank, National Association, as Syndication Agent, Barclays Bank PLC, as Documentation Agent, and the lenders from time to time party thereto and the other persons from time to time party thereto) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens, encumbrances, equities or claims as would not, individually or in the aggregate, have a Material Adverse Effect.

(s) The shares of the Stock to be issued and sold by the Company to the Underwriter hereunder have been duly authorized and, upon payment and delivery in accordance with this Agreement, will be validly issued, fully paid and non-assessable, will conform to the description thereof contained in the most recent Preliminary Prospectus and will be free of statutory and contractual preemptive rights, rights of first refusal and similar rights.

(t) Upon issuance of the Stock in accordance with this Agreement and the Prospectus and the filing and effectiveness of the Certificate of Designations, the Mandatory Convertible Preferred Stock will be convertible into the Conversion Shares in accordance with the terms of the Mandatory Convertible Preferred Stock and the Certificate of Designations; a number of Conversion Shares (the “*Maximum Number of Conversion Shares*”) equal to the sum of the maximum number of shares of Common Stock deliverable by the Company upon conversion of the Mandatory Convertible Preferred Stock (including the maximum number of shares of Common Stock deliverable by the Company upon conversion in connection with a fundamental change (as defined in the Pricing Disclosure Package) (including the maximum number of shares of Common Stock deliverable by the Company in respect of any fundamental change dividend make-whole amount and any accumulated dividend amount (in each case, as defined in the Pricing Disclosure Package))) and the maximum number of shares of Common Stock deliverable by the Company in respect of any early conversion additional conversion amount and any

additional conversion amount (each as defined in the Pricing Disclosure Package) (assuming the Company elects to issue and deliver the maximum number of shares of Common Stock in connection with any such early conversion additional conversion amount and any such additional conversion amount), in each case, in accordance with the terms of the Certificate of Designations, has been duly authorized and reserved for issuance by all necessary corporate action, and such Conversion Shares, when issued upon such conversion or delivery (as the case may be) in accordance with the terms of the Mandatory Convertible Preferred Stock and the Certificate of Designations will be validly issued, fully paid and non-assessable, will conform in all material respects to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus and will not be subject to the preemptive or other similar rights of any securityholder of the Company.

(u) The issue and sale of the Stock, the execution, delivery and performance of this Agreement and the Certificate of Designations by the Company, the consummation of the transactions contemplated hereby and the application of the proceeds from the sale of the Stock as described under “Use of Proceeds” in the most recent Preliminary Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) violate the charter, by-laws or other constitutive documents of the Company or any of its subsidiaries, (iii) violate any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets, (iv) result in the imposition or creation of (or the obligation to create or impose) a material lien, encumbrance, equity, claim or adverse interest under any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets is bound, or (v) result in the suspension, termination or revocation of any Material Authorization (as defined below) of the Company or any of its subsidiaries or any other impairment of the rights of the holder of any such Material Authorization, other than in the case of clauses (i), (iii), (iv) and (v) for such conflicts, breaches, violations, defaults, suspensions, terminations, revocations or impairments that would not have a Material Adverse Effect.

(v) No consent, approval, authorization or order of, or filing, registration or qualification (each a “ *consent*”) with, any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets is required for the issue and sale of the Stock, for the issuance of a number of Conversion Shares equal to the Maximum Number of Conversion Shares issuable by the Company in accordance with the terms of the Certificate of Designations, for the execution, delivery and performance of this Agreement by the Company, for the consummation of the transactions contemplated hereby, the application of the proceeds from the sale of the Stock as described under “Use of Proceeds” in the most recent Preliminary Prospectus, except (i) for the registration of the Stock under the Securities Act and such consents as may be required under the Exchange Act, applicable state securities laws or “Blue Sky” laws, and the bylaws and rules of the Financial Industry Regulatory Authority (“*FINRA*”) in connection with the purchase and sale of the Stock by the

Underwriter, (ii) for such consents that have been or, prior to the Initial Delivery Date, will be obtained or made, or (iii) for any such consents the absence or omission of which would not reasonably be expected to materially impair the ability of the Company to consummate the transactions contemplated hereby.

(w) Each of the Company and its subsidiaries (i) makes and keeps accurate books and records and (ii) maintains internal accounting controls which provide reasonable assurance that (A) transactions are executed in accordance with management's authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements and to maintain accountability for its assets, (C) access to its assets is permitted only in accordance with management's authorization and (D) the reported accountability for its assets is compared with existing assets at reasonable intervals.

(x) Since the date as of which information is given in the most recent Preliminary Prospectus, neither the Company nor any of its Significant Subsidiaries has (i) issued or granted any securities (except for grants of restricted stock and options to purchase common stock pursuant to employee benefit plans and for issuances of common stock pursuant to employee benefit plans or upon exercise of options or convertible securities outstanding on such date), (ii) incurred any material liability or obligation, indirect, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any material transaction or agreement not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock (except for dividends or distributions paid or made to the Company or any of its subsidiaries by their respective subsidiaries).

(y) None of the Company or any of its subsidiaries (i) is in violation of its charter, by-laws or other constitutive documents, (ii) is in default, and, no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii) and (iii) for such violations, defaults and failures which would not have a Material Adverse Effect.

(z) The Company and its subsidiaries have good title to all real property and personal property owned by them, in each case free and clear of all liens, encumbrances, equities or claims except such as are described or contemplated in the most recent Preliminary Prospectus or would not, individually or in the aggregate, have a Material Adverse Effect and do not materially interfere with the use made or to be made of such property by the Company and its subsidiaries; and all real property and buildings held under lease by the Company and its subsidiaries are held by them under valid and enforceable leases, with no exceptions that would materially interfere with the use made or to be made of such property and buildings by the Company and its subsidiaries.

(aa) Each of the Company and the subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an “**Authorization**”) of, and has made all filings with and notices to, all governmental or regulatory authorities (whether domestic or foreign) and self-regulatory organizations and all courts and other tribunals, including, without limitation, under any applicable environmental law, ordinance, rule, regulation, order, judgment, decree or permit, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, individually or in the aggregate, have a Material Adverse Effect (each such Authorization, a “**Material Authorization**”); each Material Authorization is valid and in full force and effect and each of the Company and the subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Material Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Material Authorization, except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, individually or in the aggregate, have a Material Adverse Effect.

(bb) The Company and its subsidiaries carry or are covered by insurance by reputable institutions in such amounts and covering such risks as is customary for companies engaged in similar businesses. In the Company’s judgment, such insurance insures against such losses and risks as are adequate to protect the Company and its subsidiaries and their respective businesses. The Company and its subsidiaries are in compliance with the term of such policies and instruments in all material respects. Neither the Company nor any of its subsidiaries has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance. The Company has no reason to believe that it or any subsidiary will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not have a Material Adverse Effect.

(cc) The Company and its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, inventions, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and licenses necessary for the conduct of their respective businesses and have no reason to believe that the conduct of their respective businesses will conflict with, and have not received any notice of infringement of or conflict with asserted rights of others with respect to, any of such intellectual property that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(dd) Except as described in the most recent Preliminary Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party

or of which any property or assets of the Company or any of its subsidiaries is the subject that if determined adversely to the Company and its subsidiaries would, individually or in the aggregate, have a Material Adverse Effect; and to the best of the Company's knowledge, no such proceedings are threatened by governmental authorities or others.

(ee) No labor disturbance by the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(ff) Except as disclosed in the most recent Preliminary Prospectus or as disclosed to the United States Department of Justice (the "**DOJ**") in connection with the Deferred Prosecution Agreement entered into by the Company and the DOJ on April 16, 2013, neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any affiliate, director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) taken any action (A) in furtherance of an offer, provision, payment, or promise to pay anything of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity, agency or instrumentality, or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper business advantage; or (B) that would otherwise violate any applicable anti-corruption, anti-money laundering, anti-terrorism and economic sanction and anti-boycott laws of the United States, including any provision of the U.S. Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder, any provision of the Bribery Act 2010 of the United Kingdom, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any similar laws in any other relevant jurisdictions; or (iv) made of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(gg) To the knowledge of the Company, (i) each "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"), as to which the Company or any of its subsidiaries is the plan sponsor, is in compliance in all material respects with all applicable provisions of ERISA and the U.S. Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "**Code**"); (ii) each such "employee benefit plan" has been established and administered in all material respects in accordance with its terms and each of the Company and its subsidiaries is in compliance in all material respects with its obligations under ERISA and the Code with respect to each such "employee benefit plan"; (iii) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred with respect to any "employee benefit plan" for which the Company or any of its subsidiaries is the plan sponsor, except as would not, individually or in the aggregate, result in a Material Adverse Effect; (iv) each of the Company and its subsidiaries has not incurred and does not expect to incur liability under (A) Title IV of ERISA with respect to termination of, or

complete or partial withdrawal from, any “employee benefit plan” or (B) Section 412, 4971 or 4975 of the Code and (v) each “employee benefit plan” for which the Company or any of its subsidiaries is the plan sponsor that is intended to be qualified under Section 401(a) of the Code is so qualified in all respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification, except as would not, individually or in the aggregate, result in a Material Adverse Effect.

(hh) Each of the Company and its subsidiaries (i) has filed all federal, state, local and foreign tax returns required to be filed through the date hereof other than such returns for which the failure to file would not, individually or in the aggregate, result in a Material Adverse Effect and (ii) has paid all taxes shown to be due thereon, except those (A) currently payable without penalty or interest, (B) being contested in good faith and by appropriate proceedings and for which, in the case of both (A) and (B), adequate reserves have been established on the books and records of the Company or its subsidiaries in accordance with generally accepted accounting principles or (C) for which the failure to pay would not, individually or in the aggregate, have a Material Adverse Effect. Except as disclosed or contemplated in the most recent Preliminary Prospectus, no tax deficiency has been determined adversely to the Company or any of its subsidiaries that has had (nor does the Company have any knowledge of any tax deficiency which, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have), individually or in the aggregate, a Material Adverse Effect.

(ii) Except as disclosed or contemplated in the most recent Preliminary Prospectus, there has been no violation by the Company or any of its subsidiaries of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit relating to the protection of natural resources, human health or the environment (“*Environmental Law*”) or storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes, hazardous substances or any other material that is regulated under, or that could result in the imposition of liability under, any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, petroleum and petroleum products (collectively, “*Hazardous Substances*”), by the Company or any of its subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned, leased or operated by the Company or its subsidiaries in violation of any Environmental Law or which would require remedial action under any Environmental Law or which would otherwise result in liability under any Environmental Law, except for any violation, remedial action or liability which would not have, individually or in the aggregate with all such violations, remedial actions and liabilities, a Material Adverse Effect; except as disclosed or contemplated in the most recent Preliminary Prospectus, there has been no spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any Hazardous Substances due to or caused by the Company or any of its subsidiaries or with respect to which the Company has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have, individually or in the aggregate with all such spills, discharges, leaks, emissions, injections, escapes, dumping and releases, a Material Adverse Effect; except as disclosed in the most recent Preliminary Prospectus, there is no claim by any governmental agency or body against the Company or any of its subsidiaries under any Environmental Law

that the Company believes may result in a fine or other monetary sanction of \$100,000 or more; and except as disclosed in the most recent Preliminary Prospectus, no material expenditures by the Company or any of its subsidiaries are anticipated in order to maintain compliance with any Environmental Law.

(jj) In the ordinary course of its business, the Company conducts a periodic review of the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review and the amount of its established reserves, the Company has reasonably concluded that such associated costs and liabilities would not, individually or in the aggregate, have a Material Adverse Effect.

(kk) There are no contracts or other documents required to be described in the Registration Statement or the most recent Preliminary Prospectus or filed as exhibits to the Registration Statement, that are not described and, if applicable, filed as required. The statements made in the most recent Preliminary Prospectus, insofar as they purport to constitute summaries of the terms of the contracts and other documents described and, if applicable, filed, constitute accurate summaries of the terms of such contracts and documents in all material respects.

(ll) Except as described in the most recent Preliminary Prospectus, no material relationship, direct or indirect, exists between or among the Company and its subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company and its subsidiaries, on the other hand, that is required by the Securities Act to be described in the most recent Preliminary Prospectus and that is not so described.

(mm) The statistical and market-related data included in the most recent Preliminary Prospectus are based on or derived from sources that the Company believes to be reliable in all material respects.

(nn)

(i) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act), which (A) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and principal financial officer, or persons performing similar functions, by others within those entities; (B) have been evaluated for effectiveness as of the end of the Company's most recent fiscal quarter; (C) are effective in all material respects to perform the functions for which they were established; and (D) provide reasonable assurance that the interactive data in eXtensible Business Reporting Language included or incorporated by reference in any Preliminary Prospectus or the

Prospectus is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(ii) Based on the evaluation of its disclosure controls and procedures, the Company is not aware of (A) any significant deficiency or material weakness in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

(iii) Since the date of the Company's most recent evaluation of such disclosure controls and procedures, there have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(iv) There is and has been no failure on the part of the Company and its subsidiaries and, to the knowledge of the Company, any of the Company's and its subsidiaries directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith.

(oo) The Company has not taken, directly or indirectly, any action designed to or that has constituted or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of the Stock.

(pp) Neither the Company nor any subsidiary is, and as of the applicable Delivery Date and, after giving effect to the offer and sale of the Stock and the application of the proceeds therefrom as described under "Use of Proceeds" in the most recent Preliminary Prospectus and the Prospectus, none of them will be, an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(qq) Except as disclosed in the most recent Preliminary Prospectus and the Prospectus, the operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(rr)

(i) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries has been a person described or designated in the most current list of “Specially Designated Nationals and Blocked Persons” maintained by the Office of Foreign Assets Control of the U.S. Treasury Department (“**OFAC**”) or has otherwise been a person with whom transactions are currently prohibited under:

a.the economic sanctions laws and regulations administered by OFAC or by the U.S. Department of State (“**US Economic Sanctions Laws**”);

b.any economic sanctions administered or enforced by Her Majesty’s Treasury or the Export Control Organisation of the United Kingdom (“**UK Economic Sanctions Laws**”); or

c.any European Union restrictive measure, including economic sanctions imposed against certain states, entities, and/or individuals (“**EU Economic Sanctions Laws**,” and together with US Economic Sanctions Laws and UK Economic Sanctions Laws, “**International Economic Sanctions Laws**”); and

(ii) neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any enforcement actions by the OFAC, Her Majesty’s Treasury of the United Kingdom, the Export Control Organisation of the United Kingdom or any other competent authority of any member state of the European Union in relation to any breach of International Economic Sanctions Laws;

(iii) neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries, is engaged in or facilitating, and will not knowingly engage in or facilitate, and will use its best efforts to avoid engaging in or facilitating, any activities or unauthorized transactions (including, but not limited to, leases of its rigs for use) in violation of International Economic Sanctions Laws; and

(iv) the Company will not, and will not permit its respective subsidiaries to, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (A) for the purpose of financing or facilitating, directly or indirectly, activities (i) of any person that is the target of any International Economic Sanctions Laws, or (ii) in contravention of any International Economic Sanctions Laws, or (B) in any manner that would cause a breach by the Underwriter of any law applicable to it.

(ss) The statements set forth in each of the most recent Preliminary Prospectus and the Prospectus under the captions “Description of Mandatory Convertible Preferred Stock,” “Description of Capital Stock” and “Material U.S. Federal Income Tax Considerations,” insofar

as they purport to summarize the provisions of the laws referred to therein, are accurate in all material respects.

(tt) Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or the Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Stock.

Any certificate signed by any officer of the Company and delivered to the Underwriter or counsel for the Underwriter in connection with the offering of the Stock shall be deemed a representation and warranty by the Company, as to matters covered thereby, to the Underwriter.

SECTION 2. *Purchase of the Stock by the Underwriter.* On the basis of the representations, warranties and covenants contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell 500,000 shares of the Firm Stock to the Underwriter, and the Underwriter agrees to purchase 500,000 shares of the Firm Stock.

In addition, the Company grants to the Underwriter an option to purchase up to 75,000 additional shares of Option Stock. Such option is exercisable in the event that the Underwriter sells more shares of Common Stock than the number of shares of Firm Stock in the offering and as set forth in Section 4 hereof.

The purchase price payable by the Underwriter for both the Firm Stock and any Option Stock is \$96.75 per share.

The Company is not obligated to deliver any of the Firm Stock or Option Stock to be delivered on the applicable Delivery Date, except upon payment for all such Stock to be purchased on such Delivery Date as provided herein.

SECTION 3. *Offering of Stock by the Underwriter.* The Underwriter proposes to offer the Firm Stock for sale upon the terms and conditions to be set forth in the Prospectus.

SECTION 4. *Delivery of and Payment for the Stock.* Delivery of and payment for the Firm Stock shall be made at 10:00 A.M., New York City time, on the third full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Underwriter and the Company. This date and time are sometimes referred to as the "***Initial Delivery Date***". Delivery of the Firm Stock shall be made to the account of the Underwriter against payment by the Underwriter of the aggregate purchase price of the Firm Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Underwriter hereunder. The Company shall deliver the Firm Stock through the facilities of the Depository Trust Company ("***DTC***") unless the Underwriter shall otherwise instruct.

The option granted in Section 2 will expire 30 days after the date of this Agreement and may be exercised in whole or from time to time in part by written notice being given to the Company by the Underwriter; *provided* that if such date falls on a day that is not a business day, the option granted in Section 2 will expire on the next succeeding business day. Such notice shall set forth the aggregate number of shares of Option Stock as to which the option is being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Underwriter, when the shares of Option Stock are to be delivered; *provided, however*, that this date and time shall not be earlier than the Initial Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. Each date and time the shares of Option Stock are delivered is sometimes referred to as an “*Option Stock Delivery Date*”, and the Initial Delivery Date and any Option Stock Delivery Date are sometimes each referred to as a “*Delivery Date*”.

Delivery of the Option Stock by the Company and payment for the Option Stock by the Underwriter shall be made at 10:00 A.M., New York City time, on the date specified in the corresponding notice described in the preceding paragraph or at such other date or place as shall be determined by agreement between the Underwriter and the Company. On each Option Stock Delivery Date, the Company shall deliver, or cause to be delivered, the Option Stock, to the account of the Underwriter, against payment by the Underwriter of the purchase price of the Option Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Underwriter hereunder. The Company shall deliver the Option Stock through the facilities of DTC unless the Underwriter shall otherwise instruct.

SECTION 5. *Further Agreements of the Company and the Underwriter* . (a) The Company agrees:

(i) To prepare the Prospectus in a form approved by the Underwriter and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission’s close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Delivery Date except as provided herein; to advise the Underwriter, promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or the Prospectus has been filed and to furnish the Underwriter with copies thereof; to advise the Underwriter, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding or examination for any such purpose or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order

preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal.

(ii) To furnish promptly upon request to the Underwriter and to counsel for the Underwriter a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(iii) To deliver promptly to the Underwriter such number of the following documents as the Underwriter shall reasonably request: (A) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of per share earnings), (B) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, (C) each Issuer Free Writing Prospectus and (D) any document incorporated by reference in any Preliminary Prospectus or the Prospectus; and, if the delivery of a prospectus is required at any time after the date hereof in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Underwriter and, upon its request, to file such document and to prepare and furnish without charge to the Underwriter and to any dealer in securities as many copies as the Underwriter may from time to time reasonably request of an amended or supplemented Prospectus that will correct such statement or omission or effect such compliance.

(iv) To file promptly with the Commission any amendment or supplement to the Registration Statement or the Prospectus that may, in the judgment of the Company or the Underwriter, be required by the Securities Act or requested by the Commission.

(v) Prior to filing with the Commission any amendment or supplement to the Registration Statement or the Prospectus, any document incorporated by reference in the Prospectus or any amendment to any document incorporated by reference in the Prospectus, to furnish a copy thereof to the Underwriter and counsel for the Underwriter and obtain the consent of the Underwriter to the filing.

(vi) Not to make any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Underwriter.

(vii) To comply with all applicable requirements of Rule 433 under the Securities Act with respect to any Issuer Free Writing Prospectus. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would

include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Underwriter and, upon its request, to file such document and to prepare and furnish without charge to the Underwriter as many copies as the Underwriter may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(viii) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 405 days or, if the fourth quarter following the fiscal quarter that includes the Effective Date is the last fiscal quarter of the Company's fiscal year, 440 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Underwriter (or to make available through the Commission's Electronic Data Gathering, Analysis and Retrieval System) an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158).

(ix) Promptly from time to time to take such action as the Underwriter may reasonably request to qualify the Stock for offering and sale under the securities or Blue Sky laws of Canada and such other jurisdictions as the Underwriter may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; *provided*, that in connection therewith the Company shall not be required to (A) qualify as a foreign corporation in any jurisdiction in which it would not otherwise be required to so qualify, (B) file a general consent to service of process in any such jurisdiction, or (C) subject itself to taxation in any jurisdiction in which it would not otherwise be subject.

(x) For a period commencing on the date hereof and ending on the 60th day after the date of the Prospectus (the "**Lock-Up Period**"), not to, directly or indirectly, (A) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock (other than the Stock and shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans existing on the date hereof or pursuant to currently outstanding options, warrants or rights not issued under one of those plans), or sell or grant options, rights or warrants with respect to any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than the grant of options pursuant to option plans existing on the date hereof), (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of Common Stock, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (C) file or cause to

be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible, exercisable or exchangeable into Common Stock or any other securities of the Company (other than any registration statement on Form S-8), or (D) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of the Underwriter, and to cause each officer, director and stockholder of the Company set forth on Schedule I hereto to furnish to the Underwriter, prior to the Initial Delivery Date, a letter or letters, substantially in the form of Exhibit A hereto (the “*Lock-Up Agreements*”). The restrictions in the foregoing sentence shall not apply to (i) the issuance of Common Stock upon conversion of the Stock, (ii) the Company’s concurrent issuance of 12,000,000 shares of its Common Stock (13,800,000 shares if the Underwriter exercises its option to purchase additional shares in full) or (iii) up to 10.0% of the Company’s outstanding shares of Common Stock (or any securities convertible or exchangeable into such Common Stock) on a fully diluted basis after giving effect to the Offering as payment of any part of the purchase price for businesses that are acquired by the Company or in connection with any joint venture entered into by the Company; *provided* that prior to the issuance of such shares of Common Stock pursuant to subparagraph (iii), each recipient of such shares agrees in writing to be subject to the “lock-up” described in this Section 5(x) for the remaining term of the Lock-Up Period.

(xi) To apply the net proceeds from the sale of the Stock being sold by the Company substantially in accordance with the description as set forth in the Prospectus under the caption “Use of Proceeds.”

(xii) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Securities Act.

(xiii) If the Company elects to rely upon Rule 462(b) under the Securities Act, the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) under the Securities Act by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing pay the Commission the filing fee for the Rule 462(b) Registration Statement.

(xiv) The Company and its affiliates will not take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Stock.

(xv) The Company will do and perform all things required or necessary to be done and performed under this Agreement by it prior to each Delivery Date, and to satisfy all conditions precedent to the Underwriter’s obligations hereunder to purchase the Stock.

(b) The Underwriter agrees that it shall not include any “issuer information” (as defined in Rule 433 under the Securities Act) in any “free writing prospectus” (as defined in Rule 405 under the Securities Act) used or referred to by the Underwriter without the prior consent of

the Company (any such issuer information with respect to whose use the Company has given its consent, “ **Permitted Issuer Information**”); *provided* that (i) no such consent shall be required with respect to any such issuer information contained in any document filed by the Company with the Commission prior to the use of such free writing prospectus, and (ii) “issuer information”, as used in this Section 5(b), shall not be deemed to include information prepared by or on behalf of the Underwriter on the basis of or derived from issuer information.

(c) The Company will use its commercially reasonable efforts to effect the listing of the Stock, and a number of Conversion Shares equal to the Maximum Number of Conversion Shares, on the New York Stock Exchange (“**NYSE**”).

(d) The Company will reserve and keep available at all times, free of preemptive or similar rights, a number of Conversion Shares equal to the Maximum Number of Conversion Shares.

(e) Between the date hereof and the last Delivery Date, the Company will not do or authorize any act or thing that would result in an adjustment of the fixed conversion rates of the Mandatory Convertible Preferred Stock.

(f) The Company will prepare a pricing term sheet (the “ **Pricing Term Sheet**”) in substantially the form attached hereto as Exhibit D.

SECTION 6. *Expenses.* The Company agrees, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, to pay all expenses, costs, fees and taxes incident to and in connection with (a) the authorization, issuance, sale and delivery of the Stock and any stamp duties or other taxes payable in that connection, and the preparation and printing of certificates for the Stock; (b) the preparation, printing and filing under the Securities Act of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto, and the filing of the Certificate of Designations with the Secretary of State of the State of Delaware; (c) the distribution of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto, or any document incorporated by reference therein, all as provided in this Agreement; (d) the production and distribution of this Agreement and any other related documents in connection with the offering, purchase, sale and delivery of the Stock; (e) any required review by the FINRA of the terms of sale of the Stock (including related fees and expenses of counsel to the Underwriter in an amount that is not greater than \$30,000); (f) the listing of the Stock, the Conversion Shares and any shares of Common Stock issued and paid as a dividend on the Stock on the New York Stock Exchange; (g) the qualification of the Stock under the securities laws of the several jurisdictions as provided in Section 5(a)(ix) and the preparation, printing and distribution of a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriter); (h) the investor presentations on any “road show,” undertaken in connection with the marketing of the Stock, including, without limitation, expenses associated with any electronic road show, travel and lodging expenses of the representatives and officers of the Company and one half of the cost of any aircraft chartered in connection with the road show; and (i) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement;

provided that, except as provided in this Section 6 and in Section 10, the Underwriter shall pay its own costs and expenses, including the costs and expenses of its counsel, any transfer taxes on the Stock which they may sell, the expenses of advertising any offering of the Stock made by the Underwriter, and the transportation and other expenses incurred by the Underwriter on its own behalf in connection with presentations to prospective purchasers of the Stock.

SECTION 7. *Conditions of the Underwriter's Obligations.* The obligations of the Underwriter hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 5(a)(i). The Company shall have complied with all filing requirements applicable to any Issuer Free Writing Prospectus used or referred to after the date hereof; no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding or examination for such purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with. If the Company has elected to rely upon Rule 462(b) under the Securities Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to such Delivery Date that the Registration Statement, the Prospectus or the Pricing Disclosure Package, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Latham & Watkins LLP, counsel for the Underwriter, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein (in the case of the Pricing Disclosure Package and the Prospectus, in the light of the circumstances under which such statements were made) not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Stock, the Registration Statement, the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriter, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Baker Botts L.L.P. shall have furnished to the Underwriter its written opinion, as counsel to the Company, addressed to the Underwriter and dated such Delivery Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form attached hereto as Exhibit B.

(e) Ed Menger shall have furnished to the Underwriter his written opinion, as deputy general counsel for the Company, addressed to the Underwriter and dated such Delivery Date, in form and substance reasonably satisfactory to the Underwriter, substantially in the form attached hereto as Exhibit C.

(f) The Underwriter shall have received from Latham & Watkins LLP, counsel for the Underwriter, such opinion or opinions, dated such Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and the Pricing Disclosure Package and other related matters as the Underwriter may reasonably require, and the Company shall have furnished to such counsel such documents as it reasonably requests for the purpose of enabling it to pass upon such matters.

(g) At the time of execution of this Agreement, the Underwriter shall have received from KPMG LLP a letter, in form and substance satisfactory to the Underwriter, addressed to the Underwriter and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act, and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(h) With respect to the letter of KPMG LLP referred to in the preceding paragraph and delivered to the Underwriter concurrently with the execution of this Agreement (the "*initial letter*"), the Company shall have furnished to the Underwriter a letter (the "*bring-down letter*") of such accountants, addressed to the Underwriter and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than three days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter, and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(i) The Company shall have furnished to the Underwriter a certificate, dated such Delivery Date, of its Chief Executive Officer and its Chief Financial Officer as to such matters as the Underwriter may reasonably request, including, without limitation, a statement:

(i) That the representations, warranties and agreements of the Company in Section 1 are true and correct on and as of such Delivery Date, and the Company

has complied with all its agreements contained herein and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date;

(ii) That no stop order suspending the effectiveness of the Registration Statement has been issued; and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened;

(iii) That they have examined the Registration Statement, the Prospectus and the Pricing Disclosure Package, and, in their opinion, (A) (1) the Registration Statement, as of the Effective Date, (2) the Prospectus, as of its date and on the applicable Delivery Date, and (3) the Pricing Disclosure Package, as of the Applicable Time, did not and do not contain any untrue statement of a material fact and did not and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (except in the case of the Registration Statement, in the light of the circumstances under which they were made) not misleading, and (B) since the Effective Date, no event has occurred that should have been set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth; and

(iv) To the effect of Section 7(j) (*provided* that no representation with respect to the judgment of the Underwriter need be made) and Section 7(j).

(j) Except as described in the most recent Preliminary Prospectus, (i) neither the Company nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, stockholders' equity, properties, management, prospects or business of the Company and its subsidiaries taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is, individually or in the aggregate, in the judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(k) Subsequent to the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization" (as defined by the Commission in Section 3(a)(62) of the Exchange Act), and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock.

(l) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) (A) trading in securities generally on any securities

exchange that has registered with the Commission under Section 6 of the Exchange Act (including the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market), or (B) trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a general moratorium on commercial banking activities shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States, or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of the Underwriter, impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(m) The Company shall have filed the requisite listing applications with the NYSE for the listing of the Stock and the Maximum Number of Conversion Shares (subject to any adjustments as described in the Certificate of Designations).

(n) The Lock-Up Agreements between the Underwriter and the officers, directors and stockholders of the Company set forth on Schedule I, delivered to the Underwriter on or before the date of this Agreement, shall be in full force and effect on such Delivery Date.

(o) On or prior to each Delivery Date, the Company shall have furnished to the Underwriter such further certificates and documents as the Underwriter may reasonably request.

(p) The Certificate of Designations shall have been filed with the Secretary of State of the State of Delaware and shall have become effective.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriter.

SECTION 8. *Indemnification and Contribution.*

(a) The Company hereby agrees to indemnify and hold harmless the Underwriter, its affiliates, directors, officers and employees and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which the Underwriter, affiliate, director,

officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) any Preliminary Prospectus, the Registration Statement, the Prospectus or in any amendment or supplement thereto, (B) any Issuer Free Writing Prospectus or in any amendment or supplement thereto, (C) any Permitted Issuer Information used or referred to in any “free writing prospectus” (as defined in Rule 405 under the Securities Act) used or referred to by the Underwriter, (D) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Stock, including any “road show” (as defined in Rule 433 under the Securities Act) not constituting an Issuer Free Writing Prospectus (“**Marketing Materials**”), or (E) any Blue Sky application or other document prepared or executed by the Company (or based upon any written information furnished by the Company for use therein) specifically for the purpose of qualifying any or all of the Stock under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a “**Blue Sky Application**”) or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein (in the case of any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto, in the light of the circumstances under which they were made) not misleading, and shall reimburse the Underwriter and each such affiliate, director, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Underwriter, affiliate, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, in reliance upon and in conformity with written information concerning the Underwriter furnished to the Company through the Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 8(e). The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to the Underwriter or to any affiliate, director, officer, employee or controlling person of the Underwriter.

(b) The Underwriter shall indemnify and hold harmless the Company, its directors, officers and employees, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim,

damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning the Underwriter furnished to the Company through the Underwriter specifically for inclusion therein, which information is limited to the information set forth in Section 8(e). The foregoing indemnity agreement is in addition to any liability that the Underwriter may otherwise have to the Company or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; *provided, however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under paragraphs (a) and (b) of this Section 8 except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses) by such failure and, *provided, further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that the indemnified party shall have the right to employ counsel to represent jointly the indemnified party and those other indemnified parties and their respective directors, officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought under this Section 8 if (i) the indemnified party and the indemnifying party shall have so mutually agreed; (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party; (iii) the indemnified party and its directors, officers, employees and controlling persons shall have reasonably concluded that there may be legal defenses available to them that are different from or in addition to those available to the indemnifying party; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the indemnified parties or their respective directors, officers, employees or controlling persons, on the one hand, and the

indemnifying party, on the other hand, and representation of both sets of parties by the same counsel would be inappropriate due to actual or potential differing interests between them, and in any such event the fees and expenses of such separate counsel shall be paid by the indemnifying party. No indemnifying party shall (x) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party, or (y) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for reasonable fees and expenses of counsel as contemplated by Section 8(a) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request or disputed in good faith the indemnified party's entitlement to such reimbursement prior to the date of such settlement.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a), 8(b) or 8(c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other, from the offering of the Stock, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriter, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriter, on the other, with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriter with respect to the shares of the Stock purchased under this

Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriter agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(d) shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), in no event shall the Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by the Underwriter with respect to the offering of the Stock exceeds the amount of any damages that the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(a) The Underwriter confirms and the Company acknowledges and agrees that the statements set forth on (i) the cover page regarding delivery of the Stock, and (ii) the following statements under the heading "Underwriting," (A) the Underwriter's participation in the sale of Stock, (B) the second paragraph under the heading "Commissions and Expenses," and (C) the paragraphs (including the bullet points contained therein) under the heading "Stabilization and Short Positions," in each case contained in the most recent Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning the Underwriter furnished in writing to the Company specifically for inclusion in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials.

SECTION 9. *Termination.* The obligations of the Underwriter hereunder may be terminated by notice given to and received by the Company prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 7(j), 7(k) and 7(l) shall have occurred or if the Underwriter shall decline to purchase the Stock for any reason permitted under this Agreement.

SECTION 10. *Reimbursement of Underwriter's Expenses.* If (a) the Company shall fail to tender the Stock for delivery to the Underwriter for any reason (other than by reason of a default by the Underwriter), or (b) the Underwriter shall decline to purchase the Stock for any reason permitted under this Agreement, the Company will reimburse the Underwriter for all reasonable out-of-pocket expenses (including fees and disbursements of counsel for the Underwriter) incurred by the Underwriter in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company shall pay the full amount thereof to the Underwriter.

SECTION 11. *Research Analyst Independence.* The Company acknowledges that the Underwriter's research analysts and research departments are required to be independent from its investment banking division and are subject to certain regulations and internal policies, and that the Underwriter's research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of its investment banking division. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriter with respect to any conflict of interest that may arise from the fact that the views expressed by its independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by the Underwriter's investment banking divisions. The Company acknowledges that the Underwriter is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

SECTION 12. *No Fiduciary Duty.* The Company acknowledges and agrees that in connection with this offering, sale of the Stock or any other services the Underwriter may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriter: (a) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Underwriter, on the other, exists; (b) the Underwriter is not acting as advisor, expert or otherwise, to the Company, including, without limitation, with respect to the determination of the public offering price of the Stock, and such relationship between the Company, on the one hand, and the Underwriter, on the other, is entirely and solely commercial, based on arms-length negotiations; (c) any duties and obligations that the Underwriter may have to the Company shall be limited to those duties and obligations specifically stated herein; and (d) the Underwriter and its affiliates may have interests that differ from those of the Company. The Company hereby waives any claims that the Company may have against the Underwriter with respect to any breach of fiduciary duty in connection with this offering.

SECTION 13. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriter, shall be delivered or sent by mail or facsimile transmission to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 8(c), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; and

(b) if to the Company, shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Legal Department (Fax: 281-406-2139).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made by the Underwriter.

SECTION 14. *Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the Underwriter, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the directors, officers and employees of the Underwriter and each person or persons, if any, who control the Underwriter within the meaning of Section 15 of the Securities Act, and (b) the indemnity agreement of the Underwriter contained in Section 8(b) of this Agreement shall be deemed to be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 15, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

SECTION 15. *Survival*. The respective indemnities, representations, warranties and agreements of the Company and the Underwriter contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

SECTION 16. *Definition of the Terms "Business Day", "Affiliate" and "Subsidiary"*. For purposes of this Agreement, (a) "**business day**" means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close, and (b) "**affiliate**" and "**subsidiary**" have the meanings set forth in Rule 405 under the Securities Act.

SECTION 17. *Governing Law*. **This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles (other than Section 5-1401 of the General Obligations Law).**

SECTION 18. *Patriot Act*. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriter is required to obtain, verify and record information that identifies its clients, including the Company, which information may include the name and address of its clients, as well as other information that will allow the Underwriter to properly identify its clients.

SECTION 19. *Waiver of Jury Trial*. The Company and the Underwriter hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 20. *Counterparts.* This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

SECTION 21. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement between the Company and the Underwriter, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

PARKER DRILLING COMPANY

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Treasurer

Accepted:

BARCLAYS CAPITAL INC.

By: /s/ Amit Chandra
Authorized Representative

Signature Page to Underwriting Agreement - Preferred Stock

SCHEDULE I

PERSONS DELIVERING LOCK-UP AGREEMENTS

Directors

Gary G. Rich
Jonathan M. Clarkson
Peter T. Fontana
Gary R. King
Richard D. Paterson
R. Rudolph Reinfrank
Zaki Selim
Robert L. Parker, Jr.
Roger B. Plank

Officers

Gary G. Rich
Christopher T. Weber
Jon-Al Duplantier
Leslie K. Nagy
Bryan Ray Collins

SCHEDULE II

ISSUER FREE WRITING PROSPECTUSES

1. Road Show Materials
2. Pricing Term Sheet, substantially in the form of Exhibit D hereto.

EXHIBIT A

FORM OF LOCK-UP LETTER AGREEMENT

BARCLAYS CAPITAL INC.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that you (the “*Underwriter*”) propose to enter into an Underwriting Agreement (the “*Underwriting Agreement*”) providing for the purchase by the Underwriter of shares of Mandatory Convertible Preferred Stock (the “*Stock*”), which will be convertible into a variable number of shares of the common stock, par value \$0.16 2/3 per share (“*Common Stock*”), of Parker Drilling Company, a Delaware corporation (the “*Company*”), and that the Underwriter proposes to reoffer the Stock to the public (the “*Offering*”).

In consideration of the execution of the Underwriting Agreement by the Underwriter, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that, without the prior written consent of the Underwriter, the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (including, without limitation, shares of Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Common Stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Common Stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (3) make any demand for or exercise any right or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or any other securities of the Company, or (4) publicly disclose the intention to do any of the foregoing for a period commencing on the date hereof and ending on the 60th day after the date of the Prospectus relating to the Offering (such 60-day period, the “*Lock-Up Period*”).

The foregoing paragraph shall not apply to (a) transactions relating to shares of Common Stock or other securities acquired in the open market after the completion of the offering, (b) bona fide gifts, sales or other dispositions of shares of any class of the Company’s capital stock, in each case that are made exclusively between and among the undersigned or members of the undersigned’s family, or affiliates of the undersigned,

Exhibit A-1

including its partners (if a partnership) or members (if a limited liability company); *provided* that it shall be a condition to any transfer pursuant to this clause (b) that (i) the transferee/donee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee/donee were a party hereto, (ii) each party (donor, donee, transferor or transferee) shall not be required by law (including without limitation the disclosure requirements of the Securities Act of 1933, as amended (the "*Securities Act*"), and the Securities Exchange Act of 1934, as amended (the "*Exchange Act*")) to make, and shall agree to not voluntarily make, any filing or public announcement (other than in a Form 5) of the transfer or disposition prior to the expiration of the 60-day period referred to above, and (iii) the undersigned notifies the Underwriter at least two business days prior to the proposed transfer or disposition, (c) the exercise of warrants or the exercise of stock options granted pursuant to the Company's stock option/incentive plans or otherwise outstanding on the date hereof; *provided*, that the restrictions set forth in this Lock-Up Letter Agreement shall apply to shares of Common Stock issued upon such exercise or conversion, (d) the establishment of any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 (a "*Rule 10b5-1 Plan*") under the Exchange Act; *provided, however*, that no sales of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock shall be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the Lock-Up Period; *provided further*, that the Company is not required to report the establishment of such Rule 10b5-1 Plan in any public report or filing with the Commission under the Exchange Act during the Lock-Up Period and does not otherwise voluntarily effect any such public filing or report regarding such Rule 10b5-1 Plan, (e) shares of Common Stock transferred for the primary purpose of satisfying any tax or other governmental withholding obligation, through cashless surrender, with respect to an award of equity-based compensation pursuant to any incentive plan of the Company described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (f) any demands or requests for, exercise any right with respect to, or take any action in preparation of, the registration by the Company under the Securities Act of the undersigned's shares of Common Stock; *provided* that no transfer of the undersigned's shares of Common Stock registered pursuant to the exercise of any such right and no registration statement shall be filed under the Securities Act with respect to any of the undersigned's shares of Common Stock during the Lock-Up Period, and (g) the offer, sale or sales (which may be effected in any manner whatsoever), together with offers and sales by other officers or directors of the Company signing substantially similar lock-up letter agreements with you in connection with the Offering, of up to an aggregate of 0.1% of the Company's shares of Common Stock on a fully diluted basis after giving effect to the Offering.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Company notifies the Underwriter that it does not intend to proceed with the Offering, if the Underwriting Agreement does not become

Exhibit A-2

effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Stock, the undersigned will be released from its obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Company and the Underwriter will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriter.

[Signature page follows]

Exhibit A-3

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Very truly yours,

By: _____

Name:

Title:

Dated: _____

Exhibit A-4

EXHIBIT B

FORM OF OPINION OF COMPANY'S COUNSEL

1. The Company is validly existing in good standing as a corporation under the Delaware General Corporation Law (the "DGCL") with all requisite corporate power and authority to (i) own, lease and operate its properties and conduct its business as described in the Prospectus and (ii) execute and deliver the Underwriting Agreement and to consummate the transactions contemplated thereunder.
2. The Underwriting Agreement has been duly authorized and validly executed and delivered by the Company.
3. The Shares have been duly authorized by the Company and, when issued and delivered to the Underwriter in accordance with the terms of the Underwriting Agreement against payment of the consideration therefor, will be validly issued, fully paid and nonassessable and free and clear of any preemptive rights under the DGCL and the Company's Organizational Documents.
4. The execution and delivery of the Underwriting Agreement by the Company does not, and the performance by the Company of its obligations thereunder will not (i) violate the Company's Organizational Documents, (ii) result in a breach or violation of any of the terms or provisions of, or constitute a default (or an event that, with notice or lapse of time or both, would constitute such a default) under, or result in the acceleration of indebtedness under, or the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company under, any Specified Agreement or (iii) violate the DGCL or any statute, rule or regulation of the United States or the State of New York that, in our experience, is normally applicable to transactions of the type contemplated by the Underwriting Agreement, other than federal or state securities laws, as to which such counsel need not express an opinion; provided that such counsel need not express an opinion as to whether the execution and delivery of the Underwriting Agreement by the Company, or the performance by the Company of its obligations thereunder, constitutes a violation or breach of, or a default under, any covenant, restriction or provision with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the Company or any of its subsidiaries.
5. No consent, approval, authorization, order, registration, filing or qualification of or with any governmental authority is required under United States federal law or under the DGCL in connection with the execution and delivery of the Underwriting Agreement by the Company, or the performance by the Company of its obligations thereunder, except such as may have been required under applicable state securities laws or under the Securities Act, as to which such counsel need not express any opinion, and those which have been previously made or obtained.

Exhibit B-1

6. The Registration Statement has been declared effective under the Securities Act; any required filing of the Prospectus, and any supplements thereto, pursuant to Rule 424(b) under the Securities Act has been made in the manner and within the period required by Rule 424(b); to our knowledge, no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use has been issued and no proceedings for that purpose have been instituted and are pending.
7. The statements included in the Registration Statement and the Prospectus under the caption “Description of Mandatory Convertible Preferred Stock” insofar as they purport to constitute summaries of the terms of the Mandatory Convertible Preferred Stock, are accurate in all material respects.
8. The statements included in the Registration Statement and the Prospectus under the caption “Description of Capital Stock – Common Stock,” insofar as they purport to constitute summaries of the terms of the Common Stock, are accurate in all material respects.
9. The statements set forth in the Registration Statement and the Prospectus under the caption “Material U.S. Federal Income Tax Considerations,” insofar as they purport to constitute a summary of United States federal income tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the United States federal income tax law and regulations or legal conclusions described therein in all material respects, subject to the assumptions and qualifications set forth therein.
10. The Company is not, and immediately after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement and the Prospectus, will not be required to be registered as an “investment company” under the Investment Company Act of 1940, as amended.
11. The shares of Common Stock initially issuable upon conversion of the Mandatory Convertible Preferred Stock have been duly authorized by the Company and are validly reserved for issuance upon such conversion of the Mandatory Convertible Preferred Stock and, when issued and delivered upon such conversion in accordance with the terms of the Certificate of Designations, will be validly issued, fully paid and nonassessable and free and clear of any preemptive rights under the DGCL and the Company’s Organizational Documents.

We have reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and have participated in conferences with officers and other representatives of the Company, with representatives of the Company’s independent registered public accounting firm and with your representatives and your counsel, at which the contents of the Registration Statement, the Pricing Disclosure Package, the Prospectus and related matters were discussed. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus, and we have not undertaken to verify independently any of the factual matters in such documents. Moreover, many

Exhibit B-2

of the determinations required to be made in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus involve matters of a non-legal nature. Accordingly, we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained or included in the Registration Statement, the Pricing Disclosure Package and the Prospectus (except to the extent stated in paragraphs 7 and 8 above). Subject to the foregoing and on the basis of the information we gained in the course of performing the services referred to above, we advise you that:

- (a) the Registration Statement, as of the latest Effective Time, the Preliminary Prospectus, as of the Applicable Time, and the Prospectus, as of its date and the date hereof, appear on their face to be appropriately responsive in all material respects to the requirements of the Securities Act and the rules and regulations of the Commission thereunder; and
- (b) nothing came to our attention that caused us to believe that:

- (i) the Registration Statement, as of the latest Effective Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading,
- (ii) the Pricing Disclosure Package, as of the Applicable Time, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or
- (iii) the Prospectus, as of its date or as of the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

it being understood that in each case we have not been asked to, and do not, express any belief with respect to (a) the financial statements and schedules or other financial, accounting or statistical information contained or included or incorporated by reference therein or omitted therefrom, or (b) representations and warranties and other statements of fact contained in the exhibits to the Registration Statement or to documents incorporated by reference therein.

Exhibit B-3

EXHIBIT C

FORM OF OPINION OF GENERAL COUNSEL

1. The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or be in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (as defined in the Underwriting Agreement).
2. Each significant subsidiary (as defined by Rule 1-02 of Regulation S-X) (each a “Significant Subsidiary”) of the Company is duly qualified as a foreign corporation, limited partnership or limited liability company, as the case may be, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or be in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
3. The execution, delivery and performance of the Underwriting Agreement by the Company, the consummation of the transactions contemplated by the Underwriting Agreement and the application of the proceeds from the sale of the Shares as described under “Use of Proceeds” in the Prospectus do not and will not, (i) result in the imposition or creation of (or the obligation to create or impose) a material lien, encumbrance, equity, claim or adverse interest under any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets is bound, other than such as would not reasonably be expected to have a Material Adverse Effect; or (ii) result in the suspension, termination or revocation of any Material Authorization (as defined in the Underwriting Agreement) of the Company or any of its subsidiaries or any other impairment of the rights of the holder of any such Material Authorization.
4. To my knowledge, there are no contracts, agreements or understandings between the Company, on the one hand, and any person, on the other hand, granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person and to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.
5. To my knowledge, there are no contracts or other documents that would be required to be described in the Pricing Disclosure Package or the Prospectus that have not been so described therein.
6. To my knowledge, after reasonable investigation, except as set forth in the Pricing Disclosure Package and the Prospectus, there are no legal or governmental proceedings pending to which

Exhibit C-1

the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that if determined adversely to the Company and its subsidiaries could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and to my knowledge, no such proceedings are threatened by governmental authorities or others.

Exhibit C-2

EXHIBIT D

FORM OF PRICING TERM SHEET

**Filed pursuant to Rule 433
Registration No. 333-197977
February 22, 2017**

Parker Drilling Company

Concurrent Offerings of

**12,000,000 Shares of Common Stock, par value \$0.16 2/3 per Share (the “Common Stock”)
(the “Common Stock Offering”)**

and

**500,000 Shares of 7.25% Series A Mandatory Convertible Preferred Stock (the “Mandatory Convertible Preferred Stock”)
(the “Mandatory Convertible Preferred Offering”)**

*The information in this pricing term sheet relates only to the Common Stock Offering and the Mandatory Convertible Preferred Offering and should be read together with (i) the preliminary prospectus supplement dated February 21, 2017 relating to the Common Stock Offering (the “**Common Stock Preliminary Prospectus Supplement**”), including the documents incorporated by reference therein, (ii) the preliminary prospectus supplement dated February 21, 2017 relating to the Mandatory Convertible Preferred Offering (the “**Mandatory Convertible Preferred Preliminary Prospectus Supplement**”), as the case may be, including the documents incorporated by reference therein and (iii) the related base prospectus dated February 25, 2015, each filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, Registration No. 333-197977. Neither the Common Stock Offering nor the Mandatory Convertible Preferred Offering is contingent on the successful completion of the other offering. Terms not defined in this pricing term sheet have the meanings given to such terms in the Common Stock Preliminary Prospectus Supplement or the Mandatory Convertible Preferred Preliminary Prospectus Supplement, as applicable. All references to dollar amounts are references to U.S. dollars.*

Issuer: Parker Drilling Company
Ticker / Exchange for the Common Stock: PKD / The New York Stock Exchange (“NYSE”)
Trade Date: February 22, 2017.
Settlement Date: February 27, 2017.

Common Stock Offering

Exhibit D-1

Common Stock Offered:	12,000,000 shares of Common Stock.
Option for Underwriter to Purchase Additional Shares of Common Stock:	1,800,000 additional shares of Common Stock.
NYSE Last Reported Sale Price of the Common Stock on February 21, 2017:	\$2.35 per share.
Public Offering Price:	\$2.10 per share.
Underwriting Discount:	\$0.087 per share.
Net Proceeds (before expenses):	\$24,156,000 (or \$27,779,400 if the underwriter exercises its option to purchase additional shares in full).
CUSIP / ISIN:	701081101 / US7010811013
Sole Book-Runner:	Barclays Capital Inc.

Mandatory Convertible Preferred Offering

Mandatory Convertible Preferred Stock Offered:	500,000 shares of the Issuer's 7.25% Series A Mandatory Convertible Preferred Stock.
Option for Underwriter to Purchase Additional Shares of Mandatory Convertible Preferred Stock:	75,000 additional shares of the Mandatory Convertible Preferred Stock.
Public Offering Price:	\$100 per share.
Underwriting Discount:	\$3.25 per share.
Net Proceeds (before expenses):	\$48,375,000 (or \$55,631,250 if the underwriter exercises its option to purchase additional shares in full).
Dividends:	7.25% of the liquidation preference of \$100 per share of the Mandatory Convertible Preferred Stock per year. Dividends will accumulate from the Settlement Date and, to the extent that the Issuer's board of directors, or an authorized committee thereof, declares (out of funds lawfully available for payment in the case of dividends paid in cash or if lawfully permitted in the case of dividends paid in shares of the Common Stock) a dividend payable with respect to the Mandatory Convertible Preferred Stock, the Issuer will pay such dividends in cash, by delivery of shares of Common Stock or through any combination of cash and shares of Common Stock, as determined by the Issuer in its sole discretion (subject to certain limitations); <i>provided</i> that any unpaid dividends will continue to accumulate.
	The expected dividend payable on the first dividend payment date is approximately \$2.48 per share of the Mandatory Convertible Preferred Stock. Each subsequent dividend is expected to be approximately \$1.81 per share of the Mandatory Convertible Preferred Stock.
Dividend Record Dates:	The March 15, June 15, September 15 and December 15 immediately preceding the relevant Dividend Payment Date.

Exhibit D-2

Dividend Payment Dates: March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 2017 and ending on, and including, March 31, 2020.

Mandatory Conversion Date: The third business day immediately following the last trading day of the 20 consecutive trading day period beginning on, and including, the 23rd scheduled trading day immediately preceding March 31, 2020.

Initial Price: Approximately \$2.10, which is equal to \$100, *divided by* the Maximum Conversion Rate.

Threshold Appreciation Price: Approximately \$2.4150, which represents a premium of approximately 15% over the Initial Price and is equal to \$100, *divided by* the Minimum Conversion Rate.

Floor Price: Initially \$0.74 (approximately 35% of the Initial Price), subject to adjustment.

Conversion Rate: The conversion rate for each share of Mandatory Convertible Preferred Stock will not be more than 47.6190 shares of Common Stock and not less than 41.4079 shares of Common Stock (respectively, the “**Maximum Conversion Rate**” and “**Minimum Conversion Rate**”), depending on the applicable market value (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) of the Common Stock, as described below.

The following table illustrates the conversion rate per share of the Mandatory Convertible Preferred Stock, subject to certain anti-dilution adjustments described in the Mandatory Convertible Preferred Preliminary Prospectus Supplement, based on the applicable market value of the Common Stock:

Applicable Market Value of the Common Stock	Conversion Rate per Share of Mandatory Convertible Preferred Stock
Greater than the Threshold Appreciation Price	41.4079 shares of Common Stock, which is the Minimum Conversion Rate
Equal to or less than the Threshold Appreciation Price but greater than or equal to the Initial Price	Between 41.4079 and 47.6190 shares of Common Stock, determined by dividing \$100 by the applicable market value
Less than the Initial Price	47.6190 shares of Common Stock, which is the Maximum Conversion Rate.

Early Conversion at the Option of the Holder: Other than during a fundamental change conversion period (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement), at any time prior to March 31, 2020, a holder of Mandatory Convertible Preferred Stock may elect to convert such holder’s shares of Mandatory Convertible Preferred Stock, in whole or in part, at the Minimum Conversion Rate of 41.4079 shares of Common Stock per share of Mandatory Convertible Preferred Stock, subject to adjustment as described in the Mandatory Convertible Preferred Preliminary Prospectus Supplement.

Exhibit D-3

Early Conversion at the Option of the Holder Upon a Fundamental Change; Fundamental Change Dividend Make-whole Amount:

If a fundamental change (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) occurs on or prior to March 31, 2020, holders of the Mandatory Convertible Preferred Stock will have the right to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part, into shares of Common Stock (or units of exchange property as described in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) at the fundamental change conversion rate (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) during the fundamental change conversion period (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement).

The following table sets forth the fundamental change conversion rate per share of Mandatory Convertible Preferred Stock based on the fundamental change effective date and the stock price (as defined in the Mandatory Convertible Preferred Preliminary Prospectus Supplement) in the fundamental change:

Effective Date	\$ 1.00	\$ 1.50	\$ 2.10	\$ 2.42	\$ 3.00	\$ 3.50	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 10.00
February 27, 2017	42.3786	40.6214	39.6761	39.4927	39.4318	39.5142	39.6359	39.8792	40.0653	40.1957	40.2830	40.3843
March 31, 2018	44.4392	42.3020	40.8237	40.4656	40.2256	40.2383	40.3128	40.4900	40.6177	40.6933	40.7391	40.7833
March 31, 2019	46.5488	44.5307	42.2356	41.5525	41.0121	40.9300	40.9510	41.0338	41.0779	41.0957	41.1032	41.1084
March 31, 2020	47.6190	47.6190	47.6190	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079

The exact stock price and fundamental change effective date may not be set forth in the table, in which case:

- if the stock price is between two stock prices in the table or the fundamental change effective date is between two fundamental change effective dates in the table, the number of additional shares by which the conversion rate will be increased will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock prices and the earlier and later fundamental change effective dates based on a 365-day year, as applicable;
- if the stock price is greater than \$10.00 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), then the fundamental change conversion rate will be the minimum conversion rate; and
- if the stock price is less than \$1.00 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), then the fundamental change conversion rate will be the maximum conversion rate.

Discount Rate for Purposes of Fundamental Change Dividend Make-Whole Amount:

The discount rate for purposes of determining the fundamental change dividend make-whole amount (as defined in the Mandatory Convertible Preferred Prospectus Supplement) is 10% per annum.

Listing:

The Issuer intends to apply to list the Mandatory Convertible Preferred Stock on the New York Stock Exchange under the symbol "PKDP," subject to meeting the listing requirements in the New York Stock Exchange Listed Company Manual.

Exhibit D-4

CUSIP / ISIN for the Mandatory Convertible Preferred Stock: 701081 309 / US7010813092

Sole Book-Runner: Barclays Capital Inc.

The issuer has filed a registration statement (including a prospectus) and a preliminary prospectus supplement with the U.S. Securities and Exchange Commission (SEC) for each of the offerings to which this communication relates. Before you invest, you should read the prospectus supplement for the applicable offering, the issuer's prospectus in that registration statement and any other documents the issuer has filed with the SEC for more complete information about the issuer and the offerings. You may get these documents for free by searching the SEC online data base (EDGAR) on the SEC web site at <http://www.sec.gov>. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the applicable prospectus supplement and prospectus if you request it by calling Barclays Capital Inc. toll-free at 1-888-603-5847.

This communication should be read in conjunction with the Common Stock Preliminary Prospectus Supplement or the Mandatory Convertible Preferred Preliminary Prospectus Supplement, as the case may be, and the prospectus. The information in this communication supersedes the information in the Common Stock Preliminary Prospectus Supplement or the Mandatory Convertible Preferred Preliminary Prospectus Supplement, as the case may be, and the prospectus to the extent it is inconsistent with the information in such preliminary prospectus supplement or the prospectus.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.

Exhibit D-5

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**Certificate of Designations of
7.25% Series A Mandatory Convertible Preferred Stock of
Parker Drilling Company**

Parker Drilling Company, a Delaware corporation (the “**Corporation**”), hereby certifies that, pursuant to the provisions of Sections 103, 141 and 151 of the General Corporation Law of the State of Delaware, (a) on November 23, 2016, the board of directors of the Corporation (the “**Board of Directors**”) delegated to its Pricing Committee (the “**Pricing Committee**”) the power to determine the voting powers, designations, preferences, rights and qualifications, limitations or restrictions and all other terms of the issuance of a series of preferred stock; and (b) on February 22, 2017, the Pricing Committee adopted the resolution shown immediately below, which resolution is now, and at all times since its date of adoption has been, in full force and effect:

RESOLVED, that pursuant to the provisions of the Restated Certificate of Incorporation of the Corporation (as such may be amended, modified or restated from time to time, the “**Restated Certificate of Incorporation**”) (which authorizes 1,942,000 shares of Preferred Stock, par value \$1.00 per share (the “**Preferred Stock**”)) and the authority vested in the Board of Directors, a series of Preferred Stock be, and it hereby is, created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof are as set forth in the Restated Certificate of Incorporation and the Certificate of Designations, as it may be amended from time to time (the “**Certificate of Designations**”) as follows:

Part 1. *Designation and Number of Shares.* Pursuant to the Restated Certificate of Incorporation, there is hereby created out of the authorized and unissued shares of Preferred Stock of the Corporation a series of Preferred Stock consisting of 575,000 shares of Preferred Stock designated as the “7.25% Series A Mandatory Convertible Preferred Stock” (the “**Mandatory Convertible Preferred Stock**”). Such number of shares may be decreased by resolution of the Board of Directors or any duly authorized committee thereof, subject to the terms and conditions hereof; *provided* that no decrease shall reduce the number of shares of the Mandatory Convertible Preferred Stock to a number less than the number of shares then outstanding.

Part 2. *Standard Provisions.* The Standard Provisions contained in Annex A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this Certificate of Designations to the same extent as if such provisions had been set forth in full in this Certificate of Designations.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be signed by the undersigned, this 27th day of February, 2017.

PARKER DRILLING COMPANY

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Treasurer

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[Signature Page to Certificate of Designations of Mandatory Convertible Preferred Stock]

STANDARD PROVISIONS

SECTION 1. *General Matters.* Each share of the Mandatory Convertible Preferred Stock shall be identical in all respects to every other share of the Mandatory Convertible Preferred Stock.

SECTION 2. *Standard Definitions.* As used herein with respect to the Mandatory Convertible Preferred Stock:

“**Accumulated Dividend Amount**” means, with respect to any Fundamental Change Conversion, the aggregate amount of accumulated and unpaid dividends, if any, for Dividend Periods prior to the Fundamental Change Effective Date, including for the period, if any, from, and including, the Dividend Payment Date immediately preceding the Fundamental Change Effective Date to, but not including, the Fundamental Change Effective Date, subject to the proviso in Section 9(a).

“**Agent Members**” shall have the meaning set forth in Section 22(a).

“**Applicable Market Value**” means the Average VWAP per share of Common Stock over the Final Averaging Period.

“**Average VWAP**” means, per share over a certain period, the arithmetic average of the VWAP per share for each Trading Day in such period.

“**Base Prospectus**” means the prospectus dated February 25, 2015, included in the Corporation’s post-effective amendment no. 2 to its registration statement (file number 333-197977), relating to securities to be issued from time to time by the Corporation.

“**Board of Directors**” shall have the meaning set forth in the caption.

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

“**By-laws**” means the By-laws of the Corporation, as they may be further amended or restated from time to time.

“**Certificate of Designations**” shall have the meaning set forth in the resolution first set forth herein.

“**Clause A Distribution**” shall have the meaning set forth in Section 13(a)(iii).

“**Clause B Distribution**” shall have the meaning set forth in Section 13(a)(iii).

“**Clause C Distribution**” shall have the meaning set forth in Section 13(a)(iii).

“**close of business**” means 5:00 p.m., New York City time.

“**Common Equity**” means, with respect to any Person, the capital stock of such Person that is generally entitled (a) to vote in the election of directors of such Person or (b) if such Person is not a corporation, to vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

“**Common Stock**” means the common stock, par value \$0.16 2/3 per share, of the Corporation.

“**Conversion and Dividend Disbursing Agent**” means Wells Fargo Bank, N.A., the Corporation’s duly appointed conversion and dividend disbursing agent for the Mandatory Convertible Preferred Stock, and any successor appointed under Section 14.

“**Conversion Date**” means the Mandatory Conversion Date, the Fundamental Change Conversion Date or the Early Conversion Date, as applicable.

“**Corporation**” shall have the meaning set forth in the caption.

“**Dividend Amount**” shall have the meaning set forth in Section 3(a).

“**Dividend Payment Date**” means March 31, June 30, September 30 and December 31 of each year commencing on June 30, 2017 and ending on, and including, March 31, 2020.

“**Dividend Period**” means the period from, and including, a Dividend Payment Date to, but not including, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the Initial Issue Date and shall end on, and exclude, June 30, 2017.

“**DTC**” means The Depository Trust Corporation.

“**Early Conversion**” shall have the meaning set forth in Section 8(a).

“**Early Conversion Additional Conversion Amount**” shall have the meaning set forth in Section 8(b)(i).

“**Early Conversion Average Price**” shall have the meaning set forth in Section 8(b)(ii).

“**Early Conversion Date**” shall have the meaning set forth in Section 10(b).

“**Effective Date**” means, as used in Section 13(a)(i), the first date on which the shares of Common Stock trade on the Relevant Stock Exchange, regular way, reflecting the relevant share split or share combination, as applicable.

“**Ex-Date**” means the first date on which the shares of Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Corporation or, if applicable, from the seller of Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“**Exchange Property**” shall have the meaning set forth in Section 13(e).

“**Expiration Date**” shall have the meaning set forth in Section 13(a)(v).

“**Final Averaging Period**” means the 20 consecutive Trading Day period beginning on, and including, the 23rd Scheduled Trading Day immediately preceding March 31, 2020.

“**Final Prospectus Supplement**” means the final prospectus supplement dated February 22, 2017, relating to the offering and sale of the Mandatory Convertible Preferred Stock.

“**Five-Day Average Price**” shall have the meaning set forth in Section 3(c)(iii).

“**Fixed Conversion Rates**” means the Maximum Conversion Rate and the Minimum Conversion Rate.

“**Floor Price**” shall have the meaning set forth in Section 3(e)(ii).

A “**Fundamental Change**” shall be deemed to have occurred, at any time after the Initial Issue Date of the Mandatory Convertible Preferred Stock, if any of the following occurs:

(i) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act, other than the Corporation, its Wholly Owned Subsidiaries and its and their employee benefit plans, has become the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of the Corporation’s Common Equity representing more than 50% of the voting power of the Corporation’s Common Equity;

(ii) the consummation of (A) any recapitalization, reclassification or change of the Common Stock (other than changes resulting from a subdivision or combination or change in par value) as a result of which the Common Stock would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof); (B) any consolidation, merger or other combination of the Corporation or binding share exchange pursuant to which the Common Stock will be converted into, or exchanged for, stock, other securities or other property or assets (including cash or any combination thereof); or (C) any sale, lease or other transfer or disposition in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Corporation and its Subsidiaries, taken as a whole, to any Person other than one or more of the Corporation’s Wholly Owned Subsidiaries; or

(iii) the Common Stock (or other Exchange Property) ceases to be listed or quoted on any of the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or another U.S. national securities exchange or any of their respective successors).

However, a transaction or transactions described in clause (i) or clause (ii) above will not constitute a Fundamental Change if at least 90% of the consideration received or to be received by all holders of the Common Stock, excluding cash payments for fractional shares or pursuant to statutory appraisal rights, in connection with such transaction or transactions consists of shares of Common Stock that are listed or quoted on any of the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their respective successors) or will be so listed or quoted when issued or exchanged in connection with such transaction or transactions and as a result of such transaction or transactions such consideration becomes the Exchange Property.

“**Fundamental Change Conversion**” shall have the meaning set forth in Section 9(a)(i).

“**Fundamental Change Conversion Date**” shall have the meaning set forth in Section 10(c).

“**Fundamental Change Conversion Period**” means the period beginning on, and including, the Fundamental Change Effective Date and ending at the close of business on the date that is 20 calendar days after the Fundamental Change Effective Date (or, if later, the date that is 20 calendar days after the date of notice of such Fundamental Change, but in no event later than the Mandatory Conversion Date).

“**Fundamental Change Conversion Rate**” means, for any Fundamental Change Conversion, the conversion rate per share of Mandatory Convertible Preferred Stock set forth in the table below for each Fundamental Change Effective Date and the Stock Price applicable to such Fundamental Change.

Fundamental change effective date	\$1.00	\$1.50	\$2.10	\$2.42	\$3.00	\$3.50	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$10.00
February 27, 2017	42.3786	40.6214	39.6761	39.4927	39.4318	39.5142	39.6359	39.8792	40.0653	40.1957	40.2830	40.3843
March 31, 2018	44.4392	42.3020	40.8237	40.4656	40.2256	40.2383	40.3128	40.4900	40.6177	40.6933	40.7391	40.7833
March 31, 2019	46.5488	44.5307	42.2356	41.5525	41.0121	40.9300	40.9510	41.0338	41.0779	41.0957	41.1032	41.1084
March 31, 2020	47.6190	47.6190	47.6190	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079	41.4079

The exact Stock Price and Fundamental Change Effective Date may not be set forth in the table, in which case:

(i) If the Stock Price is between two Stock Prices set forth in the table above or the Fundamental Change Effective Date is between two Fundamental Change Effective Dates set forth in the table above, the Fundamental Change Conversion Rate will be determined by straight-line interpolation between the Fundamental Change Conversion Rates set forth in the table above for the higher and lower Stock Prices and the earlier and later Fundamental Change Effective Dates based on a 365-day year, as applicable.

(ii) If the Stock Price is greater than \$10.00 per share (subject to adjustment in the same manner as the Stock Prices set forth in the column headings of the table above), then the Fundamental Change Conversion Rate will be the Minimum Conversion Rate.

(iii) If the Stock Price is less than \$1.00 per share (subject to adjustment in the same manner as the Stock Prices set forth in the column headings of the table above), then the Fundamental Change Conversion Rate will be the Maximum Conversion Rate.

The Stock Prices set forth in the column headings in the table above are each subject to adjustment as of any date of which the Fixed Conversion Rates are adjusted. The adjusted Stock Prices shall equal (x) the Stock Prices applicable immediately prior to such adjustment, multiplied by (y) a fraction, the numerator of which is the Minimum Conversion Rate immediately prior to the adjustment giving rise to the Stock Price adjustment and the denominator of which is the Minimum Conversion Rate as so adjusted. The Fundamental Change Conversion Rates set forth in the table above are each subject to adjustment in the same manner and at the same time as each Fixed Conversion Rate as set forth in Section 13.

“**Fundamental Change Dividend Make-Whole Amount**” shall have the meaning set forth in Section 9(a)(ii).

“**Fundamental Change Early Conversion Right**” shall have the meaning set forth in Section 9(a).

“**Fundamental Change Effective Date**” means the effective date for the relevant Fundamental Change.

“**Fundamental Change Notice**” shall have the meaning set forth in Section 9(b).

“**Global Preferred Share**” shall have the meaning set forth in Section 22(a).

“**Global Shares Legend**” shall have the meaning set forth in Section 22(a).

“**Holder**” means each person in whose name shares of the Mandatory Convertible Preferred Stock are registered, who shall be treated by the Corporation and the Registrar as the absolute owner of those shares of Mandatory Convertible Preferred Stock for the purpose of making payment and settling conversions and for all other purposes.

“**Initial Issue Date**” means February 27, 2017.

“**Initial Price**” equals \$100, *divided by* the Maximum Conversion Rate, which quotient is initially equal to approximately \$2.10 per share of Common Stock.

“**Junior Stock**” means (i) the Common Stock and (ii) each other class of capital stock of the Corporation established after the Initial Issue Date the terms of which do not expressly provide that such class or series ranks either (x) senior to the Mandatory Convertible Preferred Stock as to dividend rights or rights upon the Corporation’s liquidation, winding-up or dissolution or (y) on a parity with the Mandatory Convertible Preferred Stock as to dividend rights and rights upon the Corporation’s liquidation, winding-up or dissolution.

“**Liquidation Dividend Amount**” shall have the meaning set forth in Section 4(a).

“**Liquidation Preference**” means, as to the Mandatory Convertible Preferred Stock, \$100 per share.

“**Make-Whole Dividend Amounts**” means, in connection with a Holder’s exercise of its Fundamental Change Early Conversion Right, the Accumulated Dividend Amount together with the Fundamental Change Dividend Make-Whole Amount.

“**Mandatory Conversion**” shall have the meaning set forth in Section 7(a).

“**Mandatory Conversion Additional Conversion Amount**” shall have the meaning set forth in Section 7(c)(i).

“**Mandatory Conversion Date**” means the third Business Day immediately following the last Trading Day of the Final Averaging Period.

“**Mandatory Conversion Rate**” shall have the meaning set forth in Section 7(b).

“**Mandatory Convertible Preferred Stock**” shall have the meaning set forth in Part 1 of this Certificate of Designations.

“**Market Disruption Event**” means (a) a failure by the Relevant Stock Exchange to open for trading during its regular trading session or (b) the occurrence or existence prior to 1:00 p.m., New York City time, on any Scheduled Trading Day for the Common Stock for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or otherwise) in the Common Stock.

“**Maximum Conversion Rate**” shall have the meaning set forth in Section 7(b)(iii).

“**Minimum Conversion Rate**” shall have the meaning set forth in Section 7(b)(i).

“**Nonpayment**” shall have the meaning set forth in Section 6(b)(i).

“**Nonpayment Remedy**” shall have the meaning set forth in Section 6(b)(ii).

“**Officer**” means the Chief Executive Officer and President, the Chief Financial Officer, any Senior Vice President, the Principal Accounting Officer, the Treasurer or the Secretary of the Corporation.

“**Officer’s Certificate**” means a certificate of the Corporation, signed by any duly authorized Officer of the Corporation.

“**open of business**” means 9:00 a.m., New York City time.

“**Parity Stock**” means any class of capital stock of the Corporation established after the Initial Issue Date the terms of which expressly provide that such class or series shall rank on a parity with the Mandatory Convertible Preferred Stock as to dividend rights and rights upon the Corporation’s liquidation, winding-up or dissolution.

“**Person**” means any individual, partnership, firm, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

“**Preferred Stock**” shall have the meaning set forth in the resolution first set forth herein.

“**Preferred Stock Directors**” shall have the meaning set forth in Section 6(b)(i).

“**Preliminary Prospectus Supplement**” means the preliminary prospectus supplement dated February 21, 2017, as supplemented by the pricing term sheet dated February 22, 2017, relating to the offering and sale of the Mandatory Convertible Preferred Stock.

“**Pricing Committee**” shall have the meaning set forth in the caption.

“**Record Date**” means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock (or other applicable security) have the right to receive any cash, securities or other property or in which Common Stock (or such other security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of Common Stock (or such other security) entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or a duly authorized committee thereof, statute, contract or otherwise).

“**Record Holder**” means, with respect to any Dividend Payment Date, a Holder of record of the Mandatory Convertible Preferred Stock as such Holder appears on the stock register of the Corporation at the close of business on the related Regular Record Date.

“**Registrar**” initially means Well Fargo Bank, N.A., the Corporation’s duly appointed registrar for the Mandatory Convertible Preferred Stock and any successor appointed under Section 14.

“**Regular Record Date**” means, with respect to any Dividend Payment Date, the March 15, June 15, September 15 or December 15, as the case may be, immediately preceding the applicable March 31, June 30, September 30 or December 31 Dividend Payment Date, respectively. These Regular Record Dates shall apply regardless of whether a particular Regular Record Date is a Business Day.

“**Relevant Stock Exchange**” means the New York Stock Exchange or, if the Common Stock is not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Stock is then listed or admitted for trading.

“**Reorganization Event**” shall have the meaning set forth in Section 13(e).

“**Restated Certificate of Incorporation**” shall have the meaning set forth in the resolution first set forth herein.

“**Scheduled Trading Day**” means any day that is scheduled to be a Trading Day.

“**Senior Stock**” means each class of capital stock of the Corporation established after the Initial Issue Date the terms of which expressly provide that such class or series shall rank senior to the Mandatory Convertible Preferred Stock as to dividend rights or rights upon the Corporation’s liquidation, winding-up or dissolution.

“**Shelf Registration Statement**” means a shelf registration statement filed with the Securities and Exchange Commission in connection with the issuance of or resales of shares of Common Stock issued as payment of a dividend, including dividends paid in connection with a conversion.

“**Spin-Off**” means payment of a dividend or other distribution on the Common Stock of shares of capital stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Corporation that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange.

“**Stock Price**” means, for any Fundamental Change, the price paid (or deemed paid) per share of Common Stock in the Fundamental Change, which shall equal: (i) if all holders of Common Stock receive only cash in exchange for their Common Stock in

such Fundamental Change, the amount of cash paid in such Fundamental Change per share of Common Stock, and (ii) in all other cases, the Average VWAP per share of Common Stock over the five consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the relevant Fundamental Change Effective Date.

“**Subsidiary**” means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

“**Threshold Appreciation Price**” means \$100, *divided* by the Minimum Conversion Rate, which quotient is initially equal to approximately \$2.4150 per share of Common Stock.

“**Trading Day**” means a day on which (x) there is no Market Disruption Event and (y) trading in the Common Stock generally occurs on the Relevant Stock Exchange; *provided* that if the Common Stock is not listed or admitted for trading, “Trading Day” means a Business Day.

“**Transfer Agent**” initially means Wells Fargo Bank, N.A., the Corporation’s duly appointed transfer agent for the Mandatory Convertible Preferred Stock and any successor appointed under Section 14.

“**Trigger Event**” shall have the meaning set forth in Section 13(a)(iii).

“**Underwriter**” means Barclays Capital Inc.

“**Underwriting Agreement**” means that certain underwriting agreement dated February 22, 2017 related to the offering and sale by the Corporation the Mandatory Convertible Preferred Stock that is the subject of this Certificate of Designations.

“**Unit of Exchange Property**” shall have the meaning set forth in Section 13(e).

“**Valuation Period**” shall have the meaning set forth in Section 13(a)(iii).

“**Voting Preferred Stock**” means any class or series of Preferred Stock, other than the Mandatory Convertible Preferred Stock, ranking equally with the Mandatory Convertible Preferred Stock as to dividends and the distribution of assets upon liquidation, dissolution or winding up and upon which voting rights like those set forth in Section 6 have been conferred and are exercisable.

“**VWAP**” per share of Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “PKD <equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or, if such volume-weighted average price is unavailable, the market value of one share of Common Stock on such Trading Day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by the Corporation).

“**Wholly Owned Subsidiary**” means, with respect to any Person, any Subsidiary of such Person, except that, solely for purposes of this definition, the reference to “more than 50%” in the definition of “Subsidiary” shall be deemed replaced by a reference to “100%”.

SECTION 3. *Dividends.* (a) *Rate.* Subject to the rights of holders of any class of capital stock ranking senior to the Mandatory Convertible Preferred Stock with respect to dividends, Holders shall be entitled to receive, when, as and if declared by the Board of Directors (or an authorized committee thereof) out of funds of the Corporation lawfully available for payment in the case of dividends paid in cash and if lawfully permitted in the case of dividends paid in shares of Common Stock, cumulative dividends at the rate per annum of 7.25% of the Liquidation Preference per share of Mandatory Convertible Preferred Stock (equivalent to \$7.25 per annum per share (the “**Dividend Amount**”)), payable in cash, by delivery of shares of Common Stock or through any combination of cash and shares of Common Stock, as determined by the Corporation in its sole discretion (subject to the limitations set forth in Section 3(e)).

If declared, dividends on the Mandatory Convertible Preferred Stock shall be payable quarterly on each Dividend Payment Date, and dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the Initial Issue Date, whether or not in any Dividend Period or Dividend Periods there have been funds lawfully available for the payment of such dividends.

If declared, dividends shall be payable on the relevant Dividend Payment Date to Record Holders, whether or not such Record Holders early convert their shares of Mandatory Convertible Preferred Stock, or such shares are automatically converted, after such Regular Record Date and on or prior to the immediately succeeding Dividend Payment Date. If a Dividend Payment Date is not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

The amount of dividends payable on each share of Mandatory Convertible Preferred Stock for each full Dividend Period (subsequent to the initial Dividend Period) shall be computed by dividing the annual dividend rate by four. Dividends payable on the Mandatory Convertible Preferred Stock for the initial Dividend Period and any partial Dividend Period shall be computed based upon the actual number of days elapsed during such period over a 360-day year (consisting of twelve 30-day months). Accumulated dividends shall not bear interest if they are paid subsequent to the applicable Dividend Payment Date.

No dividend shall be paid unless and until the Board of Directors, or an authorized committee of the Board of Directors, declares a dividend payable with respect to the Mandatory Convertible Preferred Stock. No dividend shall be declared or paid upon, or any sum or number of shares of Common Stock set apart for the payment of dividends upon, any outstanding share of Mandatory Convertible Preferred Stock with respect to any Dividend Period unless all dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum or number of shares of Common Stock have been set apart for the payment of such dividends upon, all outstanding shares of Mandatory Convertible Preferred Stock.

Holders shall not be entitled to any dividends on the Mandatory Convertible Preferred Stock, whether payable in cash, property or shares of Common Stock, in excess of full cumulative dividends.

Except as set forth in this Section 3(a), dividends on any share of Mandatory Convertible Preferred Stock converted to Common Stock shall cease to accumulate on the applicable Conversion Date.

(a) *Limitation on Junior Dividends and Redemption of Junior and Parity Stock.* So long as any share of the Mandatory Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on Common Stock or any other shares of Junior Stock, and no Common Stock or other Junior Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its Subsidiaries unless all accumulated and unpaid dividends for all preceding Dividend Periods have been declared and paid in full in cash, shares of Common Stock or a combination thereof upon, or a sufficient sum or number of shares of Common Stock have been set apart for the payment of such dividends upon, all outstanding shares of Mandatory Convertible Preferred Stock. The foregoing limitation shall not apply to:

- (i) a dividend payable on any Common Stock or other Junior Stock in shares of any Common Stock or other Junior Stock and the payment of cash in lieu of fractional shares of such a dividend;
- (ii) the acquisition of shares of any Common Stock or other Junior Stock in exchange for shares of any Common Stock or other Junior Stock and the payment of cash in lieu of fractional shares of Common Stock or other Junior Stock;
- (iii) purchases of fractional interests in shares of any Common Stock or other Junior Stock pursuant to the conversion or exchange provisions of such shares of other Junior Stock or any securities exchangeable for or convertible into such shares of Common Stock or other Junior Stock;
- (iv) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee or director benefit plan in the ordinary course of business, including, without limitation, the forfeiture of unvested shares of restricted stock or share withholdings upon exercise, delivery or vesting of equity awards granted to officers, directors and employees and the payment of cash in lieu of fractional shares of Common Stock or other Junior Stock;
- (v) any dividends or distributions of rights or Common Stock or other Junior Stock in connection with a stockholders' rights plan or any redemption or repurchase of rights pursuant to any stockholders' rights plan; and
- (vi) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock and the payment of cash in lieu of fractional shares of other Junior Stock or other Parity Stock, as the case may be.

When dividends have not been paid on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from such Dividend Payment Dates, on a Dividend Payment Date falling within a regular Dividend Period related to such Dividend Payment Date), in full in cash, shares of Common Stock or a combination thereof (or declared and a sum sufficient for payment thereof or a number of shares of Common Stock sufficient for payment thereof, in each case set aside for the benefit of the

Holders thereof on the applicable Regular Record Date) on shares of the Mandatory Convertible Preferred Stock, no dividends may be declared or paid on any Parity Stock unless dividends are declared on the Mandatory Convertible Preferred Stock such that the respective amounts of such dividends declared on the Mandatory Convertible Preferred Stock and each such Parity Stock shall bear the same ratio to each other as all accumulated and unpaid dividends per share on the shares of the Mandatory Convertible Preferred Stock and such Parity Stock (subject to their having been declared by the Board of Directors (or an authorized committee thereof) out of legally available funds) bear to each other, in proportion to their respective liquidation preferences; *provided* that any unpaid dividends on the Mandatory Convertible Preferred Stock will continue to accumulate. For purposes of this calculation, with respect to non-cumulative Parity Stock, the Corporation shall use the full amount of dividends that would be payable for the most recent Dividend Period if dividends were declared in full on such non-cumulative Parity Stock.

Subject to the foregoing, and not otherwise, such dividends as may be determined by the Board of Directors (or an authorized committee thereof) may be declared and paid (payable in cash, securities or other property) on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and Holders shall not be entitled to participate in any such dividends.

If the Corporation (or an applicable withholding agent) is required to withhold on distributions of Common Stock to a Holder and pay the applicable withholding taxes, the Corporation may, or an applicable withholding agent may, withhold such taxes from payments of cash or shares of Common Stock payable to such Holder.

(b) Method of Payment of Dividends.

(i) Subject to the limitations set forth in Section 3(e), the Corporation may pay any declared dividend (or any portion of any declared dividend) on the Mandatory Convertible Preferred Stock (whether or not for a current Dividend Period or any prior Dividend Period), determined in the sole discretion of the Corporation:

- (A) in cash;
- (B) by delivery of shares of Common Stock; or
- (C) through any combination of cash and shares of Common Stock.

(ii) The Corporation shall make each payment of a declared dividend on the Mandatory Convertible Preferred Stock in cash, except to the extent the Corporation elects to make all or any portion of such payment in shares of Common Stock. The Corporation shall give the Holders notice of any such election, and the portion of such payment that will be made in cash and the portion that will be made in Common Stock, no later than 10 Scheduled Trading Days prior to the Dividend Payment Date for such dividend.

(iii) If the Corporation elects to make any such payment of a declared dividend, or any portion thereof, in shares of Common Stock, such shares shall be valued for such purpose at the Average VWAP per share of Common Stock over the five consecutive Trading Day period ending on the second Trading Day immediately preceding the applicable Dividend Payment Date (the “**Five-Day Average Price**”), multiplied by 97%.

(c) No fractional shares of Common Stock shall be delivered to the Holders in respect of dividends. The Corporation shall instead pay a cash adjustment to each Holder that would otherwise be entitled to a fraction of a share of Common Stock based on the Five-Day Average Price.

(d) Notwithstanding the foregoing, in no event shall the number of shares of Common Stock delivered in connection with any declared dividend on a share of Mandatory Convertible Preferred Stock exceed a number equal to:

(i) the declared dividend *divided by*

(ii) \$0.74, which amount represents approximately 35% of the Initial Price, subject to adjustment in a manner inversely proportional to any anti-dilution adjustment to each Fixed Conversion Rate as provided in Section 13(c)(iii) (such dollar amount, as adjusted, the “**Floor Price**”).

To the extent that the amount of the declared dividend exceeds the product of the number of shares of Common Stock delivered in connection with such declared dividend and 97% of the Five-Day Average Price, the Corporation shall, if it is able to do so under applicable law and in compliance with the instruments governing its indebtedness, notwithstanding any notice by the Corporation to the contrary, pay such excess amount in cash.

(e) To the extent a Shelf Registration Statement is required in the Corporation's reasonable judgment in connection with the issuance of or for resales of Common Stock issued as payment of a dividend, including dividends paid in connection with a conversion, the Corporation shall, to the extent such a Shelf Registration Statement is not currently filed and effective, use its commercially reasonable efforts to file and maintain the effectiveness of such a Shelf Registration Statement until the earlier of such time as all such shares of Common Stock have been resold thereunder and such time as all such shares are freely tradable without registration. To the extent applicable, the Corporation shall also use its commercially reasonable efforts to have the shares of Common Stock qualified or registered under applicable state securities laws, if required, and approved for listing on the New York Stock Exchange (or if the Common Stock is not listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Stock is then listed).

SECTION 4. *Liquidation, Dissolution or Winding Up.* (a) In the event of any voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, each Holder shall be entitled to receive the Liquidation Preference per share of Mandatory Convertible Preferred Stock, *plus* an amount (the "**Liquidation Dividend Amount**") equal to accumulated and unpaid dividends on such shares, whether or not declared, to, but not including, the date fixed for liquidation, winding-up or dissolution to be paid out of the assets of the Corporation available for distribution to its stockholders, after satisfaction of liabilities owed to the Corporation's creditors and holders of any Senior Stock and before any payment or distribution is made to holders of any Junior Stock (including, without limitation, Common Stock).

(a) Neither the sale (for cash, shares of stock, securities or other consideration) of all or substantially all of the assets or business of the Corporation (other than in connection with the liquidation, winding-up or dissolution of the Corporation), nor the merger or consolidation of the Corporation into or with any other Person, shall be deemed to be a voluntary or involuntary liquidation, winding-up or dissolution of the Corporation for purposes of this Section 4.

(b) If, upon the voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, the amounts payable with respect to (1) the Liquidation Preference plus the Liquidation Dividend Amount of the Mandatory Convertible Preferred Stock and (2) the liquidation preference of, and the amount of accumulated and unpaid dividends to, but not including, the date fixed for liquidation, winding up or dissolution, on, all Parity Stock, if applicable, are not paid in full, the Holders and all holders of any Parity Stock shall share equally and ratably in any distribution of the Corporation's assets in proportion to the respective liquidation preferences and amounts equal to the accumulated and unpaid dividends to which they are entitled.

(c) After the payment to any Holder of the full amount of the Liquidation Preference and the Liquidation Dividend Amount for each of such Holder's shares of Mandatory Convertible Preferred Stock, such Holder as such shall have no right or claim to any of the remaining assets of the Corporation.

SECTION 5. *Redemption; No Sinking Fund.*

The Mandatory Convertible Preferred Stock shall not be subject to any redemption, sinking fund or other similar provisions. However, at the Corporation's option, it may purchase or exchange the Mandatory Convertible Preferred Stock from time to time in the open market, by tender or exchange offer or otherwise.

SECTION 6. *Voting Rights.*

(a) *General.* Holders shall not have any voting rights except as set forth in this Section 6, except as specifically required by Delaware corporate law or by the Restated Certificate of Incorporation from time to time.

(b) *Right to Elect Two Directors Upon Nonpayment.* (i) Whenever dividends on shares of Mandatory Convertible Preferred Stock have not been declared and paid for the equivalent of six or more Dividend Periods (including, for the avoidance of doubt, the Dividend Period beginning on, and including, the Initial Issue Date and ending on, but not including, June 30, 2017), whether or not for consecutive Dividend Periods (a "**Nonpayment**"), the Holders, voting together as a single class with holders of any and all other series of Voting Preferred Stock then outstanding, shall be entitled at the Corporation's next special or annual meeting of stockholders to vote for the election of a total of two additional members of the Board of Directors (the "**Preferred Stock Directors**"); *provided* that the election of any such directors will not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange or automated quotation system on which the Corporation's securities may be listed or quoted) that requires listed or quoted companies to have a majority of independent directors; and *provided further* that the Board of Directors shall at no time include more than two Preferred Stock Directors.

In the event of a Nonpayment, the number of directors then constituting the Board of Directors shall be increased by two, and the new directors shall be elected at (i) a special meeting of stockholders called by (x) the Board of Directors, subject to its fiduciary duties, or (y) at the request of the Holders of at least 20% of the shares of Mandatory Convertible Preferred Stock or of any other series

of Voting Preferred Stock (*provided* that such request is received, (A) in the case of an annual meeting, at least 90 calendar days before the first anniversary of the preceding year's annual meeting (but if the date of such annual meeting is more than 30 days before or more than 60 days after such anniversary date, then at least 90 calendar days before the date fixed for such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such annual meeting is first made by the Corporation) and (B) in the case of a special meeting, at least 90 calendar days before the date fixed for such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the 10th day following the day on which public announcement of the date of such special meeting is first made by the Corporation; if such request is not received within the periods described in the foregoing, the election shall be held only at such next annual or special meeting of stockholders), and (ii) each subsequent annual meeting, so long as the Holders continue to have such voting rights. Whether a plurality, majority or other portion of the Mandatory Convertible Preferred Stock and any other Voting Preferred Stock have been voted in favor of any matter shall be determined by reference to the respective liquidation preference amounts of the Mandatory Convertible Preferred Stock and such other Voting Preferred Stock voted.

(i) If and when all accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock have been paid in full, or declared and a sum or number of shares of Common Stock sufficient for such payment shall have been set aside (a “**Nonpayment Remedy**”), the Holders shall immediately and, without any further action by the Corporation, be divested of the voting rights described in this Section 6(b), subject to the revesting of such rights in the event of each subsequent Nonpayment. If such voting rights for the Holders and all other holders of Voting Preferred Stock shall have terminated, the term of office of each Preferred Stock Director so elected shall terminate at such time and the number of directors on the Board of Directors shall automatically decrease by two.

(ii) Any Preferred Stock Director may be removed at any time, with or without cause, by the Holders of a majority of the outstanding shares of the Mandatory Convertible Preferred Stock and any Voting Preferred Stock then outstanding (voting together as a single class) when they have the voting rights set forth in this Section 6(b). In the event that a Nonpayment shall have occurred and there has not been a Nonpayment Remedy, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, except in the event that such vacancy is created as a result of such Preferred Stock Director being removed or if no Preferred Stock Director remains in office, such vacancy may be filled by a vote of the Holders of a majority of the outstanding shares of the Mandatory Convertible Preferred Stock and any other shares of Voting Preferred Stock then outstanding (voting together as a single class) when they have the voting rights set forth in this Section 6(b); *provided* that the filling of each vacancy will not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange or automated quotation system on which the Corporation's securities may be listed or quoted) that requires listed or quoted companies to have a majority of independent directors.

(c) *Other Voting Rights.* So long as any shares of Mandatory Convertible Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Restated Certificate of Incorporation, the Corporation shall not, without the affirmative vote or consent of the holders of at least two-thirds in voting power of the outstanding shares of Mandatory Convertible Preferred Stock and all other Parity Stock having similar voting rights, voting as a single class (and with voting rights allocated based on liquidation preference) given in person or by proxy, either in writing or at a meeting:

(i) amend or alter the provisions of the Restated Certificate of Incorporation or this Certificate of Designations so as to authorize or create, or increase the authorized amount of, any specific class or series of Senior Stock; or

(ii) amend, alter or repeal the provisions of the Restated Certificate of Incorporation or this Certificate of Designations so as to adversely affect the special rights, preferences, privileges or voting powers of the shares of Mandatory Convertible Preferred Stock in any material respect; or

(iii) consummate a binding share exchange or reclassification involving the shares of Mandatory Convertible Preferred Stock or a merger or consolidation of the Corporation with another entity, unless in each case: (x) shares of Mandatory Convertible Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent; and (y) such shares of Mandatory Convertible Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the Holders thereof than the rights, preferences, privileges and voting powers of the Mandatory Convertible Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 6(c), (1) any increase in the amount of the Corporation's authorized but unissued shares of Preferred Stock, (2) any increase in the amount of the Corporation's authorized or issued shares of Mandatory Convertible

Preferred Stock and (3) the creation and issuance, or an increase in the authorized or issued amount, of any other series of Parity Stock or Junior Stock, shall be deemed not to adversely affect the special rights, preferences, privileges or voting powers of the Mandatory Convertible Preferred Stock and shall not require the affirmative vote or consent of Holders of the Mandatory Convertible Preferred Stock.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 6(c) would adversely affect one or more but not all series of Parity Stock (including the Mandatory Convertible Preferred Stock for this purpose), then only the one or more series of Parity Stock adversely affected and entitled to vote, rather than all series of Parity Stock, shall vote as a class.

(d) Without the consent of the Holders, the Corporation may amend, alter, supplement or repeal any terms of the Mandatory Convertible Preferred Stock (i) to cure any ambiguity or mistake, or to correct or supplement any provision contained in this Certificate of Designations establishing the terms of the Mandatory Convertible Preferred Stock that may be defective or inconsistent with any other provision contained in this Certificate of Designations; (ii) to make any provision with respect to matters or questions relating to the Mandatory Convertible Preferred Stock that is not inconsistent with the provisions of this Certificate of Designations establishing the terms of the Mandatory Convertible Preferred Stock; (iii) to waive any of the Corporation's rights with respect thereto or (iv) to conform the terms of the Mandatory Convertible Preferred Stock to the description thereof in the Base Prospectus as supplemented and/or amended by the "**Description of Mandatory Convertible Preferred Stock**" section of the Preliminary Prospectus Supplement, as further supplemented and/or amended by the Final Prospectus Supplement.

(e) Prior to the close of business on the applicable Conversion Date, the shares of Common Stock issuable upon conversion of the Mandatory Convertible Preferred Stock shall not be deemed to be outstanding and Holders shall have no voting rights with respect to such shares of Common Stock by virtue of holding the Mandatory Convertible Preferred Stock, including the right to vote on any amendment to the Corporation's Restated Certificate of Incorporation or this Certificate of Designations that would adversely affect the rights of holders of the Common Stock.

(f) The number of votes that each share of Mandatory Convertible Preferred Stock and any Voting Preferred Stock participating in the votes set forth in this Section 6 shall have and shall be in proportion to the liquidation preference of such share.

(g) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the Holders (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other procedural aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws, applicable law and the rules of any national securities exchange or other trading facility on which the Mandatory Convertible Preferred Stock is listed or traded at the time.

SECTION 7. *Mandatory Conversion on the Mandatory Conversion Date.* (a) Each outstanding share of Mandatory Convertible Preferred Stock shall automatically convert (unless previously converted at the option of the Holder in accordance with Section 8 or pursuant to an exercise of a Fundamental Change Early Conversion Right pursuant to Section 9) on the Mandatory Conversion Date ("**Mandatory Conversion**") into a number of shares of Common Stock equal to the Mandatory Conversion Rate.

(a) The "**Mandatory Conversion Rate**" shall, subject to adjustment in accordance with Section 7(c), be as follows:

(i) if the Applicable Market Value is greater than the Threshold Appreciation Price, then the Mandatory Conversion Rate shall be equal to 41.4079 shares of Common Stock per share of Mandatory Convertible Preferred Stock (the "**Minimum Conversion Rate**");

(ii) if the Applicable Market Value is less than or equal to the Threshold Appreciation Price but equal to or greater than the Initial Price, then the Mandatory Conversion Rate per share of Mandatory Convertible Preferred Stock shall be equal to \$100 *divided by* the Applicable Market Value, rounded to the nearest ten thousandth of a share of Common Stock; or

(iii) if the Applicable Market Value is less than the Initial Price, then the Mandatory Conversion Rate shall be equal to 47.6190 shares of Common Stock per share of Mandatory Convertible Preferred Stock (the "**Maximum Conversion Rate**");

provided that the Fixed Conversion Rates and the Applicable Market Value are each subject to adjustment in accordance with the provisions of Section 13.

(b) If the Corporation declares a dividend for the Dividend Period ending on March 31, 2020, the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holders as of such Regular Record Date, in accordance with Section 3. If on or prior to March 31, 2020, the Corporation has not declared all or any portion of the accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock through March 31, 2020, the Mandatory Conversion Rate shall be adjusted so that Holders receive an additional number of shares of Common Stock equal to:

- (i) the amount of accumulated and unpaid dividends that have not been declared (“**Mandatory Conversion Additional Conversion Amount**”), *divided by*
- (ii) the greater of (i) the Floor Price and (ii) 97% of the Five-Day Average Price.

To the extent that the Mandatory Conversion Additional Conversion Amount exceeds the product of such number of additional shares and 97% of the Five-Day Average Price, the Corporation shall, if the Corporation is able to do so under applicable law and in compliance with its indebtedness, declare and pay such excess amount in cash pro rata to the Holders.

SECTION 8. *Early Conversion at the Option of the Holder.* (a) Other than during a Fundamental Change Conversion Period, subject to satisfaction of the conversion procedures set forth in Section 10, the Holders shall have the right to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock), at any time prior to March 31, 2020 (“**Early Conversion**”), into shares of Common Stock at the Minimum Conversion Rate, subject to adjustment in accordance with Section 8(b).

(a) If, as of any Early Conversion Date relating to an Early Conversion, the Corporation has not declared all or any portion of the accumulated and unpaid dividends for all full Dividend Periods ending on the Dividend Payment Date prior to such Early Conversion Date, the Minimum Conversion Rate shall be adjusted, with respect to the relevant Early Conversion, so that such converting Holder receives an additional number of shares of Common Stock equal to:

- (i) such amount of accumulated and unpaid dividends that have not been declared for such full Dividend Periods (the “**Early Conversion Additional Conversion Amount**”), *divided by*
- (ii) the greater of (i) the Floor Price and (ii) the Average VWAP per share of the Common Stock over the 20 consecutive Trading Day period ending on, and including, the third Trading Day immediately preceding such Early Conversion Date (such average being referred to as the “**Early Conversion Average Price**”).

To the extent that the Early Conversion Additional Conversion Amount exceeds the product of such number of additional shares and the Early Conversion Average Price, the Corporation will not have any obligation to pay the shortfall in cash.

Except as set forth in the first sentence of this Section 8(b), upon any Early Conversion of any shares of the Mandatory Convertible Preferred Stock at the option of a Holder, the Corporation shall make no payment or allowance for unpaid dividends on such shares of the Mandatory Convertible Preferred Stock, unless the Early Conversion Date occurs after the Regular Record Date for a declared dividend and on or prior to the immediately succeeding Dividend Payment Date, in which case the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holder as of such Regular Record Date of the shares of Mandatory Convertible Preferred Stock that were early converted, in accordance with Section 3.

SECTION 9. *Fundamental Change Conversion.* (a) If a Fundamental Change occurs on or prior to the Mandatory Conversion Date, the Holders shall have the right (the “**Fundamental Change Early Conversion Right**”) during the Fundamental Change Conversion Period to:

- (i) convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock) (any such conversion pursuant to this Section 9(a) being a “**Fundamental Change Conversion**”), into a number of shares of Common Stock (or Units of Exchange Property in accordance with Section 13(e)) equal to the Fundamental Change Conversion Rate per share of Mandatory Convertible Preferred Stock;
- (ii) with respect to such converted shares of Mandatory Convertible Preferred Stock, receive an amount equal to the present value, calculated using a discount rate of 10% per annum, of all dividend payments on such shares (excluding any Accumulated Dividend Amount) for all the remaining full Dividend Periods to, but not including March 31, 2020, and for the partial Dividend Period from, and including, the Fundamental Change Effective Date to, but not including, the next Dividend Payment Date (the “**Fundamental Change Dividend Make-Whole Amount**”), subject to the Corporation’s right to deliver shares of Common Stock in lieu of all or part of such amount in cash as set forth in Section 9(d); and

(iii) with respect to such converted shares of Mandatory Convertible Preferred Stock, to the extent that, as of the Fundamental Change Effective Date, there is any Accumulated Dividend Amount, receive payment of the Accumulated Dividend Amount (subject to the Corporation's right to deliver shares of Common Stock in lieu of all or part of such amount in cash as set forth in Section 9(d));

provided that, if such Fundamental Change Effective Date or the relevant Fundamental Change Conversion Date falls after the Regular Record Date for a declared dividend and prior to the next Dividend Payment Date, the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holders as of such Regular Record Date, in accordance with Section 3, and such dividend shall not be included in the Accumulated Dividend Amount, and the Fundamental Change Dividend Make-whole Amount shall not include the present value of the payment of such dividend.

(b) To exercise the Fundamental Change Early Conversion Right, Holders must submit their shares of the Mandatory Convertible Preferred Stock for conversion at any time during the Fundamental Change Conversion Period. Holders who do not submit their shares of Mandatory Convertible Preferred Stock for early conversion during the Fundamental Change Conversion Period will not be entitled to convert their shares of Mandatory Convertible Preferred Stock at the Fundamental Change Conversion Rate or to receive the Make-Whole Dividend Amounts.

The Corporation shall provide written notice (a "**Fundamental Change Notice**") to Holders of the Fundamental Change Effective Date no later than the second Business Day following such Fundamental Change Effective Date. The Fundamental Change Notice shall state:

(i) the event causing the Fundamental Change;

(ii) the anticipated Fundamental Change Effective Date or actual Fundamental Change Effective Date, as the case may be;

(iii) that Holders shall have the right to effect a Fundamental Change Conversion in connection with such Fundamental Change during the Fundamental Change Conversion Period;

(iv) the Fundamental Change Conversion Period; and

(v) the instructions a Holder must follow to effect a Fundamental Change Conversion in connection with such Fundamental Change.

(c) Not later than the second Business Day following the Fundamental Change Effective Date, the Corporation shall notify (which notice may be contained in the same notice as the Fundamental Change Notice) Holders of:

(i) the Fundamental Change Conversion Rate;

(ii) the Fundamental Change Dividend Make-Whole Amount and whether the Corporation will pay such amount, or any portion thereof, in shares of Common Stock (or to the extent applicable, Units of Exchange Property) and, if applicable, the portion of such amount that will be paid in Common Stock (or to the extent applicable, Units of Exchange Property); and

(iii) the Accumulated Dividend Amount and whether the Corporation will pay such amount, or any portion thereof, in shares of Common Stock (or to the extent applicable, Units of Exchange Property) and, if applicable, the portion of such amount that will be paid in Common Stock (or to the extent applicable, Units of Exchange Property).

(d) (i) For any shares of Mandatory Convertible Preferred Stock that are converted during the Fundamental Change Conversion Period, subject to the limitations set forth in Sections 9(d)(iii)-(v), the Corporation may pay the Make-Whole Dividend Amounts, determined in the Corporation's sole discretion:

(A) in cash;

(B) by delivery of shares of Common Stock (or, as set forth in Section 13(e), Units of Exchange Property); or

(C) through any combination of cash and shares of Common Stock (or, as set forth in Section 13(e), Units of Exchange Property).

(ii) The Corporation shall pay the Make-Whole Dividend Amounts in cash, except to the extent the Corporation elects on or prior to the second Business Day following the Fundamental Change Effective Date to make all or any portion of such payments in shares of Common Stock (or, as set forth in Section 13(e), Units of Exchange Property). If the Corporation elects to make any such payment, or any portion thereof, in shares of Common Stock (or, as set forth in Section 13(e), Units of Exchange Property), such shares (or, as set forth in Section 13(e), Units of Exchange Property) shall be valued for such purpose at 97% of the applicable Stock Price.

(iii) No fractional shares of Common Stock (or, to the extent applicable, Units of Exchange Property) shall be delivered by the Corporation to converting Holders in respect of the Make-Whole Dividend Amounts. The Corporation shall instead pay a cash adjustment to each converting Holder that would otherwise be entitled to receive a fraction of a share of Common Stock (or, to the extent applicable, Units of Exchange Property) based on the Average VWAP per share of Common Stock (or, to the extent applicable, Units of Exchange Property) over the five consecutive Trading Day period ending on, and including, the second Trading Day immediately preceding the relevant Fundamental Change Conversion Date.

(iv) Notwithstanding the foregoing, in no event shall the number of shares of Common Stock delivered in connection with the Make-Whole Dividend Amounts exceed a number equal to:

- (A) the Make-Whole Dividend Amounts *divided by*
- (B) the greater of (i) the Floor Price and (ii) 97% of the applicable Stock Price.

To the extent that the Make-Whole Dividend Amounts exceed the product of the number of shares of Common Stock delivered in respect of such Make-Whole Dividend Amounts and 97% of the applicable Stock Price, the Corporation shall, if the Corporation is able to do so under applicable law and in compliance with its indebtedness, notwithstanding any notice by the Corporation to the contrary, pay such excess amount in cash.

(v) If the Corporation is prohibited from paying or delivering, as the case may be, the Make-Whole Dividend Amounts (whether in cash or in shares of Common Stock), in whole or in part, due to limitations of applicable Delaware law, the Fundamental Change Conversion Rate shall be increased by a number of shares of Common Stock equal to:

- (A) the cash amount of the aggregate unpaid and undelivered Make-Whole Dividend Amounts, *divided by*
- (B) the greater of (i) the Floor Price and (ii) 97% of the Stock Price.

To the extent that the cash amount of the aggregate unpaid and undelivered Make-Whole Dividend Amounts exceeds the product of such number of additional shares of Common Stock and 97% of the Stock Price, the Corporation shall not have any obligation to pay the shortfall in cash.

SECTION 10. *Conversion Procedures.* (a) Pursuant to Section 7, any outstanding shares of Mandatory Convertible Preferred Stock shall automatically convert into shares of Common Stock on the Mandatory Conversion Date.

If more than one share of Mandatory Convertible Preferred Stock held by the same Holder is automatically converted on the Mandatory Conversion Date, the number of shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Mandatory Convertible Preferred Stock so converted.

A Holder of shares of Mandatory Convertible Preferred Stock that are mandatorily converted shall not be required to pay any taxes or duties relating to the issuance or delivery of Common Stock, except that such Holder shall be required to pay any tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Stock in a name other than the name of such Holder. Shares of Common Stock shall be issued and delivered, together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, only after all applicable taxes and duties, if any, payable by such Holder have been paid in full and shall be issued on the later of (i) the Mandatory Conversion Date and (ii) the Business Day after such Holder has paid in full all applicable taxes and duties, if any.

The Person or Persons entitled to receive the shares of Common Stock issuable upon Mandatory Conversion shall be treated as the record holder(s) of such shares of Common Stock as of the close of business on the Mandatory Conversion Date. Except as provided under Section 13, prior to the close of business on the Mandatory Conversion Date, the shares of Common Stock issuable upon Mandatory Conversion of the Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose and Holders shall have no rights with respect to such shares of Common Stock, including voting rights, rights to respond to tender offers

and rights to receive any dividends or other distributions on the Common Stock, by virtue of holding the Mandatory Convertible Preferred Stock.

(a) To effect an Early Conversion pursuant to Section 8, a Holder must:

(i) complete and manually sign the conversion notice on the back of the Mandatory Convertible Preferred Stock certificate or a facsimile of such conversion notice;

(ii) deliver the completed conversion notice and the certificated shares of Mandatory Convertible Preferred Stock to be converted to the Conversion and Dividend Disbursing Agent;

(iii) if required, furnish appropriate endorsements and transfer documents; and

(iv) if required, pay all applicable transfer or similar taxes or duties, if any.

Notwithstanding the foregoing, to effect an Early Conversion pursuant to Section 8 of shares of Mandatory Convertible Preferred Stock held in global form, the Holder must, in lieu of the foregoing, comply with the applicable procedures of DTC (or any other depository for the shares of Mandatory Convertible Preferred Stock held in global form appointed by the Corporation).

The Early Conversion shall be effective on the date on which a Holder has satisfied the foregoing requirements, to the extent applicable (“**Early Conversion Date**”).

If more than one share of the Mandatory Convertible Preferred Stock is surrendered for conversion at one time by or for the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of the Mandatory Convertible Preferred Stock so surrendered.

A Holder shall not be required to pay any taxes or duties relating to the issuance or delivery of Common Stock if such Holder exercises its conversion rights, but such Holder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Stock in a name other than the name of such Holder. Shares of Common Stock issuable upon Early Conversion shall be issued and delivered to the converting Holder, together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, only after all applicable taxes and duties, if any, payable by such Holder have been paid in full and shall be issued on the later of (i) the third Business Day immediately succeeding the Early Conversion Date and (ii) the Business Day after the Holder has paid in full all applicable transfer or similar taxes and duties, if any.

The Person or Persons entitled to receive the shares of Common Stock issuable upon Early Conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of the close of business on the applicable Early Conversion Date. Prior to the close of business on such applicable Early Conversion Date, the shares of Common Stock issuable upon Early Conversion of any shares of Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose, and Holders shall have no rights with respect to such shares of Common Stock (including voting rights, rights to respond to tender offers for the Common Stock and rights to receive any dividends or other distributions on the Common Stock) by virtue of holding shares of Mandatory Convertible Preferred Stock.

In the event that an Early Conversion is effected with respect to shares of Mandatory Convertible Preferred Stock representing less than all the shares of Mandatory Convertible Preferred Stock held by a Holder, upon such Early Conversion the Corporation shall execute and instruct the Registrar and Transfer Agent to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Mandatory Convertible Preferred Stock as to which Early Conversion was not effected.

(b) To effect a Fundamental Change Conversion pursuant to Section 9, a Holder must:

(i) complete and manually sign the conversion notice on the back of the Mandatory Convertible Preferred Stock certificate or a facsimile of such conversion notice;

(ii) deliver the completed conversion notice and the certificated shares of Mandatory Convertible Preferred Stock to be converted to the Conversion and Dividend Disbursing Agent;

(iii) if required, furnish appropriate endorsements and transfer documents; and

(iv) if required, pay all applicable transfer or similar taxes or duties, if any.

Notwithstanding the foregoing, to effect a Fundamental Change Conversion pursuant to Section 9 of shares of Mandatory Convertible Preferred Stock held in global form, the Holder must, in lieu of the foregoing, comply with the applicable procedures of DTC (or any other depositary for the shares of Mandatory Convertible Preferred Stock held in global form appointed by the Corporation).

The Fundamental Change Conversion shall be effective on the date on which a Holder has satisfied the foregoing requirements, to the extent applicable (the “**Fundamental Change Conversion Date**”).

A Holder shall not be required to pay any taxes or duties relating to the issuance or delivery of Common Stock if such Holder exercises its conversion rights, but such Holder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Stock in a name other than the name of such Holder. Shares of Common Stock issuable upon Fundamental Change Conversion shall be issued and delivered to the converting Holder, together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, only after all applicable taxes and duties, if any, payable by such Holder have been paid in full and shall be issued on the later of (i) the third Business Day immediately succeeding the Fundamental Change Conversion Date and (ii) the Business Day after the Holder has paid in full all applicable transfer or similar taxes and duties, if any.

The Person or Persons entitled to receive the shares of Common Stock issuable upon such Fundamental Change Conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of the close of business on the applicable Fundamental Change Conversion Date. Except as set forth in Section 13, prior to the close of business on such applicable Fundamental Change Conversion Date, the shares of Common Stock issuable upon Fundamental Change Conversion of any shares of Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose, and Holders shall have no rights with respect to the Common Stock (including voting rights, rights to respond to tender offers for the Common Stock and rights to receive any dividends or other distributions on the Common Stock) by virtue of holding shares of Mandatory Convertible Preferred Stock.

In the event that a Fundamental Change Conversion is effected with respect to shares of Mandatory Convertible Preferred Stock representing less than all the shares of Mandatory Convertible Preferred Stock held by a Holder, upon such Fundamental Change Conversion the Corporation shall execute and instruct the Registrar and Transfer Agent to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Mandatory Convertible Preferred Stock as to which Fundamental Change Conversion was not effected.

(c) In the event that a Holder shall not by written notice designate the name in which shares of Common Stock to be issued upon conversion of such Mandatory Convertible Preferred Stock should be registered or, if applicable, the address to which the certificate or certificates representing such shares of Common Stock should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the Holder as shown on the records of the Corporation and, if applicable, to send the certificate or certificates representing such shares of Common Stock to the address of such Holder shown on the records of the Corporation.

(d) Shares of Mandatory Convertible Preferred Stock shall cease to be outstanding on the applicable Conversion Date, subject to the right of Holders of such shares to receive shares of Common Stock issuable upon conversion of such shares of Mandatory Convertible Preferred Stock and other amounts and shares of Common Stock, if any, to which they are entitled pursuant to Sections 7, 8 or 9, as applicable and, if the applicable Conversion Date occurs after the Regular Record Date for a declared dividend and prior to the immediately succeeding Dividend Payment Date, subject to the right of the Record Holders of such shares on such Regular Record Date to receive payment of the full amount of such declared dividend on such Dividend Payment Date pursuant to Section 3.

(e) If the Corporation (or an applicable withholding agent) is required to withhold on deemed distributions to a Holder and pay the applicable withholding taxes, the Corporation may, at its option, or an applicable withholding agent may, withhold such taxes from payments of cash or shares of Common Stock payable to such Holder.

SECTION 11. *Reservation of Common Stock.* (a) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Stock or shares of Common Stock held in the treasury of the Corporation, solely for issuance upon the conversion of shares of Mandatory Convertible Preferred Stock as herein provided, free from any preemptive or other similar rights, a number of shares of Common Stock equal to the maximum number of shares of Common Stock deliverable upon conversion of all shares of Mandatory Convertible Preferred Stock (including the maximum number of shares of Common Stock deliverable upon conversion during a Fundamental Change Conversion Period). For purposes of this Section 11(a), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of Mandatory Convertible Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(a) Notwithstanding the foregoing, the Corporation shall be entitled to deliver upon conversion of shares of Mandatory Convertible Preferred Stock or as payment of any dividend on such shares of Mandatory Convertible Preferred Stock, as herein provided, shares of Common Stock reacquired and held in the treasury of the Corporation (in lieu of the issuance of authorized and unissued shares of Common Stock), so long as any such treasury shares are free and clear of all liens, charges, security interests or encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(b) All shares of Common Stock delivered upon conversion of, or as payment of a dividend on, the Mandatory Convertible Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders) and free of preemptive rights.

(c) The Corporation hereby covenants and agrees that, if at any time the Common Stock shall be listed on the New York Stock Exchange or any other national securities exchange or automated quotation system, the Corporation shall, if permitted by the rules of such exchange or automated quotation system, list and use its commercially reasonable efforts to keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all Common Stock issuable upon conversion (including, for the avoidance of doubt, with respect to the Mandatory Conversion Additional Conversion Amount or Early Conversion Additional Conversion Amount) of, or issuable in respect of the payment of dividends, the Accumulated Dividend Amount or the Fundamental Change Dividend Make-Whole Amount on, the Mandatory Convertible Preferred Stock; *provided, however*, that if the rules of such exchange or automated quotation system permit the Corporation to defer the listing of such Common Stock until the earlier of (x) the first conversion of Mandatory Convertible Preferred Stock into Common Stock in accordance with the provisions hereof and (y) the first payment of any dividends, any Accumulated Dividend Amount or any Fundamental Change Dividend Make-Whole Amount on the Mandatory Convertible Preferred Stock, the Corporation covenants to list such Common Stock issuable upon the earlier of (1) the first conversion of the Mandatory Convertible Preferred Stock and (2) the first payment of any dividends, any Accumulated Dividend Amount or any Fundamental Change Dividend Make-Whole Amount on the Mandatory Convertible Preferred Stock in accordance with the requirements of such exchange or automated quotation system at such time.

SECTION 12. *Fractional Shares.* (a) No fractional shares of Common Stock shall be issued to Holders as a result of any conversion of shares of Mandatory Convertible Preferred Stock.

(a) In lieu of any fractional share of Common Stock otherwise issuable in respect of the shares of Mandatory Convertible Preferred Stock of any Holder that are converted on the Mandatory Conversion Date pursuant to Section 7 or at the option of the Holder pursuant to Section 8 or Section 9, the Corporation shall pay an amount in cash (computed to the nearest cent) based on the Average VWAP per share of the Common Stock over the five consecutive Trading Day period ending on, and including, the second Trading Day immediately preceding the Mandatory Conversion Date, Fundamental Change Conversion Date or Early Conversion Date, as applicable.

SECTION 13. *Anti-Dilution Adjustments to the Fixed Conversion Rates.* (a) Each Fixed Conversion Rate shall be adjusted as set forth in this Section 13, except that the Corporation shall not make any adjustments to the Fixed Conversion Rates if Holders participate (other than in the case of a share split or share combination), at the same time and upon the same terms as holders of Common Stock and solely as a result of holding the Mandatory Convertible Preferred Stock, in any of the transactions set forth in Sections 13(a)(i)-(vi) without having to convert their Mandatory Convertible Preferred Stock as if they held a number of shares of Common Stock equal to (i) the Maximum Conversion Rate as of the Record Date for such transaction, multiplied by (ii) the number of shares of Mandatory Convertible Preferred Stock held by such Holder.

(i) If the Corporation exclusively issues shares of Common Stock as a dividend or distribution on shares of Common Stock, or if the Corporation effects a share split or share combination, each Fixed Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = such Fixed Conversion Rate in effect immediately prior to the close of business on the Record Date of such dividend or distribution, or immediately prior to the open of business on the Effective Date of such share split or share combination, as applicable;

CR_1 = such Fixed Conversion Rate in effect immediately after the close of business on such Record Date or immediately after the open of business on such Effective Date, as applicable;

OS_0 = the number of shares of Common Stock outstanding immediately prior to the close of business on such Record Date or immediately prior to the open of business on such Effective Date, as applicable, before giving effect to such dividend, distribution, share split or share combination; and

OS_1 = the number of shares of Common Stock outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

Any adjustment made under this Section 13(a)(i) shall become effective immediately after the close of business on the Record Date for such dividend or distribution, or immediately after the open of business on the Effective Date for such share split or share combination, as applicable. If any dividend or distribution of the type set forth in this Section 13(a)(i) is declared but not so paid or made, each Fixed Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to pay such dividend or distribution, to such Fixed Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(ii) If the Corporation issues to all or substantially all holders of Common Stock any rights, options or warrants entitling them, for a period of not more than 45 calendar days after the announcement date of such issuance, to subscribe for or purchase shares of Common Stock at a price per share that is less than the Average VWAP per share of Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, each Fixed Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = such Fixed Conversion Rate in effect immediately prior to the close of business on the Record Date for such issuance;

CR_1 = such Fixed Conversion Rate in effect immediately after the close of business on such Record Date;

OS_0 = the number of shares of Common Stock outstanding immediately prior to the close of business on such Record Date;

X = the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

Y = the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, *divided by* (ii) the Average VWAP per share of Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the issuance of such rights, options or warrants.

Any increase made under this Section 13(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the close of business on the Record Date for such issuance. To the extent that such rights, options or warrants are not exercised prior to their expiration or shares of Common Stock are not delivered after the exercise of such rights, options or warrants, each Fixed Conversion Rate shall be decreased to such Fixed Conversion Rate that would then be in

effect had the increase with respect to the issuance of such rights, options or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, each Fixed Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to pay such dividend or distribution, to such Fixed Conversion Rate that would then be in effect if such Record Date for such issuance had not occurred.

For the purpose of this Section 13(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of Common Stock at less than such Average VWAP per share for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Corporation for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors or a committee thereof.

(iii) If the Corporation distributes shares of its capital stock, evidences of its indebtedness, other assets or property of the Corporation or rights, options or warrants to acquire its capital stock or other securities, to all or substantially all holders of Common Stock, excluding:

(A) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 13(a)(i) or Section 13(a)(ii);

(B) dividends or distributions paid exclusively in cash as to which the provisions set forth in Section 13(a)(iv) shall apply;

(C) any dividends and distributions in connection with a recapitalization, reclassification, change, consolidation, merger or other combination, share exchange, or sale, lease or other transfer or disposition resulting in the change in the conversion consideration as set forth under Section 13(e);

(D) except as otherwise set forth in Section 13(a)(vi), rights issued pursuant to a shareholder rights plan adopted by the Corporation; and

(E) Spin-Offs as to which the provisions set forth below in this Section 13(a)(iii) shall apply;

then each Fixed Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = such Fixed Conversion Rate in effect immediately prior to the close of business on the Record Date for such distribution;

CR_1 = such Fixed Conversion Rate in effect immediately after the close of business on such Record Date;

SP_0 = the Average VWAP per share of Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Date for such distribution; and

FMV = the fair market value (as determined by the Board of Directors or a committee thereof) of the shares of capital stock, evidences of indebtedness, assets, property, rights, options or warrants so distributed, expressed as an amount per share of Common Stock on the Ex-Date for such distribution.

Any increase made under the portion of this Section 13(a)(iii) will become effective immediately after the close of business on the Record Date for such distribution. If such distribution is not so paid or made, each Fixed Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to pay such dividend or distribution, to be such Fixed Conversion Rate that would then be in effect if such distribution had not been declared.

Notwithstanding the foregoing, if “FMV” (as defined above) is equal to or greater than “SP0” (as defined above), or if the difference is less than \$1.00, in lieu of the foregoing increase, each Holder shall receive, in respect of each share of Mandatory Convertible Preferred Stock, at the same time and upon the same terms as holders of Common Stock, the amount and kind of the Corporation’s capital stock, evidences of its indebtedness, other assets or property of the Corporation or rights, options or warrants to acquire its capital stock or other securities that such Holder would have received if such Holder owned a number of shares of Common Stock equal to the Maximum Conversion Rate in effect on the Record Date for the distribution.

With respect to an adjustment pursuant to this Section 13(a)(iii) where there has been a Spin-Off, each Fixed Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR₀ = such Fixed Conversion Rate in effect immediately prior to the close of business on the last Trading Day of the 10 consecutive Trading Day period commencing on, and including, the effective date for the Spin-Off;

CR₁ = such Fixed Conversion Rate in effect immediately after the close of business on the last Trading Day of the 10 consecutive Trading Day period commencing on, and including, the effective date for the Spin-Off;

FMV₀ = the Average VWAP per share of the capital stock or similar equity interest distributed to holders of Common Stock applicable to one share of Common Stock over the 10 consecutive Trading Day period commencing on, and including, the effective date for the Spin-Off (the “**Valuation Period**”); and

MP₀ = the Average VWAP per share of Common Stock over the Valuation Period.

The increase to each Fixed Conversion Rate under the preceding paragraph will become effective at the close of business on the last Trading Day of the Valuation Period. Notwithstanding the foregoing, if any date for determining the number of shares of Common Stock issuable to a Holder occurs during the Valuation Period, the reference to “10” in the preceding paragraph shall be deemed replaced with such lesser number of Trading Day as have elapsed between the beginning of the Valuation Period and such determination date for purposes of determining such Fixed Conversion Rate. If such dividend or distribution is not so paid, each Fixed Conversion Rate shall be decreased, effective as of the date the Board of Directors or a committee thereof determines not to make or pay such dividend or distribution, to be such Fixed Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

For purposes of this Section 13(a)(iii) (and subject in all respects to Section 13(a)(i) and Section 13(a)(ii)):

(A) rights, options or warrants distributed by the Corporation to all or substantially all holders of the Common Stock entitling them to subscribe for or purchase shares of the Corporation’s capital stock, including Common Stock (either initially or under certain conditions), which rights, options or warrants, until the occurrence of a specified event or events (“**Trigger Event**”):

(1) are deemed to be transferred with such shares of the Common Stock;

(2) are not exercisable; and

(3) are also issued in respect of future issuances of the Common Stock, shall be deemed not to have been distributed for purposes of this Section 13(a)(iii) (and no adjustment to the Fixed Conversion Rates under this Section 13(a)(iii) shall be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Fixed Conversion Rates shall be made under this Section 13(a)(iii).

(B) If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the Initial Issue Date, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Record Date with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof).

(C) In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding clause (B)) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Fixed Conversion Rates under this clause (iii) was made:

(1) in the case of any such rights, options or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, upon such final redemption or repurchase (x) the Fixed Conversion Rates shall be readjusted as if such rights, options or warrants had not been issued and (y) the Fixed Conversion Rates shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution pursuant to Section 13(a)(iv), equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase; and

(2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Fixed Conversion Rates shall be readjusted as if such rights, options and warrants had not been issued.

For purposes of Section 13(a)(i), Section 13(a)(ii) and this Section 13(a)(iii), if any dividend or distribution to which this Section 13(a)(iii) is applicable includes one or both of:

(D) a dividend or distribution of shares of Common Stock to which Section 13(a)(i) is applicable (the “**Clause A Distribution**”); or

(E) an issuance of rights, options or warrants to which Section 13(a)(ii) is applicable (the “**Clause B Distribution**”),

then:

(1) such dividend or distribution, other than the Clause A Distribution and the Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 13(a)(iii) is applicable (the “**Clause C Distribution**”) and any Fixed Conversion Rate adjustment required by this Section 13(a)(iii) with respect to such Clause C Distribution shall then be made; and

(2) the Clause A Distribution and Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Fixed Conversion Rate adjustment required by Section 13(a)(i) and Section 13(a)(ii) with respect thereto shall then be made, except that, if determined by the Corporation (I) the Record Date of the Clause A Distribution and the Clause B Distribution shall be deemed to be the Record Date of the Clause C Distribution and (II) any shares of Common Stock included in the Clause A Distribution or Clause B Distribution shall be deemed not to be “outstanding immediately prior to the close of business on such Record Date or immediately prior to the open of business on such Effective Date” within the meaning of Section 13(a)(i) or “outstanding immediately prior to close of business on such Record Date” within the meaning of Section 13(a)(ii).

(iv) If any cash dividend or distribution is made to all or substantially all holders of Common Stock, each Fixed Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR_0 = such Fixed Conversion Rate in effect immediately prior to the close of business on the Record Date for such dividend or distribution;

CR_1 = such Fixed Conversion Rate in effect immediately after the close of business on the Record Date for such dividend or distribution;

SP_0 = the Average VWAP per share of Common Stock over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Date for such distribution; and

C = the amount in cash per share the Corporation distributes to all or substantially all holders of Common Stock.

Any increase made under this Section 13(a)(iv) shall become effective immediately after the open of business on the Record Date for such dividend or distribution. If such dividend or distribution is not so paid, each Fixed Conversion Rate shall be decreased, effective as of the date the Board of Directors or a committee thereof determines not to make or pay such dividend or distribution, to be such Fixed Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “ SP_0 ” (as defined above), or if the difference is less than \$1.00, in lieu of the foregoing increase, each Holder shall receive, for each share of Mandatory Convertible Preferred Stock, at the same time and upon the same terms as holders of shares of Common Stock, the amount of cash that such Holder would have received if such Holder owned a number of shares of Common Stock equal to the Maximum Conversion Rate on the Record Date for such cash dividend or distribution.

If the Corporation (or an applicable withholding agent) is required to withhold on deemed distributions to a Holder and pay the applicable withholding taxes, the Corporation may, at its option, or an applicable withholding agent may, withhold such taxes from payments of cash or shares of Common Stock payable to such Holder.

(v) If the Corporation or any of its Subsidiaries make a payment in respect of a tender or exchange offer for Common Stock, to the extent that the cash and value of any other consideration included in the payment per share of Common Stock exceeds the Average VWAP per share of Common Stock over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the “**Expiration Date**”), each Fixed Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

CR_0 = such Fixed Conversion Rate in effect immediately prior to the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the Expiration Date;

- CR₁ = such Fixed Conversion Rate in effect immediately after the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the Expiration Date;
- AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors or a committee thereof) paid or payable for shares purchased in such tender or exchange offer;
- OS₀ = the number of shares of Common Stock outstanding immediately prior to the Expiration Date (prior to giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer);
- OS₁ = the number of shares of Common Stock outstanding immediately after the Expiration Date (after giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer); and
- SP₁ = the Average VWAP of Common Stock over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the Expiration Date.

The increase to each Fixed Conversion Rate under the preceding paragraph will become effective at the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the Expiration Date. Notwithstanding the foregoing, if any date for determining the number of shares of Common Stock issuable to a Holder occurs within the 10 Trading Days immediately following, and including, the Trading Day next succeeding the Expiration Date of any tender or exchange offer, the reference to “10” in the preceding paragraph shall be deemed replaced with such lesser number of Trading Days as have elapsed between the Expiration Date of such tender or exchange offer and such determination date for purposes of determining such Fixed Conversion Rate. For the avoidance of doubt, no adjustment under this Section 13(a)(v) will be made if such adjustment would result in a decrease in any Fixed Conversion Rate.

In the event that the Corporation or one of its Subsidiaries is obligated to purchase shares of Common Stock pursuant to any such tender offer or exchange offer, but the Corporation or such Subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then each Fixed Conversion Rate shall again be adjusted to be such Fixed Conversion Rate that would then be in effect if such tender offer or exchange offer had not been made.

(vi) *Rights Plans.* If the Corporation has a rights plan in effect upon conversion of the Mandatory Convertible Preferred Stock into Common Stock, the Holders shall receive, in addition to any shares of Common Stock received in connection with such conversion, the rights under the rights plan. However, if, prior to any conversion, the rights have separated from the shares of Common Stock in accordance with the provisions of the applicable rights plan, each Fixed Conversion Rate will be adjusted at the time of separation as if the Corporation distributed to all or substantially all holders of Common Stock, shares of its capital stock, evidences of indebtedness, assets, property, rights, options or warrants as set forth in Section 13(a)(iii), subject to readjustment in the event of the expiration, termination or redemption of such rights.

(b) *Adjustment for Tax Reasons.* The Corporation may increase each Fixed Conversion Rate, for a period of at least 20 Business Days (to the extent required by law), if the Board of Directors or a committee thereof determines that such increase would be in the best interest of the Corporation. The Corporation may also (but is not required to) increase each Fixed Conversion Rate to avoid or diminish any income tax to holders of Common Stock or rights to purchase shares of Common Stock in connection with a dividend or distribution of shares (or rights to acquire shares) or similar event. However, in either case, the Corporation may only make such a discretionary adjustment if it makes the same proportionate adjustment to each Fixed Conversion Rate.

(c) *No Adjustments; Calculation of Adjustments; Adjustments to Floor Price; Span of Days.* (i) Except as stated herein, the Corporation will not adjust the Fixed Conversion Rates for the issuance of shares of Common Stock or any securities convertible into or exchangeable for shares of Common Stock or the right to purchase shares of Common Stock or such convertible or exchangeable securities. Without limiting the foregoing, the Fixed Conversion Rates shall not be adjusted:

(A) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Corporation’s securities and the investment of additional optional amounts in shares of Common Stock under any plan;

(B) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Corporation or any of its Subsidiaries;

(C) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the preceding clause (B) and outstanding as of the Initial Issue Date;

(D) for ordinary course of business stock repurchases that are not tender offers referred to in Section 13(a)(v) above, including structured or derivative transactions or pursuant to a stock repurchase program approved by the Board of Directors;

(E) solely for a change in the par value of the Common Stock;

(F) for the sale or issuance of new shares of Common Stock, or securities convertible into or exercisable for shares of Common Stock, for cash (including the issuance of Common Stock pursuant thereto), including at a price per share less than the fair market value thereof or otherwise, except as set forth in Section 13(a)(i) through (v) above, or in an acquisition; or

(G) a third-party tender or exchange offer.

(i) Adjustments to each Fixed Conversion Rate will be calculated to the nearest 1/10,000th of a share. Except as otherwise provided above, the Corporation will be responsible for making all calculations called for under the Mandatory Convertible Preferred Stock. These calculations include, but are not limited to, determinations of the Stock Price, the VWAPs, the Average VWAPs and the Fixed Conversion Rates of the Mandatory Convertible Preferred Stock. The Corporation shall make all these calculations in good faith and, absent manifest error, its calculations will be final and binding.

(ii) If an adjustment is made to the Fixed Conversion Rates, an inversely proportional adjustment will also be made to the Floor Price. For the avoidance of doubt, if an adjustment is made to the Fixed Conversion Rates, no separate inversely proportional adjustment will be made to the Initial Price or the Threshold Appreciation Price because the Initial Price is equal to \$100 *divided by* the Maximum Conversion Rate (as adjusted in the manner described herein) and the Threshold Appreciation Price is equal to \$100 *divided by* the Minimum Conversion Rate (as adjusted in the manner described herein).

(iii) Whenever any provision of this Certificate of Designations requires the Corporation to calculate the VWAP per share of Common Stock over a span of multiple days, the Board of Directors, or any authorized committee thereof or any officer authorized thereby, shall make appropriate adjustments (including, without limitation, to the Applicable Market Value, the Early Conversion Average Price, the Stock Price and the Five-Day Average Price, as the case may be) to account for any adjustments to the Fixed Conversion Rates that become effective, or any event that would require such an adjustment if the Ex-Date, Effective Date, Record Date or Expiration Date, as the case may be, of such event occurs during the relevant period used to calculate such prices or values, as the case may be.

(d) *Notice of Adjustment.* Whenever the Fixed Conversion Rates and the Fundamental Change Conversion Rates set forth in the table in the definition of "Fundamental Change Conversion Rate" are to be adjusted, the Corporation shall:

(i) compute such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates, the method of calculation thereof in reasonable detail and the facts requiring such adjustment and upon which such adjustment is based;

(ii) as soon as practicable following the occurrence of an event that requires an adjustment to the Fixed Conversion Rates and the Fundamental Change Conversion Rates, provide, or cause to be provided, a written notice to the Holders of the occurrence of such event; and

(iii) as soon as practicable following the determination of such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates provide, or cause to be provided, to the Holders, upon written request by a beneficial owner of the Mandatory Convertible Preferred Stock, a statement setting forth in reasonable detail the method by which the adjustments to the Fixed Conversion Rates and Fundamental Change Conversion Rates were determined and setting forth such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates.

(e) Reorganization Events. In the event of:

- (i) any recapitalization, reclassification or change of Common Stock (other than changes resulting from a subdivision or combination or a change in the par value of Common Stock);
- (ii) any consolidation, merger or other combination involving the Corporation;
- (iii) any sale, lease or other transfer or disposition to a third party of all or substantially all of the consolidated assets of the Corporation and its Subsidiaries; or
- (iv) any statutory share exchange,

in each case, as a result of which the Common Stock would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a “**Reorganization Event**” and any such stock, other securities, other property or assets (including cash or any combination thereof), “**Exchange Property**,” and the amount of Exchange Property that a holder of one share of Common Stock immediately prior to such transaction would have been entitled to receive upon the occurrence of such transaction, a “**Unit of Exchange Property**”), then, the Corporation shall amend its Restated Certificate of Incorporation (or other similar organizational document), providing that, at and after the effective time of the Reorganization Event, each share of Mandatory Convertible Preferred Stock outstanding immediately prior to such Reorganization Event shall, without the consent of the Holders, become convertible into the kind and amount of Exchange Property that a holder of Common Stock would have been entitled to receive upon such Reorganization Event.

If the transaction causes the Common Stock to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the Exchange Property into which the Mandatory Convertible Preferred Stock shall be convertible shall be deemed to be:

- (v) the weighted average of the types and amounts of consideration received by the holders of the Common Stock that affirmatively make such an election; and
- (vi) if no holders of the Common Stock affirmatively make such an election, the types and amounts of consideration actually received by the holders of the Common Stock.

The Corporation shall notify Holders of the weighted average referred to in clause (i) in the preceding sentence as soon as practicable after such determination is made.

The number of Units of Exchange Property the Corporation shall deliver for each share of Mandatory Convertible Preferred Stock converted following the effective date of such Reorganization Event shall be determined by the Fixed Conversion Rates then in effect on the applicable Conversion Date (without interest thereon and without any right to dividends or distributions thereon which have a Record Date prior to the date such shares of Mandatory Convertible Preferred Stock are actually converted). Each Fixed Conversion Rate will be determined using the Applicable Market Value of a Unit of Exchange Property, and such value will be determined, on any date of determination, with respect to:

- (vii) any publicly traded securities that compose all or part of the Exchange Property, based on the Average VWAP per share of such publicly traded securities over the Final Averaging Period;
- (viii) any cash that composes all or part of the Exchange Property, based on the amount of such cash; and
- (ix) any other property that composes all or part of the Exchange Property, based on the value of such property on such date, as determined in good faith by the Board of Directors or a committee thereof.

The above provisions of this Section 13(e) shall similarly apply to successive Reorganization Events and provisions of Section 13 shall apply to any shares of capital stock of the Corporation (or of any successor) received by the holders of the Common Stock in any such Reorganization Event.

The Corporation (or any successor thereto) shall, as soon as reasonably practicable (but in any event within 20 calendar days) after the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence and of the kind and amount of cash, securities or other property that constitute the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section 13(e).

SECTION 14. *Transfer Agent, Registrar, and Conversion and Dividend Disbursing Agent.* The duly appointed Transfer Agent, Registrar and Conversion and Dividend Disbursing Agent for the Mandatory Convertible Preferred Stock shall be Wells Fargo Bank, N.A. The Corporation may, in its sole discretion, remove the Transfer Agent, Registrar or Conversion and Dividend Disbursing Agent in accordance with the agreement between the Corporation and the Transfer Agent, Registrar or Conversion and Dividend Disbursing Agent, as the case may be; *provided* that if the Corporation removes Wells Fargo Bank, N.A., the Corporation shall appoint a successor transfer agent, registrar or conversion and dividend disbursing agent, as the case may be, who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof by first-class mail, postage prepaid, to the Holders.

SECTION 15. *Record Holders.* To the fullest extent permitted by applicable law, the Corporation and the Transfer Agent may deem and treat the Holder of any shares of Mandatory Convertible Preferred Stock as the true and lawful owner thereof for all purposes.

SECTION 16. *Notices.* All notices or communications in respect of the Mandatory Convertible Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or by electronic mail or facsimile, or if given in such other manner as may be permitted in this Certificate of Designations, in the Restated Certificate of Incorporation or the By-laws and by applicable law.

SECTION 17. *No Preemptive Rights.* The Holders shall have no preemptive or preferential rights to purchase or subscribe to any stock, obligations, warrants or other securities of the Corporation of any class.

SECTION 18. *Other Rights.* The shares of the Mandatory Convertible Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Restated Certificate of Incorporation or as provided by applicable law.

SECTION 19. *Stock Certificates.*

(a) Shares of Mandatory Convertible Preferred Stock shall be represented by stock certificates substantially in the form set forth as Exhibit A hereto.

(b) Stock certificates representing shares of the Mandatory Convertible Preferred Stock shall be signed (i) by the President or a Vice President of the Corporation and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, in accordance with the By-laws and applicable Delaware law, by manual or facsimile signature.

(c) A stock certificate representing shares of the Mandatory Convertible Preferred Stock shall not be valid until manually countersigned by an authorized signatory of the Transfer Agent and Registrar. Each stock certificate representing shares of the Mandatory Convertible Preferred Stock shall be dated the date of its countersignature.

(d) If any Officer of the Corporation who has signed a stock certificate no longer holds that office at the time the Transfer Agent and Registrar countersigns the stock certificate, the stock certificate shall be valid nonetheless.

SECTION 20. *Replacement Certificates.*

(a) If any Mandatory Convertible Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall, at the expense of the Holder, issue, in exchange and in substitution for and upon cancellation of the mutilated Mandatory Convertible Preferred Stock certificate, or in lieu of and substitution for the Mandatory Convertible Preferred Stock certificate lost, stolen or destroyed, a new Mandatory Convertible Preferred Stock certificate of like tenor and representing an equivalent Liquidation Preference of shares of Mandatory Convertible Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Mandatory Convertible Preferred Stock certificate and indemnity, if requested, reasonably satisfactory to the Corporation and the Transfer Agent.

(b) The Corporation is not required to issue any certificate representing the Mandatory Convertible Preferred Stock on or after the Mandatory Conversion Date. In lieu of the delivery of a replacement certificate following the Mandatory Conversion Date, the Transfer Agent, upon delivery of the evidence and indemnity described above, shall deliver the shares of Common Stock (or Units of Exchange Property) issuable and any cash deliverable pursuant to the terms of the Mandatory Convertible Preferred Stock formerly evidenced by the certificate.

SECTION 21. *Titles and Headings.* The titles and headings of the sections and subsections of this Certificate of Designations have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 22. *Form.* (a) The Mandatory Convertible Preferred Stock shall be issued in the form of one or more permanent global shares of Mandatory Convertible Preferred Stock in definitive, fully registered form eligible for book-entry settlement with the global legend (the “**Global Shares Legend**”) as set forth on the form of Global Shares Legend certificate attached hereto as Exhibit A (each, a “**Global Preferred Share**”), which is hereby incorporated in and expressly made part of this Certificate of Designations. The Global Preferred Shares may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Corporation). The Global Preferred Shares shall be deposited on behalf of the Holders represented thereby with the Registrar, at its New York office as custodian for DTC, and registered in the name of DTC or a nominee of DTC, duly executed by the Corporation and countersigned and registered by the Registrar as hereinafter provided. The aggregate number of shares represented by each Global Preferred Share may from time to time be increased or decreased by adjustments made on the records of the Registrar and DTC or its nominee as hereinafter provided.

This Section 22(a) shall apply only to a Global Preferred Share deposited with or on behalf of DTC. The Corporation shall execute and the Registrar shall, in accordance with this Section 22(a), countersign and deliver any Global Preferred Shares that (i) shall be registered in the name of Cede & Co. or other nominee of DTC and (ii) shall be delivered by the Registrar to Cede & Co. or pursuant to instructions received from Cede & Co. or held by the Registrar as custodian for DTC pursuant to an agreement between DTC and the Registrar. Members of, or participants in, DTC (“**Agent Members**”) shall have no rights under this Certificate of Designations with respect to any Global Preferred Share held on their behalf by DTC or by the Registrar as the custodian of DTC, or under such Global Preferred Share, and DTC may be treated by the Corporation, the Registrar and any agent of the Corporation or the Registrar as the absolute owner of such Global Preferred Share for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Registrar or any agent of the Corporation or the Registrar from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Agent Members, the operation of customary practices of DTC governing the exercise of the rights of a holder of a beneficial interest in any Global Preferred Share. The Holder of the Global Preferred Shares may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Global Preferred Shares, this Certificate of Designations or the Charter.

Owners of beneficial interests in Global Preferred Shares shall not be entitled to receive physical delivery of certificated shares of Mandatory Convertible Preferred Stock, unless (x) DTC notifies the Corporation that it is unwilling or unable to continue as Depository for the Global Preferred Shares and the Corporation does not appoint a qualified replacement for DTC within 90 days or (y) DTC ceases to be a “clearing agency” registered under the Exchange Act and the Corporation does not appoint a qualified replacement for DTC within 90 days. In any such case, the Global Preferred Shares shall be exchanged in whole for definitive stock certificates that are not issued in global form, with the same terms and of an equal aggregate Liquidation Preference, and such definitive stock certificates shall be registered in the name or names of the Person or Persons specified by DTC in a written instrument to the Registrar.

(a) Two Officers permitted by applicable law shall sign each Global Preferred Share for the Corporation, in accordance with the Corporation’s By-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Global Preferred Share no longer holds that office at the time the Registrar countersigned such Global Preferred Share, such Global Preferred Share shall be valid nevertheless. A Global Preferred Share shall not be valid until an authorized signatory of the Registrar manually countersigns such Global Preferred Share. Each Global Preferred Share shall be dated the date of its countersignature. The foregoing paragraph shall likewise apply to any certificate representing shares of Mandatory Convertible Preferred Stock.

SECTION 23. *Listing.* The Corporation hereby covenants and agrees that, if its listing application for the Mandatory Convertible Preferred Stock is approved by the New York Stock Exchange, upon such listing, the Corporation shall use its commercially reasonable efforts to keep the Mandatory Convertible Preferred Stock listed on the New York Stock Exchange.

If the Global Preferred Share or Global Preferred Shares, as the case may be, or the Mandatory Convertible Preferred Stock represented thereby shall be listed on the New York Stock Exchange or any other stock exchange, DTC may, with the written approval of the Corporation, appoint a registrar (acceptable to the Corporation) for registration of such Global Preferred Share or Global Preferred Shares, as the case may be, or the Mandatory Convertible Preferred Stock represented thereby in accordance with the requirements of such exchange. Such registrar (which may be the Registrar if so permitted by the requirements of such exchange) may be removed and a substitute registrar appointed by the Registrar upon the request or with the written approval of the Corporation. If the Global Preferred Share or Global Preferred Shares, as the case may be or the Mandatory Convertible Preferred Stock represented thereby are listed on one or more other stock exchanges, the Registrar will, at the request and expense of the Corporation, arrange such facilities for the

delivery, transfer, surrender and exchange of such Global Preferred Share or Global Preferred Shares, as the case may be, or the Mandatory Convertible Preferred Stock represented thereby as may be required by law or applicable stock exchange regulations.

Reference is hereby made to the provisions of the Mandatory Convertible Preferred Stock set forth on the reverse hereof and in the Certificate of Designations, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

Unless the Transfer Agent and Registrar have properly countersigned, these shares of Mandatory Convertible Preferred Stock shall not be entitled to any benefit under the Certificate of Designations or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Corporation by two Officers of the Corporation this [] of [] [] [].

Parker Drilling Company

By: _____
Name:
Title:

By: _____
Name:
Title:

COUNTERSIGNATURE

These are shares of Mandatory Convertible Preferred Stock referred to in the within-mentioned Certificate of Designations.

Dated: [], []

Wells Fargo Bank, N.A., as
Registrar and Transfer Agent

By: _____
Name:
Title:

[FORM OF REVERSE OF CERTIFICATE FOR MANDATORY CONVERTIBLE PREFERRED STOCK]

Cumulative dividends on each share of Mandatory Convertible Preferred Stock shall be payable at the applicable rate provided in the Certificate of Designations.

The shares of Mandatory Convertible Preferred Stock shall be convertible in the manner and accordance with the terms set forth in the Certificate of Designations.

The Corporation shall furnish without charge to each Holder who so requests a summary of the authority of the Board of Directors to determine variations for future series within a class of stock and the designations, limitations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Corporation and the qualifications, limitations or restrictions of such preferences and/or rights.

NOTICE OF CONVERSION

(To be Executed by the Holder
in order to Convert the Mandatory Convertible Preferred Stock)

The undersigned hereby irrevocably elects to convert (the “**Conversion**”) 7.25% Series A Mandatory Convertible Preferred Stock (the “**Mandatory Convertible Preferred Stock**”), of Parker Drilling Company (hereinafter called the “**Corporation**”), represented by stock certificate No(s). [] (the “**Mandatory Convertible Preferred Stock Certificates**”), into common stock, par value \$1.00 per share, of the Corporation (the “**Common Stock**”) according to the conditions of the Certificate of Designations of the Mandatory Convertible Preferred Stock (the “**Certificate of Designations**”), as of the date written below. If Common Stock is to be issued in the name of a person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto, if any. Each Mandatory Convertible Preferred Stock Certificate (or evidence of loss, theft or destruction thereof) is attached hereto.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in or pursuant to the Certificate of Designations.

Date of Conversion: _____

Applicable Conversion Rate: _____

Shares of Mandatory Convertible Preferred Stock to Be Converted: _____

Shares of Common Stock to Be Issued: * _____

Signature: _____

Name: _____

Address: ** _____

Fax No.: _____

* The Corporation is not required to issue Common Stock until the original Mandatory Convertible Preferred Stock Certificate(s) (or evidence of loss, theft or destruction thereof) to be converted are received by the Corporation or the Conversion and Dividend Disbursing Agent.

** Address where Common Stock and any other payments or certificates shall be sent by the Corporation.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Mandatory Convertible Preferred Stock evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

and irrevocably appoints:

as agent to transfer the shares of Mandatory Convertible Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee:

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

BAKER BOTTS L.L.P.ONE SHELL PLAZA
910 LOUISIANA
HOUSTON, TEXAS
77002-4995TEL +1 713.229.1234
FAX +1 713.229.1522
BAKERBOTTS.COMAUSTIN
BEIJING
BRUSSELS
DALLAS
DUBAI
HONG KONG
HOUSTONLONDON
MOSCOW
NEW YORK
PALO ALTO
RIYADH
SAN FRANCISCO
WASHINGTON

February 27, 2017

Parker Drilling Company
5 Greenway Plaza, Suite 100
Houston, Texas 77046

Ladies and Gentlemen:

In connection with the issuance by Parker Drilling Company, a Delaware corporation (the “Company”), of an aggregate of up to 12,000,000 shares of the Company’s common stock, par value \$0.16 2/3 per share (the “Shares”), pursuant to (a) the Company’s registration statement on Form S-3 (Registration No. 333-197977) (the “Registration Statement”) filed by the Company with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), which was declared effective by the Commission on March 9, 2015, and (b) the related prospectus dated February 25, 2015 as supplemented by the prospectus supplement relating to the issuance of the Shares dated February 22, 2017 (as so supplemented, the “Prospectus”), as filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, certain legal matters with respect to the Shares are being passed upon for you by us. At your request, this opinion is being furnished to you for filing as Exhibit 5.1 to the Company’s Current Report on Form 8-K to be filed with the Commission on the date hereof (the “Form 8-K”).

In our capacity as your counsel in the connection with the matters referred to above, we have examined originals, or copies certified or otherwise identified, of the Underwriting Agreement dated February 22, 2017 (the “Underwriting Agreement”) by and between the Company and Barclays Capital Inc., as the sole underwriter, relating to the issuance and sale of the Shares, the Registration Statement, the Prospectus, the Restated Certificate of Incorporation of the Company and the By-laws of the Company, each as amended to date, and corporate records of the Company, including minute books of the Company, as furnished to us by the Company, certificates of governmental and public officials and of representatives of the Company, statutes and other instruments and documents as we deemed necessary or advisable as a basis for the opinions hereinafter expressed. In giving the opinions below, we have relied, without independent investigation, upon certificates, statements or other representations of officers or other representatives of the Company and of governmental and public officials with respect to the accuracy and completeness of the factual matters contained therein or covered thereby. In making our examination, we have assumed that the signatures on all documents examined by us are genuine, all documents submitted to us as originals are authentic and complete, all documents submitted to us as certified or photostatic copies conformed with the originals thereof and such original copies are authentic and complete. We have also assumed that all Shares will be issued and sold in the manner set forth in the Prospectus and the Underwriting Agreement.

On the basis of the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that the Shares have been duly authorized and, when issued and delivered in accordance with the Underwriting Agreement against payment therefor, will be validly issued, fully paid and nonassessable. The opinion set forth above is limited in all respects to matters of the General Corporation Law of the State of Delaware and the applicable federal laws of the United States. We hereby consent to the filing of this opinion of counsel as Exhibit 5.1 to the Form 8-K. We also consent to the reference to our firm under the heading "Legal Matters" in the Prospectus. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Baker Botts L.L.P.

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PALO ALTO
RIYADH
SAN FRANCISCO
WASHINGTON

February 27, 2017

Parker Drilling Company
5 Greenway Plaza, Suite 100
Houston, Texas 77046

Ladies and Gentlemen:

In connection with the issuance by Parker Drilling Company, a Delaware corporation (the “Company”), of an aggregate of up to 500,000 shares (the “Shares”) of the Company’s 7.25% Series A Mandatory Convertible Preferred Stock, par value \$1.00 per share (the “Preferred Stock”), pursuant to (a) the Company’s registration statement on Form S-3 (Registration No. 333-197977) (the “Registration Statement”) filed by the Company with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), which was declared effective by the Commission on March 9, 2015, and (b) the related prospectus dated February 25, 2015 as supplemented by the prospectus supplement relating to the issuance of the Shares dated February 22, 2017 (as so supplemented, the “Prospectus”), as filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, certain legal matters with respect to the Shares are being passed upon for you by us. At your request, this opinion is being furnished to you for filing as Exhibit 5.2 to the Company’s Current Report on Form 8-K to be filed with the Commission on the date hereof (the “Form 8-K”).

In our capacity as your counsel in the connection with the matters referred to above, we have examined originals, or copies certified or otherwise identified, of the Underwriting Agreement dated February 22, 2017 (the “Underwriting Agreement”) by and between the Company and Barclays Capital Inc., as the sole underwriter, relating to the issuance and sale of the Shares, the Certificate of Designations as filed with the Secretary of State of the State of Delaware designating the Preferred Stock (the “Certificate of Designations”), the form of certificate evidencing the Preferred Stock in the form attached to the Certificate of Designations, the Registration Statement, the Prospectus, the Restated Certificate of Incorporation of the Company and the Bylaws of the Company, each as amended to date, and corporate records of the Company, including minute books of the Company, as furnished to us by the Company, certificates of governmental and public officials and of representatives of the Company, statutes and other instruments and documents as we deemed necessary or advisable as a basis for the opinions hereinafter expressed. In giving the opinions below, we have relied, without independent investigation, upon certificates, statements or other representations of officers or other representatives of the Company and of governmental and public officials with respect to the accuracy and completeness of the factual matters contained therein or covered thereby. In making our examination, we have assumed that the signatures on all documents examined by us are genuine, all documents submitted to us as originals are authentic and complete, all documents submitted to

us as certified or photostatic copies conformed with the originals thereof and such original copies are authentic and complete. We have also assumed that all Shares will be issued and sold in the manner set forth in the Prospectus and the Underwriting Agreement. With your consent, we have assumed that the Certificate of Designation has been authorized, executed and filed with the Secretary of State of the State of Delaware.

On the basis of the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that:

1. The Shares have been duly authorized and, when issued in accordance with the Certificate of Designation and delivered in accordance with the Underwriting Agreement against payment therefor, will be validly issued, fully paid and nonassessable.

2. The maximum number of shares of the Company's common stock, par value \$0.16 2/3, initially issuable upon conversion of the Shares have been duly authorized by the Company and validly reserved for issuance upon such conversion of the Shares and, when issued and delivered upon such conversion in accordance with the terms of the Certificate of Designation, will be validly issued, fully paid and nonassessable.

The opinion set forth above is limited in all respects to matters of the General Corporation Law of the State of Delaware and the applicable federal laws of the United States. We hereby consent to the filing of this opinion of counsel as Exhibit 5.2 to the Form 8-K. We also consent to the reference to our firm under the heading "Legal Matters" in the Prospectus. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Baker Botts L.L.P.

**FOURTH AMENDMENT TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT**

THIS FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this “Amendment”) dated as of February 21, 2017, is by and among PARKER DRILLING COMPANY, a Delaware corporation (the “Borrower”), each of the Subsidiary Guarantors (as defined in the Credit Agreement referenced below), the Lenders (as such term is hereinafter defined) party hereto and BANK OF AMERICA, N.A., as the administrative agent for the Lenders party to the Credit Agreement referenced below (in such capacity, together with the successors in such capacity, the “Administrative Agent”) and L/C Issuer.

RECITALS

A. The Borrower, the lenders from time to time party thereto (collectively, the “Lenders” and, individually, a “Lender”), the Administrative Agent and the other agents referred to therein are parties to that certain Second Amended and Restated Credit Agreement dated as of January 26, 2015, as amended by the First Amendment dated as of June 1, 2015, the Second Amendment dated as of September 29, 2015 and the Third Amendment, dated May 27, 2016 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “Credit Agreement”), pursuant to which the Lenders have made certain extensions of credit (subject to the terms and conditions thereof) to the Borrower.

B. The Borrower has previously informed the Administrative Agent that it desires to amend certain provisions of the Credit Agreement as set forth herein.

C. In order to amend such provisions of the Credit Agreement, the Lenders signatory hereto and the Administrative Agent are willing to amend the Credit Agreement on the terms and conditions more fully described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. **Defined Terms.** Each capitalized term used herein but not otherwise defined herein has the meaning given such term in the Credit Agreement. Unless otherwise indicated, all article, schedule, exhibit and section references in this Amendment refer to articles and sections of the Credit Agreement.

Section 2. Amendments to Credit Agreement.

2.1 Amendment to Section 1.01 of the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended to add the following definition in the appropriate place based on alphabetical order:

“Series A Preferred Stock” means the Borrower’s Series A Mandatory Convertible Preferred Stock, par value \$1.00.

2.2 Amendment to Section 7.05 of the Credit Agreement . Section 7.05(e) of the Credit Agreement is hereby amended and restated to read in its entirety to read as follows:

“(e) the sale or issuance of (i) the Borrower’s Equity Interests (other than Disqualified Stock), including the Series A Preferred Stock, or (ii) any Subsidiary’s Equity Interests to the Borrower or any Subsidiary Guarantor;”

2.3 Amendment to Section 7.06 of the Credit Agreement . The first sentence of the last paragraph of Section 7.06 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

“Notwithstanding anything else to the contrary contained herein or in any other Loan Document, starting on the Second Amendment Effective Date, no Restricted Payment (other than Restricted Payments pursuant to clauses (a), (b), (c), (e) and/or, only to the extent of dividends paid on the Series A Preferred Stock, (k) of Section 7.06) shall be permitted hereunder before March 31, 2019.”

Section 3. Conditions Precedent. This Amendment shall not become effective until the date (the “Effective Date”) on which each of the following conditions is satisfied (or waived in accordance with Section 10.01 of the Credit Agreement):

3.1 Counterparts. The Administrative Agent shall have received from the Required Lenders, the Borrower and the Subsidiary Guarantors, executed counterparts (in such number as may be requested by the Administrative Agent) of this Amendment.

3.2 No Default or Event of Default . As of the date hereof and the Effective Date, immediately before and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

3.3 Representations and Warranties. Each of the Borrower and the Subsidiary Guarantors shall represent and warrant to the Administrative Agent and the Lenders that as of the date hereof and as of the Effective Date, after giving effect to the terms of this Amendment, all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects), except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, such representations and warranties shall continue to be true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects) as of such specified earlier date.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 4. Miscellaneous.

4.1 Confirmation. The provisions of the Loan Documents, as amended by this Amendment, shall remain in full force and effect in accordance with their terms following the effectiveness of this Amendment.

4.2 Ratification and Affirmation; Representations and Warranties. The Borrower and each of the other Loan Parties does hereby adopt, ratify, and confirm the Credit Agreement and the other Loan Documents, in each case, as amended hereby, and its obligations thereunder. Each of the Borrower and the Subsidiary Guarantors hereby (a) acknowledges, renews and extends its continued liability under, each Loan Document, as amended hereby, to which it is a party and agrees that each Loan Document, as amended hereby, to which it is a party remains in full force and effect, notwithstanding the amendments contained herein and (b) represents and warrants to the Administrative Agent and the Lenders that: (i) as of the date hereof and as of the Effective Date, after giving effect to the terms of this Amendment, all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects), except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, such representations and warranties shall continue to be true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects) as of such specified earlier date and (ii) as of the date hereof and as of the Effective Date, (A) immediately before giving effect to this Amendment, no Default or Event of Default has occurred and is continuing and (B) immediately after giving effect to this Amendment, no Default or Event of Default will have occurred and be continuing.

4.3 General Release. EACH OF THE BORROWER AND THE OTHER LOAN PARTIES (ON BEHALF OF THEMSELVES AND THEIR RELATED PARTIES) HEREBY FOREVER WAIVES, RELEASES, ACQUITS AND DISCHARGES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL CLAIMS (INCLUDING, WITHOUT LIMITATION, CROSSCLAIMS, COUNTERCLAIMS, RIGHTS OF SET-OFF AND RECOUPMENT), SUITS, DEMANDS, DEBTS, ACCOUNTS, CONTRACTS, LIABILITIES, OBLIGATIONS, JUDGMENTS, DAMAGES, ACTIONS AND CAUSES OF ACTIONS, WHETHER IN LAW OR IN EQUITY, OF WHATSOEVER NATURE AND KIND, WHETHER KNOWN OR UNKNOWN, WHETHER NOW OR HEREAFTER EXISTING, THAT THE BORROWER OR ANY OTHER LOAN PARTY (AND EACH OF THEIR RELATED PARTIES) AT ANY TIME HAD OR HAS, OR THAT ITS SUCCESSORS, ASSIGNS, AFFILIATES, SHAREHOLDERS AND "CONTROLLING PERSONS" (WITHIN THE MEANING OF FEDERAL SECURITIES LAWS) HEREAFTER CAN OR MAY HAVE AGAINST THE ADMINISTRATIVE AGENT, THE L/C ISSUER, ANY ARRANGER, ANY LENDER OR ANY OF THEIR RELATED PARTIES THROUGH THE DATE HEREOF, IN EACH CASE IN CONNECTION WITH THE CREDIT AGREEMENT, THE OTHER LOAN DOCUMENTS, ALL OTHER DOCUMENTS EXECUTED IN CONNECTION THEREWITH, AND THE TRANSACTIONS CONTEMPLATED THEREBY.

4.4 Loan Document. This Amendment and each agreement, instrument, certificate or document executed by the Borrower and/or the Subsidiary Guarantors, as applicable, or any of their respective officers in connection therewith are “Loan Documents” as defined and described in the Credit Agreement and all of the terms and provisions of the Loan Documents relating to other Loan Documents shall apply hereto and thereto.

4.5 Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means (e.g., “pdf” or “tiff”) shall be effective as delivery of a manually executed counterpart of this Amendment.

4.6 NO ORAL AGREEMENT. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith AND THEREWITH REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

4.7 GOVERNING LAW. THIS AMENDMENT (INCLUDING, BUT NOT LIMITED TO, THE VALIDITY AND ENFORCEABILITY HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to Second Amended and Restated Credit Agreement to be duly executed as of the date first written above.

BORROWER

PARKER DRILLING COMPANY,
as the Borrower

By: /s/ Christopher T. Weber

Name: Christopher T. Weber

Title: Senior Vice President and Chief Financial
Officer

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

SUBSIDIARY GUARANTORS

ANACHORETA, INC., a Nevada corporation

PARDRIL, INC., an Oklahoma corporation

PARKER AVIATION INC., an Oklahoma corporation

PARKER DRILLING ARCTIC OPERATING, LLC, a Delaware limited liability company

PARKER DRILLING COMPANY NORTH AMERICA, INC., a Nevada corporation

PARKER DRILLING COMPANY OF NIGER, an Oklahoma corporation

PARKER DRILLING COMPANY OF OKLAHOMA, INCORPORATED, an Oklahoma corporation

PARKER DRILLING COMPANY OF SOUTH AMERICA, INC., an Oklahoma corporation

PARKER DRILLING OFFSHORE COMPANY LLC, a Nevada limited liability company

PARKER DRILLING OFFSHORE USA, L.L.C., an Oklahoma limited liability company

PARKER NORTH AMERICA OPERATIONS, LLC, a Nevada limited liability company

PARKER TECHNOLOGY, INC., an Oklahoma corporation

PARKER TECHNOLOGY, L.L.C., a Louisiana limited liability company

PARKER TOOLS, LLC, an Oklahoma limited liability company

QUAIL USA, LLC, an Oklahoma limited liability company

ITS RENTAL AND SALES, INC., a Texas corporation

PARKER DRILLING MANAGEMENT

SERVICES, LTD., a Nevada limited liability company

By: /s/ David W. Tucker

Name: David W. Tucker

Title: Vice President and Treasurer

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

QUAIL TOOLS, L.P., an Oklahoma limited partnership

By: Quail USA, LLC, its General
Partner

David W. Tucker Name: David W. Tucker
Title: Vice President and Treasurer

By: /s/

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/

Priscilla

Baker

Name: Priscilla Baker

Title: AVP

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender and L/C Issuer

By: /s/ Kevin M. Behen

Name: Kevin M. Behen

Title: Managing Director

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

BARCLAYS BANK PLC, as a Lender

By: /s/ May Huang

Name: May Huang

Title: Assistant Vice President

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

WELLS FARGO BANK N.A., as a Lender

By: /s/ Katherine M. Scalzo

Name: Katherine M. Scalzo

Title: Vice President

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Ushma Dedhiya

Name: Ushma Dedhiya

Title: Authorized Signatory

[Signature Page to Fourth Amendment to Second Amended and Restated Credit Agreement]