

PIONEER ENERGY SERVICES CORP

Form DEF 14A

April 16, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

PIONEER ENERGY SERVICES CORP.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

PIONEER ENERGY SERVICES CORP.
1250 N.E. Loop 410, Suite 1000
San Antonio, Texas 78209

April 16, 2019

Dear Fellow Shareholder:

On behalf of the Board, we invite you to attend the 2019 Annual Meeting of Shareholders of Pioneer Energy Services Corp. ("Pioneer"). We will hold the meeting at 1:00 p.m., Central Time, on Thursday, May 16, 2019, at the Petroleum Club of San Antonio, 7th Floor of the Energy Plaza Building, 8620 N. New Braunfels Street, San Antonio, Texas 78217.

We feel it is important to provide you with information about Pioneer in a way that is easy to understand. On the following pages you will find the Notice of Annual Meeting of Shareholders and Proxy Statement explaining the matters to be addressed at our annual meeting. We have included a Proxy Summary, immediately following the table of contents, which highlights certain information contained elsewhere in the proxy statement.

We hope you will be able to attend the meeting in person. Whether or not you plan to attend, please take the time to vote either by Internet or by completing and returning your proxy card in the enclosed envelope before the meeting. If you attend the meeting, you may, if you wish, revoke your proxy and vote in person.

Thank you for your interest in Pioneer Energy Services Corp.

Sincerely,

Dean A. Burkhardt Wm. Stacy Locke
Chairman President and Chief Executive Officer

PIONEER ENERGY SERVICES CORP.

1250 N.E. Loop 410, Suite 1000

San Antonio, Texas 78209

Notice of Annual Meeting of Shareholders

Thursday, May 16, 2019

1:00 p.m., Central Time

Petroleum Club of San Antonio, 7th Floor of the Energy Plaza Building, 8620 N. New Braunfels Street, San Antonio, Texas 78217

To the Shareholders of Pioneer Energy Services Corp.:

The 2019 Annual Meeting of Shareholders of Pioneer Energy Services Corp. will be held on Thursday, May 16, 2019, at 1:00 p.m., Central Time, at the Petroleum Club of San Antonio, 7th Floor of the Energy Plaza Building, 8620 N. New Braunfels Street, San Antonio, Texas 78217. At the meeting, we will ask you to consider and take action on the following:

- elect J. Michael Rauh, who has been nominated by the Board, as a Class III director of the Board of Pioneer Energy Services Corp., to serve until our 2022 Annual Meeting of Shareholders or until his successor has been duly elected and qualified (Proposal 1);
- approve an amendment and restatement of the Pioneer Energy Services Corp. Amended and Restated 2007 Incentive Plan to (i) increase the number of authorized shares that can be awarded under the plan by 3,200,000 shares, (ii) extend the term of the plan from May 13, 2023 until May 16, 2029, (iii) update the plan for certain tax law changes made by the Tax Cut and Jobs Act of 2017 (the "Tax Act"), (iv) provide that awards (other than cash awards) granted under the plan are subject to a one-year minimum vesting requirement (with an exception for up to 5% of the shares available for issuance under the plan), (v) prohibit the payment of dividends or dividend equivalents on unvested awards, and (vi) make certain other clarifying changes (Proposal 2);
- conduct an advisory vote to approve the compensation of the named executive officers (Proposal 3);
- ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (Proposal 4); and
- transact any other business that may properly come before the annual meeting or any adjournment or postponement of the meeting.

This notice and the attached proxy statement are first being mailed to our shareholders on or about April 16, 2019. Our Board has set the close of business on March 18, 2019, as the record date for determining shareholders entitled to receive notice of and vote at the annual meeting. A list of all shareholders entitled to vote is available for inspection during normal business hours at our principal executive offices at 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209. This list will also be available at the meeting.

Important notice regarding the availability of proxy materials for the shareholder meeting to be held on Thursday, May 16, 2019. The proxy statement, the 2018 annual report to shareholders and any other additional soliciting materials are available at www.pioneerproxy.com.

Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to read the proxy statement. Further, to be sure your vote counts and to assure a quorum, please vote by Internet or sign, date and return the enclosed proxy card, whether or not you plan to attend the meeting.

San Antonio, Texas By Order of the Board

April 16, 2019

Bryce T. Seki

Vice President, General Counsel, Secretary and Compliance Officer

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PROXY SUMMARY

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.

Eligibility to Vote (page 11)

You can vote if you were a shareholder as of the close of business on March 18, 2019.

How to Cast Your Vote (page 11)

You can vote by any of the following methods:

• Internet (proxyvote.com) through May 15, 2019;

• Completing, signing and returning your proxy or voting instruction card before May 3, 2019; or

• In person, at the annual meeting. If your shares are held in the name of a broker, nominee or other intermediary, you must bring with you to the meeting proof of ownership and the legal proxy card you received from your intermediary.

Business Highlights (page 30)

Some key highlights of our 2018 performance include the following:

Improved profitability across all business lines:

• Consolidated gross margin increased by almost 40%, Adjusted EBITDA increased by 80%, and net loss reduced by 35%, as compared to 2017.

• Maintained 100% utilization of our domestic AC rig fleet and industry-leading margins per day.

• Grew utilization of our Colombia fleet to seven rigs working during 2018 and expanded our international client base, driving a 115% increase in gross margin, as compared to 2017.

• Gross margin from production services grew 35% in 2018, as compared to 2017, with improvements in all business lines.

Continued to excel in safety:

• Achieved a Total Recordable Incident Rate in 2018 of less than 1.0 for the second year in a row, and better than the industry average by over 30%.

• Our 2018 lost time incident rate is the lowest in company history, for the fifth consecutive year.

• Our domestic drilling business achieved record safety results and was ranked first among the top 10 most active contractors.

• Our international drilling business was ranked 1st among the top 5 most active drilling contractors in South America.

Strategically upgraded and expanded fleets:

• Began construction of our 17th AC drilling rig, secured by a 3 year term contract.

• Placed three new wireline units and two new large diameter coiled tubing units into service in 2018.

Positioned for 2019:

• Redeployed our leadership talent through the creation of a Chief Operating Officer role to centralize operational and sales leadership for all business segments, and a Chief Strategy Officer role to lead a team designed to identify market opportunities, execute strategic initiatives and enhance our fleet performance across all business lines.

• Maintained financial flexibility and liquidity with total cash of \$55 million at December 31, 2018 and availability under our asset-based lending facility of approximately \$50 million.

PROXY SUMMARY

Results of 2018 Say on Pay (page 31)

At our 2018 Annual Meeting of Shareholders, the advisory vote on our executive compensation ("say on pay") received the support of 96% of the votes cast. The Board is extremely pleased with this result, and has continued its efforts to continually improve our executive compensation program, listen to shareholders, and focus on performance and at-risk compensation.

Board Nominees (pages 13-14)

Name	Age	Director since	Experience/Qualification	Independent	Committee Memberships
J. Michael Rauh	69	2008	<ul style="list-style-type: none"> • Financial and accounting expertise • Experienced with Sarbanes-Oxley 404 compliance <p>Over 25 years of experience in various financial capacities including several financial positions at a global oil and gas company and another 8 years of audit and accounting experience at a large public accounting firm</p>	Yes	<ul style="list-style-type: none"> • Audit Committee (chair) • Compensation Committee • Nominating and Governance Committee

Governance of the Company (pages 19-26)

• Director Meetings	• Board's Role in Risk Oversight
• Independent Chairman of the Board	• Risk – Related Compensation Policies and Practices
• Independent Committees of the Board	• Communications with the Board
• Director Resignation Policy	• Director Compensation
• Board Diversity	• Stock Ownership Requirements
• Director Recommendations from Shareholders	• Compensation Committee Interlocks and Insider Participation
• Code of Business Conduct and Ethics and Corporate Governance Guidelines	• Certain Relationships and Related Transactions

Executive Officers (page 29)

Name	Age	Position	Joined Pioneer	Experience
Wm. Stacy Locke	63	President, Chief Executive Officer and Director	1995	Mr. Locke has over 40 years of industry and management experience. He has served as our President since May 1995. Prior to joining Pioneer, Mr. Locke worked in investment banking for seven years, and as a geologist for seven years, and is a graduate of Southern Methodist University.
Lorne E. Phillips	48	Executive Vice President and Chief Financial Officer	2009	Prior to joining Pioneer, Mr. Phillips worked for 10 years at Cameron International Corporation in several senior financial roles as well as in business development, marketing, and mergers and acquisitions. Before joining Cameron, Mr. Phillips worked in investment banking and private equity and is a graduate of Harvard Business School.
Carlos R. Peña	52	Executive Vice President and Chief Strategy Officer	2008	Since joining Pioneer as our General Counsel, Mr. Peña has been involved in a wide number of industry related projects, including the oversight of our compliance and safety resources. Prior to joining Pioneer, Mr. Peña worked for over 15 years providing corporate and securities counsel after receiving his Juris Doctor degree from the University of Texas School of Law.
Brian L. Tucker	45	Executive Vice President and Chief Operating Officer	2012	Mr. Tucker has 15 years of industry experience. Prior to joining Pioneer, Mr. Tucker served as a Vice President of Helmerich and Payne, prior to which he served as an operation manager of the company. Mr. Tucker also served eight years as an officer in the U.S. Army and is a graduate

Bryce T. Seki	42	Vice President, General Counsel, Secretary and Compliance Officer	2011	of the U.S. Military Academy at West Point. Mr. Seki has served as in-house corporate counsel since 2011 before being promoted to his current position as Vice President, General Counsel, Secretary and Compliance Officer in January 2018. Prior to joining Pioneer, Mr. Seki was an associate attorney at Fulbright & Jaworski L.L.P. (now known as Norton Rose Fulbright) and is a graduate of Notre Dame Law School.
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PROXY SUMMARY

Executive Compensation (pages 30-46)

Our Compensation Philosophy (page 33)

The Compensation Committee aims to design our executive compensation program with goals and objectives to:

Provide a compensation structure that is consistent with competitive pay practices and pay levels with respect to industry peers;

Attract, motivate and retain executives necessary for our success;

Encourage the attainment of strategic business objectives with pay-for-performance principles; and

Reward executives for building shareholder value.

WHAT WE DO

• A significant portion of our executive pay is variable/at-risk

• Apply shareholder aligned performance objectives for our executives

• Use an independent compensation consultant

• Evaluate our executive compensation against our industry peers

• Apply share ownership guidelines for named executive officers and directors

• Adhere to a claw-back policy

Consider risk in our executive compensation program:

• A significant portion of our executive compensation is tied to long-term performance

• We use diversified performance metrics, including TSR, EBITDA, EBITDA ROCE, EPS, safety, etc.

• We use diversified plans through which relative performance is measured against our own budgeted goals and against the performance of our peers

Our 2007 Incentive Plan specifies a one-year minimum vest

period for all equity awards, except for up to 5% of the shares reserved for issuance under the plan*

*Subject to shareholder approval of the amendment and restatement of the 2007 Incentive Plan in Proposal 2 The 2018 Executive Compensation Program in Detail (page 37)

WHAT WE DON'T DO

• No re-pricing of underwater stock options

• No tax gross ups for anyone becoming a participant in our Key Employee Severance Plan after March 2011

• No hedging of Company securities or pledging of Company securities as collateral for a loan

• No personal aircraft

• No country club memberships for personal use

• No dividends on unvested awards*

• No transfer of awards (other than to certain persons and entities who are (i) not third-party financial institutions and (ii) approved by the Compensation Committee)*

PROXY SUMMARY

2018 Executive Total Compensation Mix (page 32)

We believe that our 2018 executive compensation program is competitive and strongly aligned with pay-for-performance principles. Consistent with prior practice, in 2018 the Compensation Committee emphasized compensation opportunities that reward our named executive officers when they deliver financial and operational results.

A significant percentage of the 2018 target compensation for our named executive officers was variable/at-risk, as the following graphs illustrate:

Seventy percent of our Chief Executive Officer's target direct compensation is variable/at-risk, including:

Annual Cash Incentive Awards. The annual cash incentive award is based on operational, financial and team performance.

Time-Based Restricted Stock Unit Awards. These awards are issued as equity and the share value realized upon vesting is linked to Company performance.

Performance-Based Phantom Stock Unit Awards. The performance-based phantom stock unit awards are earned based on our relative performance versus a pre-defined group of 15 peer companies over the three-year performance period in each of the following two metrics: total shareholder return and EBITDA ROCE.

PROXY SUMMARY

2018 Executive Compensation Summary (page 50)

Name and Principal Position	Year	Salary	Bonus	Option Awards	Stock Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Wm. Stacy Locke, Director, President and Chief Executive Officer	2018	\$745,000	\$796,400	—	\$2,374,666	\$785,935	—	\$12,910	\$4,714,911
	2017	\$744,423	\$511,400	\$576,028	\$1,643,705	\$949,221	—	\$12,871	\$4,437,648
Lorne E. Phillips, Executive Vice President and Chief Financial Officer	2018	\$395,000	\$261,380	—	\$654,073	\$312,528	—	\$11,432	\$1,634,413
	2017	\$394,615	\$182,880	\$158,661	\$452,741	\$377,439	—	\$11,432	\$1,577,768
Carlos R. Peña, Executive Vice President and Chief Strategy Officer	2018	\$375,000	\$82,880	\$105,579	\$200,378	\$146,560	—	\$696	\$911,093
	2017	\$375,000	\$228,513	—	\$624,913	\$296,704	—	\$11,432	\$1,536,562
Brian L. Tucker, Executive Vice President and Chief Operating Officer	2018	\$374,423	\$153,513	\$151,588	\$432,557	\$358,268	—	\$11,432	\$1,481,781
	2017	\$374,423	\$153,513	\$151,588	\$432,557	\$358,268	—	\$11,432	\$1,481,781
Joe P. Freeman, Former Senior Vice President of Well Servicing Segment	2018	\$345,000	\$68,413	\$89,848	\$170,520	\$134,834	—	\$696	\$809,311
	2017	\$345,000	\$68,413	\$89,848	\$170,520	\$134,834	—	\$696	\$809,311
Auditors (page 75)	2018	\$375,000	\$214,083	—	\$624,913	\$296,704	—	\$11,432	\$1,522,132
	2017	\$374,327	\$139,083	\$151,588	\$432,557	\$358,242	—	\$11,432	\$1,467,229
Voting matters (page 10)	2018	\$340,000	\$55,216	\$88,546	\$168,048	\$132,880	—	\$696	\$785,386
	2017	\$340,000	\$55,216	\$88,546	\$168,048	\$132,880	—	\$696	\$785,386
PROPOSAL 1	2018	\$330,000	\$155,413	—	\$195,743	\$187,259	—	\$25,541	\$893,956
	2017	\$320,385	\$147,215	—	\$184,560	\$150,317	—	\$25,541	\$828,018
PROPOSAL 2	2018	\$320,000	\$131,665	—	\$85,493	\$125,563	—	\$14,821	\$677,542
	2017	\$320,000	\$131,665	—	\$85,493	\$125,563	—	\$14,821	\$677,542

Auditors (page 75)

As a matter of good corporate governance, we are asking our shareholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Voting matters (page 10)

PROPOSAL	Description	Board Recommendation	More Information
1	Election of John Michael Rauh as Class III director	FOR	Page 13
2	Approval of an amendment and restatement of the 2007 Incentive Plan	FOR	Page 65
3	Approval, on an advisory basis, of the compensation paid to our named executive officers	FOR	Page 73
4	Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31,	FOR	Page 75

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**PARTICIPATE IN THE FUTURE OF PIONEER ENERGY SERVICES CORP.
CAST YOUR VOTE RIGHT AWAY**

It is very important that you vote to play a part in the future of Pioneer Energy Services Corp. NYSE rules require that if your shares are held through a broker, bank or other nominee, these nominees cannot vote on your behalf on non-discretionary matters without your voting instructions.

Please cast your vote right away on all of the proposals listed below to ensure that your shares are represented.

Proposals which require your vote

		More Information	Board Recommendation	Abstentions	Broker Non-Votes	Votes Required for Approval Plurality (subject to the Director Resignation Policy)
PROPOSAL 1	Election of John Michael Rauh as Class III director	Page 13	FOR	No effect	No effect	
PROPOSAL 2	Approval of an amendment and restatement of the 2007 Incentive Plan	Page 65	FOR	Vote against	No effect	Majority
PROPOSAL 3	Approval, on an advisory basis, of the compensation paid to our named executive officers	Page 73	FOR	Vote against	No effect	Majority
PROPOSAL 4	Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019	Page 75	FOR	Vote against	N/A	Majority

Vote right away

Even if you plan to attend our Annual Meeting in person, please read this Proxy Statement with care and vote right away using any of the following methods. In all cases, have your proxy card or voting instruction form in hand and follow the instructions.

By Internet using your computer By mailing your proxy card

Visit 24/7 proxyvote.com

Cast your ballot, sign your proxy card and send by freepost

Visit our Annual Meeting website

Visit • Review and download interactive versions

24/7 pioneerproxy.com of this Proxy Statement and our Annual Report

Attend our 2019 Annual Meeting of Shareholders

Date: May 16, 2019

Time: 1:00 p.m. (Central Time)

Location: Petroleum Club of San Antonio

7th Floor of the Energy Plaza Building

8620 N. New Braunfels Street

San Antonio, TX 78217

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

Q: When and where is the annual meeting of shareholders?

A: The 2019 Annual Meeting of Shareholders of Pioneer Energy Services Corp. will be held on Thursday, May 16, 2019, at 1:00 p.m., Central Time, at the Petroleum Club of San Antonio, 7th Floor of the Energy Plaza Building, 8620 N. New Braunfels Street, San Antonio, Texas 78217.

Q: Who is soliciting my proxy?

A: Pioneer is soliciting your proxy on behalf of its Board.

Q: What am I being asked to vote on?

A: We are asking you to take action on the following:

to elect J. Michael Rauh, who has been nominated by the Board, as a Class III director of the Board of Pioneer Energy Services Corp., to serve until our 2022 Annual Meeting of Shareholders or until his successor has been duly elected and qualified;

to approve an amendment and restatement of the Pioneer Energy Services Corp. Amended and Restated 2007 Incentive Plan (the "2007 Incentive Plan") to (i) increase the number of authorized shares that can be awarded under the plan by 3,200,000 shares, (ii) extend the term of the plan from May 13, 2023 until May 16, 2029, (iii) update the plan for certain tax law changes made by the Tax Cut and Jobs Act of 2017 (the "Tax Act"), (iv) provide that awards (other than cash awards) granted under the plan are subject to a one-year minimum vesting requirement (with an exception for up to 5% of the shares available for issuance under the plan), (v) prohibit the payment of dividends or dividend equivalents on unvested awards, and (vi) make certain other clarifying changes;

to conduct an advisory vote to approve the compensation of the named executive officers;

to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019; and

to transact any other business that may properly come before the annual meeting or any adjournment or postponement of the meeting.

Q: Who may vote?

A: All holders of the Company's stock as of the close of business on March 18, 2019, the record date, are entitled to vote. Shareholders are entitled to one vote per share of common stock held. As of March 18, 2019, there were 78,456,260 shares of our common stock outstanding.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with the Company's registrar and transfer agent, American Stock Transfer & Trust Company, LLC, you are considered a shareholder of record with respect to those shares. If your shares are held in a brokerage account or bank, you are considered the "beneficial owner" of those shares.

Q: Who may attend the meeting?

A: All shareholders as of the record date, or their duly appointed proxies, may attend the meeting. You will need to bring a photo ID to gain admission to the annual meeting.

Q: How do I vote?

A: If you are a shareholder of record, you may vote in three ways:

you may come to the annual meeting and cast your vote in person;

you may vote online by visiting proxyvote.com; or

you may vote by completing, signing and returning the enclosed proxy card. If you return a completed and signed proxy card, the persons named on the card will vote your shares in the manner you indicate.

If you are a beneficial owner of shares, your broker, bank or other intermediary will advise you on the methods of voting your shares. Your intermediary has enclosed with this Proxy Statement a voting instruction card for you to use in directing the intermediary on how to vote your shares. The instructions from your intermediary will indicate if Internet or telephone voting is available and, if so, will provide details regarding how to use those systems.

Q: How can I vote at the annual meeting if I am a beneficial owner?

A: If you are the beneficial owner of shares, you may only vote these shares in person at the annual meeting if you have requested and received a legal proxy from your broker, bank or other intermediary (the stockholder of record) giving you the right to vote the shares at the annual meeting, complete such legal proxy, and present it at the annual

meeting.

Q: When did Pioneer first distribute this proxy statement and the accompanying form of proxy to its shareholders?

A: We first distributed this proxy statement and the accompanying form of proxy to our shareholders on or about April 16, 2019.

Q: What happens if I am a shareholder of record and do not indicate how I wish to vote on one or more of the proposals?

A: If you return your signed proxy card but do not indicate how you wish to vote, the persons named as proxies will vote your shares as follows: FOR election of the director nominee (Proposal 1); FOR the approval of the amendment and restatement of the 2007 Incentive Plan (Proposal 2); FOR the approval, on an advisory basis, of the compensation paid to our named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K (Proposal 3); and FOR ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (Proposal 4). We are not aware of any other matters that may properly come before the annual meeting. If other matters are properly brought before the annual meeting, the proxy holders will vote your shares in accordance with their discretion.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

Q: What happens if I am a beneficial owner of shares and do not indicate how I wish to vote on one or more of the proposals?

A: As a beneficial owner of shares, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your broker, bank or other intermediary by the deadline provided in the materials you receive from your broker, bank or other intermediary. If you do not provide voting instructions to your broker, bank or intermediary, whether your shares can be voted by such person depends on the type of items being considered for vote.

Non-Discretionary Items. The election of directors, the approval of the amendment and restatement of the 2007 Incentive Plan, and the advisory vote to approve executive compensation are non-discretionary items and may not be voted on by brokers, banks or other intermediaries who have not received specific voting instructions from the beneficial owners (i.e., referred to as a broker non-vote).

Discretionary Items. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 is a discretionary item. Generally, brokers, banks and intermediaries that do not receive voting instructions from beneficial owners may vote on this proposal in their discretion.

Q: What if I vote by proxy and then change my mind?

A: If you are a shareholder of record, you can revoke your proxy at any time prior to the vote at the annual meeting by: timely providing written notice of the revocation of your proxy to our Corporate Secretary at our principal executive offices at the mailing address indicated below;

timely delivering a properly executed proxy dated after the date of the proxy you want to revoke;

timely submitting a later-dated vote via the Internet (which automatically revokes the earlier proxy); or

attending the annual meeting and casting your vote in person.

If you are a beneficial owner of shares, you may revoke your proxy by:

timely submitting new voting instructions to your broker, bank or other intermediary in accordance with their voting instructions; or

if you have obtained a legal proxy from your intermediary giving you the right to vote your shares, by attending the annual meeting, presenting the completed legal proxy to the Company, and voting in person.

You should be aware that simply attending the annual meeting will not in and of itself constitute a revocation of your proxy.

Q: What constitutes a quorum?

A: The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of capital stock of Pioneer entitled to vote at the meeting constitutes a quorum. We need a quorum of shareholders to hold a valid annual meeting. If you properly sign and return your proxy card, you will be considered part of the quorum.

We will count abstentions and broker non-votes as present for the purpose of establishing a quorum. A broker “non-vote” occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that particular proposal and has not received instructions from the beneficial owner. If a quorum is not present, a majority in interest of those present or represented at the annual meeting may adjourn the meeting, without notice other than an announcement at the meeting, until a quorum is present or represented.

Q: What vote is required for each of the proposals being considered at the annual meeting?

A: Election of Director. The director will be elected by a plurality of the votes cast at the annual meeting, subject to the Board’s policy regarding resignations for directors who do not receive a majority of “FOR” votes (the “Director Resignation Policy”). Generally, this means that the nominees receiving the highest number of votes “for” such election are elected as directors. Abstentions and broker non-votes will not have any effect on the vote for the director nominee.

Under the Director Resignation Policy, in an uncontested election of directors, any nominee who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election will, within five business days

following the certification of the shareholder vote, tender his or her written resignation to the Chairman of the Board for consideration by the Board. For further information on this policy, see the section titled “Information Concerning Meetings and Committees of the Board–Director Resignation Policy” below.

Approval of the Amendment and Restatement of the 2007 Incentive Plan. The approval of the amendment and restatement of the 2007 Incentive Plan requires the affirmative vote of the holders of a majority of the shares of our common stock entitled to vote on, and that voted for or against or expressly abstained with respect to, this proposal. An abstention will have the effect of a vote against this proposal. A broker non-vote will not have any effect on the vote of this proposal.

Advisory Vote on Executive Compensation. The advisory vote to approve executive compensation requires the affirmative vote of the holders of a majority of the shares of our common stock entitled to vote on, and that voted for or against or expressly abstained with respect to, this proposal. An abstention will have the effect of a vote against this proposal and a broker non-vote will not have any effect on the vote of this proposal.

Ratification of KPMG LLP as our Independent Registered Public Accounting Firm. The ratification of KPMG LLP as our independent registered public accounting firm requires the affirmative vote of the holders of a majority of the shares of our common stock entitled to vote on, and that voted for or against or expressly abstained with respect to, this proposal. An abstention will have the effect of a vote against this proposal.

Q: Who will count the votes?

A: We have retained Broadridge Financial Solutions, Inc. to tabulate the votes.

Q: What shares are included on the proxy card?

The shares listed on your proxy card represent all the shares of our common stock held in your name (as distinguished from shares held by a broker intermediary, bank or other intermediary). You will receive a separate proxy card from your intermediary if your intermediary holds shares for you.

Q: What does it mean if I receive more than one proxy card?

A: It indicates that your shares are held in more than one account, such as two brokerage accounts, and are registered in different names. You should vote each of the proxy cards to ensure that all your shares are voted.

Q: What is Pioneer’s mailing address?

A: Our mailing address is Pioneer Energy Services Corp., 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209.

Proposal 1 Election of Directors

Our Board currently consists of five directors. The Board has determined that all of the directors are independent directors, as defined by the rules of the NYSE, other than Mr. Locke who, as our President and Chief Executive Officer, is an employee of Pioneer. There are no family relationships of first cousin or closer among our directors or officers by blood, marriage or adoption. Our Board is divided into three separate classes (Class I, Class II and Class III) with staggered terms. The current term of office for our Class III director will expire at the annual meeting.

Our Board has nominated J. Michael Rauh, who currently serves on the Board, as the director nominee for election as a Class III director at the annual meeting. Mr. Rauh has served as our director since 2008.

The director nominee has consented to be named as a director nominee in this proxy statement and has agreed to serve as a director if elected. If the director nominee becomes unavailable for election, which is not anticipated, the named proxies will vote for the election of such other person as the Board may nominate, unless the Board resolves to reduce the number of directors to serve on the Board and thereby reduce the number of directors to be elected at the annual meeting.

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTOR NOMINEE

J. Michael Rauh

Class III Director Nominee for Election to
a Term Expiring at the 2022 Annual
Meeting

Director
since: 2008

Age: 69

Currently - Chairman of the Audit
serving as: Committee

- Member of the

Compensation Committee

- Member of the Nominating

and Corporate Governance

Committee

Acquired expertise of particular relevance to Pioneer:

•Financial and accounting expertise

•

Experienced with Sarbanes-Oxley 404 compliance

Over 25 years of experience in various financial capacities including
•several financial positions at a global oil and gas company and another 8
years of audit and accounting experience at a large public accounting firm

Professional Experience

Firm Kerr-McGee Corporation

Arthur Young &
Company

Date 1981 – 2006

1973-1981

Positions Held Vice President and Controller;
Vice President and Treasurer

Audit Manager

Education

•Bachelor's Degree in Accounting and Economics from Northwestern Oklahoma State University

•Master's Degree in Accounting from Oklahoma State University

•Northwestern University's J.L. Kellogg's Graduate School of Management – Advanced Executive Program

Other Relevant Qualifications and Experience

J. Michael Rauh has served as one of our directors since October 2008. Mr. Rauh served in various financial capacities including Vice President and Controller and Vice President and Treasurer during his career at Kerr-McGee Corporation from 1981 until his retirement in 2006. Prior to joining Kerr-McGee, Mr. Rauh was an auditor with Arthur Young & Company, which merged with Ernst & Whinney in 1989 to form Ernst & Young. He received a Master's Degree in accounting from Oklahoma State University and a Bachelor's Degree in accounting and economics from Northwestern Oklahoma State University. Mr. Rauh has obtained a certificate as a Board Leadership Fellow from the National Association of Corporate Directors.

Mr. Rauh's expertise in a variety of financial and accounting matters, experience in Sarbanes-Oxley 404 compliance and service with a global oil and gas business make him a valuable member of the Board and enhances the value of his service as a member of the Audit Committee, where he also qualifies as an "audit committee financial expert." Mr. Rauh's Bachelor's and Master's Degrees in accounting enable him to advise the Board on accounting-related matters. Mr. Rauh's experience at a diversified global oil and gas company, with a range of operations including oil and gas exploration and production, refining and marketing, offshore contract drilling, chemical manufacturing and marketing, coal mining, and uranium mining, processing and marketing, provides him with insights relating to many of the same issues we face in our business, including capital markets, operational, regulatory, industry, technological, and financial. Mr. Rauh's significant experience in several senior financial positions at Kerr-McGee, as well as his previous service as an auditor with an international public accounting firm, provides a solid platform for him to advise and consult with the Board on financial and audit-related matters.

Our Board unanimously recommends a vote “FOR” the election of J. Michael Rauh as a Class III Director.

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTORS WITH A TERM EXPIRING IN 2020

Dean A. Burkhardt

Class I Director Whose Term Expires at the 2020 Annual Meeting

Board member since: 2001
 Chairman since: 2008
 Age: 68

Acquired expertise of particular relevance to Pioneer:

- 40 years of experience in the energy services industry
- Over 15 years of experience as our Board member
- Financial and accounting experience

Currently serving - Chairman of the Nominating and Corporate Governance Committee
 as:
 - Member of the Compensation Committee
 - Member of the Audit Committee

Professional Experience

Firm	Consultant	Applied Petroleum Software	Seismic Products	Cliff Mock, Inc.	Tescorp, Inc.	Tescorp Energy Services	Cheyenne Services, Inc.	Cheyenne Services, Inc.
Date	1997-Present	1983-1985	1982	1982	1982	1981-1982	1979-1989	1979-1981
Positions Held	Consultant in the energy services industry	Co-founder, President and CEO	President and CEO	President and CEO	President and COO	President and CEO	Director	Co-Founder, Executive Vice President of Sales and Operations

Education

•Bachelor of Arts Degree from the University of Houston

•Master's Degree in International Management from the American Graduate School of International Management

Other Relevant Qualifications and Experience

- Dean A. Burkhardt has served as one of our directors since October 2001 and as Chairman of the Board since May 2008. He has been active in the energy industry for 40 years. Mr. Burkhardt has consulted with the energy services industry since 1997, with a focus on oil and gas projects in emerging markets, workover services, fuel cells and engineering and quality management services. He was co-founder, President and CEO of Applied Petroleum Software, a provider of production engineering software for optimizing oil and gas well completions (1983-1985); President and CEO of Seismic Products, a provider of seismic cable (1982), Cliff Mock, Inc., a provider of oilfield valves (1982) and Tescorp Energy Services, a provider of coiled tubing, hydraulics and fishing and rental tools (1981-1982) as well as President and COO of Tescorp, Inc. (1982); was a co-founder (1979), Executive Vice President of Sales and Operations (1979-1981) and a director (1979-1989) of Cheyenne Services, Inc., a provider of oilfield tubular makeup, tubular inspection and third party quality assurance services. Mr. Burkhardt is also a cattle and horse rancher and served on the Executive Committee and Finance Committee of the Board of Directors of Inprint, a
- Having served on the Company's Board for over 15 years, Mr. Burkhardt is very knowledgeable about the Company's business and the important issues that it faces. In addition to serving as Chairman of the Board and the Nominating and Governance Committee, he is currently a member of the Audit Committee and qualifies as an "audit committee financial expert." He has also previously chaired the Company's Audit and Compensation Committees. Mr. Burkhardt's extensive service in the energy services industry enables him to advise and consult with the Board on the many issues that the Company faces, including oil and gas projects in emerging markets, workover services, fuel cells and engineering and quality management services. Mr. Burkhardt holds a Master's Degree in international management from the American Graduate School of International Management, where his studies

non-profit literary organization supporting the creative writing program at the University of Houston, and in the past, served as the Treasurer and chair of its Finance Committee. Mr. Burkhardt also served in the past as a director of Good Neighbor Healthcare Center, a non-profit corporation, and as a member of the Executive Committee of the Board of Directors of the American Brahman Breeders Association.

emphasized international marketing, accounting and Mandarin Chinese. He has obtained certificates as a Board Leadership Fellow and a Board Governance Fellow from the National Association of Corporate Directors (NACD) and regularly attends continuing education seminars by the NACD and other professional organizations covering a variety of accounting and financial, information technology, and cyber security matters. Mr. Burkhardt has also participated as a panelist at a cyber security conference. Attending and speaking at these seminars helps him provide guidance to the Board related to the Company's international development, accounting-related matters and cyber security advancements.

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTORS WITH A TERM EXPIRING IN 2020, CONTINUED

Scott D. Urban

Class I Director Whose Term Expires at the 2020 Annual Meeting
Director since: 2008

Acquired expertise of particular relevance to Pioneer:

- Over 40 years of energy industry experience
- Significant and varied management experience at multiple global oil and gas companies
- Mr. Urban's background in geology gives him a deeper understanding of our business and the challenges we face

Age: 65

Currently serving as:
- Chairman of the Compensation Committee
- Member of the Audit Committee
- Member of the Nominating and Corporate Governance Committee

Professional Experience

Firm	Edgewater Energy BP PLC	Amoco Corporation
Date	2008-Present 1999-2005	1977-1999
Positions Held	Managing Director; Lead Partner	Group Vice President - Upstream Group Vice President - Worldwide Exploration; Manager - China

Education

•Bachelor's Degree in Earth Science from Bowling Green State University

•Master's Degree in Geology from Bowling Green State University

•Stanford Executive Program

Other Relevant Qualifications and Experience

Scott D. Urban has served as one of our directors since October 2008.

Mr. Urban is a partner in Edgewater Energy, a consulting and investment firm focused on the oil and gas exploration and production industry and assisting private equity firms with upstream investments.

Mr. Urban served as Group Vice President - Upstream for BP PLC from 1999 to 2005 with responsibility for several profit centers including the North Sea, Alaska, North American Onshore, Egypt and Middle East. Prior to joining BP, Mr. Urban held a variety of management positions with Amoco Corporation, including Group Vice President - Worldwide Exploration and Upstream Business Unit

•Manager - China. Mr. Urban received a Master's Degree in geology and a Bachelor's Degree in earth science from Bowling Green State University. He attended the Stanford Executive Program which focuses on creating leaders in management through exposure to key performance practices. In 2018, Mr. Urban achieved the level of Board Leadership Fellow and Board Governance Fellow from the National Association of Corporate Directors (NACD). He currently serves on the board of directors of Edgewater Energy and Noble Energy, Inc. and has served as a board member of the UK Offshore Operators Association, the Business Council for International Understanding and the Netherlands Oil and Gas Exploration and Production Association.

Mr. Urban's expertise as a consultant in the oil and gas exploration and production industry makes him a valuable member of the Board.

Mr. Urban's significant experience at multiple global oil and gas companies provides him with insights relating to many of the same issues we face in our business, including capital markets, operational, regulatory, industry, technological, and financial.

•Mr. Urban's Master's Degree in geology gives him a deep understanding of, and enables him to advise the Board on, many matters relating to oil and gas drilling. Additionally, as a member of the board of directors of Noble Energy, Inc. Mr. Urban has earned valuable experience in managing the issues that face a publicly held oil and gas company with international operations and allows him to share best practices with our Board.

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTORS WITH A TERM EXPIRING IN 2021

Wm. Stacy Locke

Class II Director Whose Term

Expires at the 2021 Annual Meeting

Acquired expertise of particular relevance to Pioneer:

President, Chief Executive Officer and Director since:

- 1995 •40 years of industry experience
- Over 20 years of experience at Pioneer

Age:

- 63 •Mr. Locke’s varied work experience from geology to investment banking and multiple management roles has provided him with a wide skill set that uniquely benefits Pioneer

Professional Experience

Firm	Pioneer Energy Services Corp.	Arneson, Kercheville, Ehrenberg & Associates	Chemical Banking Corporation	Valero Energy Corporation, Huffco Petroleum Corporation, Tesoro Petroleum Corporation
Date	1995-Present	1993-1995	1988-1992	1979-1986
Positions Held	Currently President & CEO	Investment Banker	Investment Banker	Geologist

Education

- Bachelor’s Degree in Geology from University of California Santa Barbara
- Master Business Administration Degree from the Southern Methodist University

Other Relevant Qualifications and Experience

Wm. Stacy Locke has served as one of our directors as well as President of the Company since May 1995, when he joined Pioneer. In December 2003, Mr. Locke was appointed Chief Executive Officer. In addition to his continuous role as President, Mr. Locke has also served as our Chief Financial Officer and Chief Operating Officer. Prior to joining Pioneer, Mr. Locke was in investment banking with Arneson, Kercheville, Ehrenberg & Associates from 1993 to 1995 and Chemical Banking Corporation from 1988 to 1992. Mr. Locke worked for Tesoro Petroleum Corporation, Valero Energy Corporation and Huffco Petroleum Corporation as a geologist from 1979 to 1986. Mr. Locke received a Bachelor’s Degree in geology from the University of California Santa Barbara and a Master of Business Administration Degree from Southern Methodist University. Mr. Locke has obtained a certificate as a Board Governance Fellow from the National Association of Corporate Directors. Mr. Locke also currently serves as a board member of the nonprofit organization, Good Samaritan Community Services, and in the past, served as a board member of the privately-held Omni Water Solutions, Inc. and the nonprofit organization, Any Baby Can.

Mr. Locke’s over 20 years of experience at Pioneer, including his service as Chief Executive Officer for over 15 years, gives him unique knowledge of the opportunities and challenges associated with our business. Mr. Locke’s familiarity with all aspects of Pioneer’s business and his historical understanding of its operations, combined with his understanding of the oil and gas industry, geology and investment banking makes him uniquely qualified to advise the Board of Directors and to lead Pioneer as Chief Executive Officer.

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTORS WITH A TERM EXPIRING IN 2021, CONTINUED

C. John Thompson

Class II Director Whose Term Expires at the 2021 Annual Meeting

Director since: 2001

Age: 66

Currently serving as:

- Member of the Audit Committee
- Member of the Compensation Committee
- Member of the Nominating and Corporate Governance Committee

Acquired expertise of particular relevance to Pioneer:

- 40 years of experience in the energy capital business
- One of Pioneer’s longest-serving non-executive directors
- Deep institutional knowledge with experience as an executive in the oil and gas industry

Professional Experience

Firm	Ventana Capital Advisors, Inc.	Enron	Sagestone Capital Partners	InterFirst Bank
Date	2004-Present	1990-1997; 2000-2001	1997-2000	1979-1987
Positions Held	President and CEO	Vice President	Co-Founder; Managing Partner	Senior Vice President

Education

• Bachelor’s Degree in Business Administration from Texas Tech University

• Master’s Degree in Business Administration from the University of Texas at Austin

Other Relevant Qualifications and Experience

- C. John Thompson has served as one of our directors since May 2001. Mr. Thompson currently serves as President and Chief Executive Officer of Ventana Capital Advisors, Inc., a capital advisory company he founded in June 2004. He also serves as an executive officer of Siempre Energy, LLC, a small, privately held company, which filed for Chapter 11 bankruptcy protection in November 2017 and emerged from bankruptcy in February 2018. Mr. Thompson has 40 years of experience in the energy capital business. Mr. Thompson has worked as a business consultant, in the energy capital business with Enron, in the investment banking services business with a company he co-founded, Sagestone Capital Partners, and as the manager of the energy commercial banking business with InterFirst Bank in Houston.

Mr. Thompson brings an important institutional knowledge to the Board. His work as an executive in the oil and gas industry, and his experience in the energy capital business including more than ten years in energy commercial banking, provides him with insights relating to many of the same issues facing our business, including capital markets, operational, regulatory, industry, technological, and financial. Mr. Thompson also serves as a member of the Audit Committee and qualifies as an “audit committee financial expert.” Mr. Thompson holds a Bachelor’s Degree in Business Administration with a major in finance from Texas Tech University and a Master’s Degree in Business Administration with an emphasis in finance and accounting from the University of Texas at Austin, which enables him to provide guidance to the Board on finance, accounting-related and capital structure matters. Mr. Thompson’s experience as founder of a capital advisory company and as a consultant provides the Board with a unique perspective into different industries and an understanding of various capital strategies.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

Director Meetings

Our Board held seven meetings during the fiscal year ended December 31, 2018. The Board has three standing committees: an audit committee; a compensation committee; and a nominating and corporate governance committee. During the fiscal year ended December 31, 2018, each of our directors attended, in person, at least 75% of the total number of meetings of the Board and any committee on which each served. In addition, the independent directors/non-

management directors also held regular meetings consisting solely of independent directors/non-management directors during the fiscal year ended December 31, 2018. All directors are encouraged to attend our annual meeting of shareholders, and all of our directors attended last year's annual meeting of shareholders. The Chairman of the Board (or other independent director) presided over all such regular meetings.

Independent Chairman of the Board

Our Board has separated the roles of Chairman and Chief Executive Officer. The separation of roles was implemented to allow our Chief Executive Officer, Mr. Locke, to focus on the management of the Company and our independent Chairman to focus on the continued development of a high-performing Board. We believe separation of the roles of Chairman and Chief Executive Officer helps preserve our Board's independence and objectivity and provides an appropriate division of labor between our Chairman and Chief Executive Officer. In addition to presiding at Board meetings, including those of independent directors, the duties and responsibilities of our independent Chairman include the following:

- approving an appropriate schedule of Board meetings;
- establishing, with the assistance of the Chief Executive Officer, Chief Financial Officer and General Counsel, the agendas for Board meetings;
- advising the chairperson of each Board committee with respect to agendas and information needs relating to committee meetings;
- reviewing information sent to the Board;

- retaining and terminating outside consultants and advisors that report directly to the Board, as appropriate;
- assisting management in establishing the strategic direction of the Company;
- coordinating with the Chief Executive Officer and the Board to develop succession procedures and arrangements;
- establishing, with the assistance of the Corporate Secretary, procedures for shareholders and other interested parties to communicate with the Board, any Board committee, the independent or non-management directors, or any other individual director;
- initiating and overseeing the Board's review of CEO performance;
- performing or exercising such additional duties and powers as may be conferred upon the Chairman by resolution of the Board; and
- promoting, with senior management, the Company's enterprise risk oversight process.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

Independent Committees of the Board

Each of the committees' members is independent, as defined by the rules of the NYSE and as defined by the rules and regulations of the SEC, and each member of the Audit Committee is an "audit committee financial expert" as defined by the SEC. During 2018, each of the members of each committee attended (in person) 100% of the meetings held by the committee, with the exception of one board member who was unable to attend certain meetings due to illness. Each of the committees is governed by a written charter, which you may access and print from our website at www.pioneeres.com.

Name and Members	Independent Committee Members	Primary Responsibilities	Meetings and Attendance
Audit Committee	• ALL	<ul style="list-style-type: none"> • Appointing, compensating, retaining and overseeing our independent registered public accounting firm and lead audit partner, and overseeing the qualifications and independence of such firm and lead audit partner; • Overseeing our accounting and financial reporting processes and the audits of our financial statements; • Overseeing the performance of our internal audit function; • Overseeing our compliance with legal and regulatory requirements; • Preparing a report for inclusion in our proxy statement of its review of our audited financial statements; • Pre-approving audit, review or attest services and permitted non-audit services (including the terms and fees thereof) to be performed by our independent registered public accounting firm; and • Reviewing and assessing, on an annual basis, the adequacy of the Audit Committee's charter and recommending revisions to the Board. • Annually reviewing and approving corporate goals, objectives and other key measures relevant to the compensation of Pioneer's executive officers and other key employees; • Reviewing and approving all formal employment or other contracts between Pioneer and our executive officers and other key employees; • Administering and reviewing Pioneer's incentive-compensation plans, equity-based plans and other compensation and benefit plans, and authorizing the issuance of stock of Pioneer pursuant to such plans; and • Appointing, compensating, retaining and overseeing compensation consultants and other advisors to assist the committee. 	• 5 meetings - 95% attendance in person
J. Michael Rauh (Chair) Dean A. Burkhardt C. John Thompson Scott D. Urban			
Compensation Committee	• ALL	<ul style="list-style-type: none"> • Responsible for seeking, evaluating and recommending qualified individuals to become directors and serve on committees of the Board; • Periodically reviewing and assessing the adequacy of our corporate governance policies and procedures and recommending proposed changes to the Board; and 	• 3 meetings - 100% attendance in person
Scott D. Urban (Chair) Dean A. Burkhardt J. Michael Rauh C. John Thompson			
Nominating and Corporate Governance Committee	• ALL	<ul style="list-style-type: none"> • Responsible for seeking, evaluating and recommending qualified individuals to become directors and serve on committees of the Board; • Periodically reviewing and assessing the adequacy of our corporate governance policies and procedures and recommending proposed changes to the Board; and 	• 2 meetings - 88% attendance in person
Dean A. Burkhardt (Chair)			

J. Michael Rauh
C. John Thompson
Scott D. Urban

• Oversee the annual evaluation of the Board, Board committees, and the directors.

Director Resignation Policy

In an uncontested election of directors, any nominee who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election will, within five business days following the certification of the shareholder vote, tender his or her written resignation to the Chairman of the Board for consideration by the Board. A director whose resignation is under consideration shall abstain from participating in any recommendation or decision regarding that resignation, but shall otherwise remain active and engaged in all Board activities, deliberations, and decisions during this Board process.

The Board shall promptly make a determination whether to accept, reject, or otherwise act with respect to the tendered resignation. In making this determination, the Board may consider all factors that it deems relevant, including, without limitation, the underlying reasons why shareholders “withheld” votes for election from such director (if ascertainable), the length of service and qualifications of the director whose resignation has been tendered, the director’s contributions to

the Company, whether by accepting such resignation the Company will no longer be in compliance with any applicable law, rule, regulation (including, without limitation, any listing or governance requirement of the NYSE) or governing document, and whether or not accepting the resignation is in the best interests of the Company and its shareholders. The Board may also consider a range of possible alternatives concerning the director’s tendered resignation, including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Board to have substantially resulted in the “withheld” votes.

The Board shall act on the tendered resignation and shall publicly disclose its decision regarding the resignation within one hundred twenty (120) days after the results of the election are certified. If the Board does not accept the resignation, the director shall continue to serve until the end of his or her term and until the director’s successor is elected and qualified, or until his or her earlier resignation or removal.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

Board Diversity

Although we do not have a formal diversity policy in place for the director nomination process, the Board recognizes that diverse candidates with appropriate and relevant skills and experience contribute to the depth and diversity of perspective in the boardroom. An important factor in our Nominating and Corporate Governance Committee's consideration and assessment of a director candidate is the diversity of background, professional experience, training, education, gender, age, ethnicity, and culture of such candidate. The Nominating and Corporate Governance Committee strives to nominate director candidates with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills, and expertise to oversee the Company's business. In the absence of a formal diversity policy at this time, the Nominating and Corporate Governance Committee is focused in the near term on

identifying and nominating qualified female director candidates for the Board. Accordingly, the Nominating and Corporate Governance Committee has engaged an executive search firm and affirmatively instructed it to identify candidates reflecting ethnic and gender diversity as part of the candidate search criteria.

To the extent it is able to do so in a manner consistent with our bylaws and Corporate Governance Guidelines, the Board seeks to have at least one female member of the Board by the 2020 annual meeting of shareholders. The Nominating and Corporate Governance Committee will continue to review all measurable objectives for achieving diversity on the Board and recommend them to the Board for consideration.

Director Recommendations from Shareholders

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as by management and shareholders. The committee may also retain a third-party executive search firm to identify candidates from time to time.

Shareholders wishing to suggest a qualified candidate should submit the recommendation in writing to the Nominating and Corporate Governance Committee in care of our Corporate Secretary at 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209. Any shareholder wishing to submit a director candidate for consideration should send the following information to the Corporate Secretary:

• the name, age and business address of the director candidate;

• the principal occupation or employment of the director candidate;

- the class or series and number of shares of capital stock of Pioneer which the shareholder recommending the director candidate, as well as the director candidate, beneficially owns; and
- all other information, if any, relating to the shareholder recommending the director candidate and the director candidate which Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder would require Pioneer or such shareholder to disclose in a proxy statement or in any other filing in connection with solicitations of proxies for an election of directors.

Once a prospective director candidate has been identified, the Nominating and Corporate Governance Committee makes the initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on the information provided to the committee with the recommendation of the prospective director candidate, as well as the committee's own knowledge of the prospective director candidate, which may be supplemented by inquiries to the person making the recommendation or others. If the committee determines that additional consideration is warranted, it may ask a third-party search firm to gather additional information about the candidate's background and experience and to report its findings to the committee. The committee then evaluates the prospective director candidate by considering, in addition to the criteria set forth in our bylaws, each candidate's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective Board member, and commitment to acting in our shareholders' and our best interests. Consideration is also given to members of the Board having an appropriate mix of background and skills.

Although we do not have a formal diversity policy in place for the director nomination process, the Board recognizes that diverse candidates with appropriate and relevant skills and experience contribute to the depth and diversity of perspective in the boardroom. An important factor in our Nominating and Corporate Governance Committee's

consideration and assessment of a director candidate is the diversity of background, professional experience, training, education, gender, age, ethnicity, and culture of such candidate. The Nominating and Corporate Governance Committee strives to nominate director candidates with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills, and expertise to oversee the Company's business. For more information, see the section titled "Board Diversity".

The same criteria apply with respect to the Nominating and Corporate Governance Committee's evaluation of all candidates for membership to our Board, including candidates recommended by shareholders. However, additional procedures will apply, as provided in our bylaws, if a shareholder wishes to submit at an annual meeting a director candidate who is not approved by our Nominating and Corporate Governance Committee or our Board.

Any shareholder desiring to nominate a director at our 2020 Annual Meeting of Shareholders must provide timely notice to the Company of such nomination in the form provided by our bylaws. See our bylaws for a description of the required form and content of this notice. To be timely, such notice must ordinarily be delivered to our principal executive offices (Attention: Corporate Secretary), at the address set forth above, no later than the close of business on the 90th day nor earlier than the 180th day prior to the first anniversary date of the preceding year's annual shareholder meeting (i.e., nominations for director for inclusion in the 2020 Annual Meeting of Shareholders must be delivered to our principal executive offices no earlier than the close of business on November 18, 2019, and no later than the close of business on February 16, 2020), or such proposal will be considered untimely. However, in the event that the date of the pending annual meeting of shareholders is more than 30 days before or more than 60 days after the first anniversary of the previous year's annual meeting of shareholders, then such notice must be received not later than the later to occur of the close of business on the 90th day prior to the pending annual meeting of shareholders or the 10th day following the day on which public announcement of the date of such annual meeting of shareholders is first made by the Company. The foregoing time limits also apply in determining whether notice is timely for purposes of rules

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

adopted by the SEC relating to the exercise of discretionary voting authority.

Any shareholder desiring a copy of our bylaws will be furnished one without charge upon written request to the Corporate Secretary at 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

We have adopted a Code of Business Conduct and Ethics that satisfies the SEC's definition of a "Code of Ethics" and applies to all employees, including our principal executive officer, principal financial officer, principal accounting officer, and controller. As part of our continuing efforts to improve our corporate governance principles and practices, we have also adopted Corporate Governance Guidelines that conform to the NYSE corporate governance listing standards. All of the Company's corporate governance materials, including the Code of Business Conduct and Ethics, the Corporate Governance Guidelines,

and our Board committee charters are posted on the Company's website at www.pioneerenergy.com and are also available without charge upon request to the Company's Corporate Secretary. We intend to disclose on our website any amendments to the Code of Business Conduct and Ethics and any waivers of the Code of Business Conduct and Ethics that apply to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions.

Board's Role in Risk Oversight

Our Board is responsible for the Company's risk-oversight function. The Board, with the assistance of its standing committees and our Chief Executive Officer, Chief Financial Officer, General Counsel, and SVP-Controller, identifies, evaluates and discusses the material enterprise risks that could impact the Company's operations and tactical and strategic decisions. These enterprise risks include operational, financial, legal, regulatory, market, cyber and reputational risks. In addition, the Board reviews the risks associated with the

Company's strategic plan at an annual strategic planning session and periodically throughout the year as part of its consideration of the strategic direction of the Company. Each Board committee also oversees the management of the Company's risks that fall within each committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors.

Risk – Related Compensation Policies and Practices

The Compensation Committee has undertaken an assessment of the risk profile of its executive and non-executive compensation programs. With the assistance of our Chief Executive Officer, Chief Financial Officer, General Counsel, Senior Vice President of Human Resources and our independent compensation consultant, the Compensation Committee has developed a framework to assist it in ascertaining any potential material risks associated with its compensation programs, policies and procedures, including: external market reference; pay mix; range and sensitivity of performance-based variable plans; selection of performance metrics; goal-setting process; and the Company's checks and balances on the payment of compensation. This process enables the Compensation Committee to consider if any of the Company's current compensation programs, practices or procedures should be altered in order to ensure that an appropriate balance between competitive pay and prudent risk is maintained. As a result of this analysis, the Compensation Committee has identified the following risk mitigating factors:

- the pay mix including fixed and variable compensation, including the use of fixed cash and variable cash and the use of long-term equity as variable compensation;
- limits on annual cash bonus awards;
- the use of varied performance goals;

• after several years of use, there appears to be no evidence that the performance goals encourage unnecessary or excessive risk taking;

• stock ownership guidelines;

• the oversight of incentive compensation plans by our Compensation Committee;

• the high level of Board involvement in approving material investments and capital expenditures; and

• the adoption of a clawback policy.

As a result of the above assessment, the Compensation Committee believes that the Company's compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

Communications with the Board

Shareholders and all other interested parties may communicate with the Board, any Board committee, the independent or non-management directors, each as a group, and individual directors by submitting their communications in writing to the attention of the Corporate Secretary. All communications must identify the recipient, author, state whether the author is a shareholder of the Company, and be forwarded to the following address:

Pioneer Energy Services Corp.
1250 N.E. Loop 410, Suite 1000
San Antonio, Texas 78209

The directors of the Company, including the non-management directors, have directed the Corporate Secretary not to forward to the intended recipient any communications that are reasonably determined in good faith by the Corporate Secretary to relate to improper or irrelevant topics or are substantially incomplete.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

Director Compensation

The Compensation Committee is responsible for determining the type and amount of compensation for the Company's non-employee directors. The Compensation Committee aims to design the program to attract and compensate qualified individuals who possess the expertise and skill set required by the Company's Board members.

The Compensation Committee reviews the director compensation program annually with the aid of competitive director pay information provided every other year by the Compensation Committee's independent compensation consultant. The competitive pay information provided by Pearl Meyer in December 2016 was considered by the Compensation Committee in setting non-employee director compensation for 2017 and 2018. For more information about the independent compensation consultant and competitive pay analysis, see the sections titled "The Role of the Compensation Consultant" and "The Role of Competitive Pay Analysis."

In setting non-employee director compensation in 2018, the Compensation Committee considered the competitive pay information provided by Pearl Meyer in December 2016, the experience and expertise of the directors, and the significant amount of time that non-employee directors spend in fulfilling their duties to the Company and its shareholders. Our executive officers do not make recommendations regarding the non-employee directors' compensation.

The following table summarizes the compensation of our non-employee directors during 2018:

Name	Fees		Total
	Earned or Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾	
Dean A. Burkhardt	\$ 162,250	\$ 115,000	\$ 277,250
C. John Thompson	\$ 79,000	\$ 115,000	\$ 194,000
J. Michael Rauh	\$ 89,000	\$ 115,000	\$ 204,000
Scott D. Urban	\$ 87,250	\$ 115,000	\$ 202,250

(1) The amounts reflected in this column consist of the board member and committee member annual retainers earned in 2018.

The amounts included in this column represent the aggregate grant date fair value of the restricted stock awards granted to directors during the fiscal year ended December 31, 2018, computed in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Stock Compensation.

(2) Each director was granted 19,658 shares of restricted stock under the 2007 Incentive Plan on May 18, 2018, based on the closing price (\$5.85) of our common stock on the grant date. For a discussion of valuation assumptions, see Note 9 to our consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2018.

No changes were made to our director compensation program for 2018, as compared to 2017. The Compensation Committee granted each non-employee director a restricted stock award in 2018 that will vest at the end of the one-year vesting period, with a grant date fair market value of approximately \$115,000. The Compensation Committee approved the following non-employee director fees for 2018 and 2019 (with an additional per meeting fee if we exceed the number of meetings included in the annual retainer):

Number of Meetings Included in Annual Retainer	Annual Retainer Paid in 2018		Annual Retainer Approved for 2019		
	Chairman	Member	Chairman	Member	
Board of Directors	7	\$ 130,500	\$ 55,500	\$ 163,500	\$ 75,000
Audit Committee	5	\$ 22,500	\$ 12,500	\$ 15,000	\$ 10,000
Compensation Committee	3	\$ 14,500	\$ 6,250	\$ 12,500	\$ 10,000
Nominating and Corporate Governance Committee	2	\$ 13,000	\$ 4,750	\$ 10,000	\$ 7,500
Meetings not otherwise included above	7	\$ —	\$ —	\$ —	\$ —

We expect each director to make every effort to attend each meeting of the Board, each meeting of any Board committee on which he serves and the annual meeting of shareholders. Attendance in person at Board and committee

meetings is preferred but not required; attendance by teleconference is permitted, if necessary. During the fiscal year ended December 31, 2018, each of our directors attended, in person, at least 75% of the total number of meetings of the Board and any committee on which each served, and all of our directors attended last year's annual meeting of shareholders. We also reimburse the directors for reasonable out-of-pocket expenses they incur in connection with attending meetings of the Board and Board committees or otherwise in their capacity as directors.

Compensation Advisory Partners provided an updated competitive director pay analysis in December 2018 for the Compensation Committee's consideration in setting non-employee director compensation for 2019 and 2020. This analysis showed that the total compensation for non-employee directors during 2018 was below the market median of our Custom Peer Group. The Compensation Committee had not increased the level of equity or cash compensation for non-employee directors since 2013, except for the increase of the annual retainer for the Chairman of the Board in 2015. In consideration of the competitive pay analysis provided by Compensation Advisory Partners in December 2018, the Compensation Committee increased the 2019 annual retainers and decided to grant each of the non-employee directors a restricted stock award in 2019 with a grant date fair market value of approximately \$128,000 to improve the competitiveness of our director compensation, which had fallen below the market median of our Custom Peer Group in years prior.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

The following table provides information on the outstanding equity awards for each of our non-employee directors as of December 31, 2018:

Name	Number of Shares of Stock That Have Not Vested ⁽¹⁾	Market Value of Shares of Stock That Have Not Vested ⁽²⁾
Dean A. Burkhardt	19,658	\$ 24,179
C. John Thompson	19,658	\$ 24,179
J. Michael Rauh	19,658	\$ 24,179
Scott D. Urban	19,658	\$ 24,179

(1) The indicated shares of restricted stock are scheduled to vest on May 18, 2019.

(2) The market value of the shares of restricted stock that have not vested is based on the closing price of our common stock on December 31, 2018, of \$1.23 per share.

In 2016, the Board (and our shareholders) approved an amendment and restatement of the 2007 Incentive Plan that, among other things, limits the aggregate grant date fair value for financial reporting purposes of awards granted under the 2007 Incentive Plan during any single calendar year to a non-employee director as compensation for his or her services as a director to \$300,000 in total value.

INFORMATION CONCERNING MEETINGS AND COMMITTEES OF THE BOARD

Stock Ownership Requirements

In order to encourage the acquisition and retention of our common stock by our directors and to further align their economic interests with those of our shareholders and to focus our directors on the long-term sustained appreciation of our common stock, our Compensation Committee and our Board have adopted guidelines requiring each of our directors to own a specified amount of our common stock.

In March 2015, we increased the stock ownership requirements from three times each member's annual board retainer fee to five times the annual board retainer fee for non-employee directors (other than the Chairman) and six times the annual board retainer fee for the Chairman of the Board. We increased the stock ownership requirements for our CEO from three times the annual base salary to five times the annual base salary, and from two times the annual base salary for our other named executive officers to three times the annual base salary.

Generally, the ownership target is to be acquired no later than the December 31 following the fifth anniversary of the director's initial appointment or election to the Board, or the fifth anniversary following

the change in the ownership requirement. For purposes of this calculation, unvested restricted stock and restricted stock units may be counted toward the applicable ownership requirement.

Because the stock ownership requirements were revised during 2015, all named executive officers and directors will be required to comply with the revised requirements by December 31, 2020. Until then, the previous requirement is in effect. Additionally, because the fee structure for the non-employee directors was revised effective January 1, 2017, the annual board retainer that was applicable for the year ended December 31, 2016 will serve as the annual board retainer fee basis for the ownership calculations until the fifth anniversary following the change in annual retainer fees, which is January 1, 2022.

As of May 17, 2018, all of our non-employee directors and named executive officers were in compliance with their stock ownership requirements and remain in compliance. Mr. Tucker initially became subject to the stock ownership guidelines in 2015 and thus has until December 31, 2020 to meet his ownership requirements.

Compensation Committee Interlocks and Insider Participation

Messrs. Burkhardt, Thompson, Rauh and Urban served on our Compensation Committee during the fiscal year ended December 31, 2018. No member of the Compensation Committee (1) was an officer or employee of our Company or a subsidiary of our Company during that period, (2) was formerly an officer of our Company or a subsidiary of our Company or (3) had any relationship required to be disclosed in this proxy statement pursuant to Item 404 of Regulation S-K.

During the fiscal year ended December 31, 2018, none of our named executive officers served as (1) a member of a compensation

committee of another company, one of whose executive officers served on our Compensation Committee; (2) a director of another company, one of whose executive officers served on our Compensation Committee; or (3) a member of a compensation committee of another company, one of whose executive officers served as one of our directors.

Certain Relationships and Related Transactions

Our Audit Committee reviews any transaction in which (1) we or any of our subsidiaries, on the one hand, and (2) any of our directors, nominees for director, executive officers or holders of more than 5% of our common stock or any of their immediate family members, on the other hand, is, was or is proposed to be a participant and the amount involved exceeds \$120,000. Our Audit Committee is required by its charter to review and approve all such related person transactions, as well as to periodically reassess these transactions to ensure their continued appropriateness. Our chief financial officer is primarily responsible for the development and implementation of processes and controls to obtain information from directors and officers with respect to any such related person transactions, including the use of annual director and officer questionnaires. Our management is responsible for determining whether a transaction contains the characteristics described above requiring review and approval by our Audit Committee.

None of our directors or executive officers and no holder of more than 5% of the outstanding shares of our common stock, and no member of the immediate family of any such director, officer or security holder, to our knowledge, had

any material interest in any transaction during the fiscal year ended December 31, 2018, or in any currently proposed transaction, to which we or any of our subsidiaries was or is to be a participant in which the amount involved exceeds \$120,000, except that in 2018, the Company paid approximately \$198,000 for rental and

trucking services to Gulf Coast Lease Service, a trucking and construction company, of which Joe Freeman, our former Senior Vice President of Well Servicing, serves as President, and which is owned and operated by Mr. Freeman's two sons. Mr. Freeman does not receive compensation from Gulf Coast Lease Service, and he serves primarily in an advisory role to his sons. As of March 18, 2019, the Company has paid Gulf Coast Lease Service approximately \$21,000 for its services in 2019. The Audit Committee reviewed and ratified the rental and trucking services provided to the Company by Gulf Coast Lease Service after discussing the business rationale and an analysis of pricing competitiveness, in accordance with Company policy.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the beneficial ownership of our common stock as of March 18, 2019 by (1) each person (or group of affiliated persons) who is known by us to beneficially own more than 5% of our common stock, (2) each of our directors and nominees, (3) each of the named executive officers listed in the summary compensation table in this proxy statement and (4) all our directors, named executive officers and executive officers as a group. As of March 18, 2019, we were not aware of any person beneficially owning more than 5% of the outstanding shares of our common stock, other than those listed below. Unless otherwise indicated below, all shareholders have the same principal business address as Pioneer. All persons listed in the table below have sole voting and investment power with respect to their shares unless otherwise indicated. As of March 18, 2019, there were 78,456,260 shares of common stock outstanding.

Shares of Common Stock Beneficially Owned			
Name of Beneficial Owner	Number of Beneficial Shares	Percent of Class ⁽¹⁾	
BlackRock Inc. 55 East 52nd Street New York, NY 10055 Van Den Berg Management I, Inc. 805 La Cimas Parkway Suite 430 Austin, TX 78746 McQuarrie Group Limited 50 Martin Place Sydney, New South	11,527,120 ⁽²⁾	14.44	%
	3,338,972 ⁽³⁾	9.35	%
	6,782,848 ⁽⁴⁾	8.65	%

Wales, Australia Dimensional Fund Advisors LP 6300 Beech Cave Road Austin, TX 78746			
	6,487,641	(5) 8.27	%
The Vanguard Group, Inc. 100 Vanguard Blvd Malvern, PA 19355 Wm. Stacy Locke Lorne E. 727,270			
	2,902,818	(6) 3.70	%
Phillips Carlos Peña Brian L. 334,389 Tucker Dean A. 239,006 Burkhardt J. Michael Rauh Scott D. 193,148 Urban Joe P. 104,819 Freeman C. Joseph Thompson			
	641,199	(7) 3.31	%
		(8) *	
		(9) *	
		(10) *	
		(11) *	
		(12) *	
		(11) *	
		(13) *	
		(11) *	
	5,057,831	(14) 6.25	%

All
 directors,
 named
 executive
 officers
 and
 executive
 officers

as
 a
 group
 (ten persons)

*Less than 1%

In accordance with the rules of the Securities and Exchange Commission (the “SEC”), the amounts shown for the number of shares and percentage ownership for each person listed include (1) any shares that may be acquired pursuant to options exercisable within 60 days of March 18, 2019, (2) any shares that may be acquired pursuant to the vesting of long-term incentive restricted stock awards within 60 days of March 18, 2019, and (3) unvested restricted stock. These shares are also deemed outstanding for the purpose of computing the percentage of outstanding shares owned by the person; however, these shares are not deemed outstanding for the purpose of (1) computing the percentage ownership of any other person. The amounts shown for the number of shares and percentage ownership for all named executive officers, executive officers and directors as a group include (1) any shares that may be acquired pursuant to options held by members of the group and exercisable within 60 days of March 18, 2019, (2) any shares that may be acquired by members of the group pursuant to the vesting of long-term incentive restricted stock awards within 60 days of March 18, 2019, and (3) unvested restricted stock held by members of the group. Holders of unvested restricted stock have voting rights with respect to such shares. Holders of stock options do not have voting rights with respect to the shares subject to such options.

(2) Based on a Schedule 13G filed with the SEC by BlackRock Inc. on January 31, 2019. Blackrock Inc. has sole dispositive power with respect to these shares and has sole voting power with regard to 11,164,682 shares.

(3) Based on a Schedule 13G filed with the SEC by Van Den Berg Management I, Inc. (“Van Den Berg”) on February 14, 2019. Van Den Berg has sole dispositive power and sole voting power with respect to these shares. Based on a Schedule 13G filed with the SEC by Macquarie Group LTD (“Macquarie”) on February 14, 2019.

(4) Macquarie has no sole voting or dispositive power with respect to these shares, which are beneficially owned due to Macquarie's ownership of Macquarie Bank Limited, Macquarie Investment Management Holdings Inc. and Macquarie Investment Management Business Trust who, together, have sole voting and sole dispositive power with respect to these shares.

(5) Based on a Schedule 13G filed with the SEC by Dimensional Fund Advisors LP (“Dimensional”) on February 8, 2019. Dimensional has sole dispositive power with respect to these reported shares and sole voting power with regard to 6,174,919 shares. Dimensional furnishes investment advice to four investment companies and serves as investment manager or sub-advisor to certain other commingled funds, group trusts and separate accounts. These investment companies, trusts and accounts are referred to herein as the “Funds.” In certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, Dimensional or its subsidiaries may possess voting and/or investment power over the securities of the issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the issuer held by the Funds. However, Dimensional disclaims beneficial ownership of such securities.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

- Based on a Schedule 13G filed with the SEC by The Vanguard Group, Inc. ("Vanguard") on February 15, 2019. Vanguard has sole voting power with regard to 83,263 shares, sole dispositive power with regard to 2,831,314 shares, and shared dispositive power with regard to 71,504 shares. Vanguard Fiduciary Trust Company ("VFTC"), a wholly owned subsidiary of Vanguard, is the beneficial owner of 71,504 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. ("VIA"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 11,759 shares as a result of its serving as investment manager of Australian investment offerings.
- (6) Includes options to purchase 1,301,613 shares of common stock. Mr. Locke's common stock holdings include 180,334 shares held in the Locke Children's Trust and 25,000 shares held in the Wm Stacy Locke Trust of 2010.
 - (7) Includes options to purchase 453,266 shares of common stock.
 - (8) Includes options to purchase 373,411 shares of common stock.
 - (9) Includes options to purchase 241,415 shares of common stock.
 - (10) Includes 19,658 shares of unvested restricted stock.
 - (11) Includes 19,658 shares of unvested restricted stock. Mr. Rauh's common stock holdings include 25,000 shares held in the Rauh Trust.
 - (12) Includes options to purchase 62,984 shares of common stock.
 - (13) The amount indicated includes options to purchase 2,439,796 shares of common stock and 78,632 shares of unvested restricted stock.
 - (14)

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and any persons beneficially owning more than 10% of our common stock to report their initial ownership of our common stock and any subsequent changes in that ownership to the Securities and Exchange Commission. Specific due dates for these reports have been established, and we are required to disclose in this proxy statement any failure to file by these dates. To our knowledge, all required Section 16(a) filings were timely and correctly made by reporting persons during 2018.

In making these disclosures, we relied solely on written statements of directors, executive officers and shareholders, and copies of the reports that they have filed with the SEC.

EXECUTIVE OFFICERS

Our current executive officers are:

Wm. Stacy Locke	Lorne E. Phillips
President, Chief Executive Officer and Director	Executive Vice President and Chief Financial Officer

Age: 63	Age: 48
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Wm. Stacy Locke has served as one of our directors as well as President of the Company since May 1995, when he joined Pioneer. In December 2003 Mr. Locke was appointed Chief Executive Officer. In addition to his continuous role as President, Mr. Locke has also served as our Chief Financial Officer and Chief Operating Officer. Prior to joining Pioneer, Mr. Locke was in investment	Lorne E. Phillips has served as our Executive Vice President and Chief Financial Officer since joining Pioneer in 2009. Prior to joining Pioneer, Mr. Phillips worked for 10 years at Cameron International Corporation, serving most recently as Vice President and Treasurer. Prior to that, he was General Manager of Cameron's Canadian valves operations, Vice President of Marketing and M&A for the valves division, and Business Development Manager for Cameron. Before joining Cameron, he
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banking with was a Financial
 Arneson, Analyst for
 Kercheville, SCF Partners, a
 Ehrenberg & provider of
 Associates equity capital
 from 1993 to to energy
 1995 and service and
 Chemical equipment
 Banking companies, and
 Corporation for Simmons &
 from 1988 to Company
 1992. International,
 Mr. Locke an investment
 worked for bank focused
 Tesoro on the energy
 Petroleum industry. Mr.
 Corporation, Phillips
 Valero received a
 Energy Bachelor's
 Corporation Degree in
 and Huffco Economics
 Petroleum from Rice
 Corporation University and
 as a geologist a Master of
 from 1979 to Business
 1986. Administration
 Mr. Locke Degree from
 received a Harvard
 Bachelor's Business
 Degree in School.
 Geology Currently, he
 from the serves on the
 University of board of
 California directors of the
 Santa nonprofit
 Barbara and organization,
 a Master of Communities
 Business In Schools of
 Administration San Antonio.
 Degree from
 Southern
 Methodist
 University.
 Mr. Locke
 has obtained
 a certificate
 as a Board
 Governance
 Fellow from
 the National
 Association

of Corporate Directors. He currently serves as a board member of the nonprofit organization, Good Samaritan Community Services.

Carlos R. Peña	Brian L. Tucker
Executive Vice President and Chief Strategy Officer	Executive Vice President and Chief Operating Officer
Age: 52	Age: 45

Carlos R. Peña joined Pioneer in 2008 as our Senior Vice President, General Counsel, Secretary and Compliance Officer. In 2016, Mr. Peña was promoted to President of our Production Services Business before assuming the role of President of Wireline and Coiled Tubing Services in 2018 and then Chief	Brian L. Tucker was appointed President of our Drilling Services Business in 2015 before assuming the role of President of Drilling and Well Servicing in 2018 and then Chief Operating Officer effective January 1, 2019. Since joining Pioneer in 2012, Mr. Tucker has served as our Senior Vice President over Appalachia, Utah and North Dakota drilling
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Strategy divisions. Prior
 Officer to joining
 effective Pioneer, Mr.
 January 1, Tucker was a
 2019, having Vice President
 gained for Helmerich
 valuable and Payne
 experience (H&P)
 with a variety managing the
 of industry South Texas
 issues during operations from
 his ten-year 2010 to 2012.
 tenure here. From 2004 to
 Prior to 2010, Mr.
 joining Tucker served
 Pioneer, as drilling
 Mr. Peña had engineer and
 been operations
 practicing manager for the
 law since Barnett Shale,
 1992, with South Texas
 Fulbright & and West Texas
 Jaworski operations for
 L.L.P., Cox H&P. Mr.
 Smith Tucker served
 Matthews eight years as
 Incorporated, an officer in the
 Vinson & U.S. Army, is a
 Elkins West Point
 L.L.P., and graduate with a
 AT&T, Inc. Bachelor of
 Mr. Peña Science in
 received a Systems
 Bachelor's Engineering,
 Degree in and completed
 Economics the Harvard
 from Business
 Princeton School
 University, a Advanced
 Juris Doctor Management
 degree from Program in
 the 2014. He
 University of currently serves
 Texas School as a board
 of Law, and member of
 completed Catholic
 the Harvard Charities
 Business Archdiocese of
 School San Antonio.
 Advanced
 Management

Program in
2016.

Bryce T.
Seki
Vice
President,
General
Counsel,
Secretary
and
Compliance
Officer

Age: 42

Bryce T.
Seki joined
Pioneer in
2011, first
serving as
Corporate
Counsel and
then
Associate
General
Counsel
before being
promoted to
Vice
President,
General
Counsel,
Secretary and
Compliance
Officer
effective
January 1,
2018. Prior
to joining
Pioneer, Mr.
Seki was an
associate
attorney at
Fulbright &
Jaworski
L.L.P. (now
known as
Norton Rose
Fulbright).
Mr. Seki
received a
Bachelor of

Arts from the University of Notre Dame and a Juris Doctor degree from Notre Dame Law School. Currently, he serves on the board of directors of the nonprofit organization, Leukemia and Lymphoma Society of South Central Texas.

COMPENSATION DISCUSSION AND ANALYSIS

This compensation discussion and analysis provides information regarding our executive compensation program in 2018 for the following named executive officers of the Company (collectively, the “named executive officers”):

Name	Position
Wm. Stacy Locke	Director, President and Chief Executive Officer
Lorne E. Phillips	Executive Vice President and Chief Financial Officer
Carlos R. Peña	Executive Vice President and Chief Strategy Officer, effective January 1, 2019; previously, Mr. Peña served as the Company's Executive Vice President and President of Wireline and Coiled Tubing Services.
Brian L. Tucker	Executive Vice President and Chief Operating Officer, effective January 1, 2019; previously, Mr. Tucker served as the Company's Executive Vice President and President of Drilling and Well Servicing.
Joe P. Freeman	Former Senior Vice President of Well Servicing Segment; Mr. Freeman resigned from his position effective January 1, 2019.

Executive Summary

Business Highlights

Early in 2018, our Board approved a business plan that reflected aggressive goals for earnings per share (“EPS”), adjusted earnings before interest, taxes, depreciation, amortization and impairments (“Adjusted EBITDA”), adjusted EBITDA return on capital employed (ROCE) and safety. These goals served as targets for our annual cash incentive plan. We exceeded our goals for Adjusted EBITDA, EBITDA ROCE and safety.

The Compensation Committee believes that management performed well and that the Company delivered strong results for the 2018 Team Goals. Some key highlights of our 2018 performance include the following:

Improved profitability across all business lines:

- Consolidated gross margin increased by almost 40%, Adjusted EBITDA increased by 80%, and net loss reduced by 35%, as compared to 2017.

- Maintained 100% utilization of our domestic AC rig fleet and industry-leading margins per day.

- Grew utilization of our Colombia fleet to seven rigs working during 2018 and expanded our international client base, driving a 115% increase in gross margin, as compared to 2017.

- Gross margin from production services grew 35% in 2018, as compared to 2017, with improvements in all business lines.

Continued to excel in safety:

- Achieved a Total Recordable Incident Rate in 2018 of less than 1.0 for the second year in a row, and better than the industry average by over 30%.

- Our 2018 lost time incident rate is the lowest in company history, for the fifth consecutive year.

- Our domestic drilling business achieved record safety results and was ranked first among the top 10 most active contractors.

- Our international drilling business was ranked 1st among the top 5 most active drilling contractors in South America.

Strategically upgraded and expanded fleets:

- Began construction of our 17th AC drilling rig, secured by a 3 year term contract.

- Placed three new wireline units and two new large diameter coiled tubing units into service in 2018.

Positioned for 2019:

- Redeployed our leadership talent through the creation of a Chief Operating Officer role to centralize operational and sales leadership for all business segments, and a Chief Strategy Officer role to lead a team designed to identify market opportunities, execute strategic initiatives and enhance our fleet performance across all business lines.

- Maintained financial flexibility and liquidity with total cash of \$55 million at December 31, 2018 and availability under our asset-based lending facility of approximately \$50 million.

COMPENSATION DISCUSSION AND ANALYSIS

Results of 2018 Say on Pay

At our 2018 Annual Meeting of Shareholders, the advisory vote on our executive compensation ("say on pay") received the support of 96% of the votes cast. The Board is extremely pleased with this result, and has continued its efforts to continually improve our executive compensation program, listen to shareholders, and focus on performance and at-risk compensation.

Seventy percent of our Chief Executive Officer's target direct compensation is variable/at-risk, including: Annual Cash Incentive Awards. The annual cash incentive award is based on operational, financial and team performance.

Time-Based Restricted Stock Unit Awards. These awards are issued as equity and the share value realized upon vesting is linked to Company performance.

Performance-Based Phantom Stock Unit Awards. The performance-based phantom stock unit awards are earned based on our relative performance versus a pre-defined group of 15 peer companies over the three-year performance period in each of the following two metrics: total shareholder return and EBITDA ROCE.

2018 Compensation Highlights

In consideration of the strong shareholder support of 2017 executive compensation and the competitive pay information derived from the independent compensation consultant, the Compensation Committee decided to keep the 2018 overall incentive compensation levels aligned with those of the 2017 program, and make targeted improvements to the Long-Term Incentive (LTI) award program. The resulting key decisions related to our 2018 compensation program are as follows:

Held Named Executive Officer Target Direct Compensation Levels Flat, except for Mr. Freeman. The Compensation Committee did not make any changes to the named executive officers' base salaries, target annual cash incentive award levels or their target long-term incentive compensation levels, except for an increase in Mr. Freeman's target LTI award compensation to better align his target direct compensation with the most recent competitive pay analysis. Mr. Freeman's target direct compensation fell below the market median in 2017, and in consideration of this, the Compensation Committee decided to increase his target LTI to 125% of his base salary in 2018, from 100% in 2017. Determined the Mix and Vesting Conditions of Awards Comprising the 2018 Long-Term Incentive Compensation Program. In line with the Compensation Committee's objective of creating a portfolio of LTI compensation that is shareholder aligned, with at least 50% comprised of performance awards, the Compensation Committee subjectively allocated and set vesting conditions for the LTI compensation as follows:

Increased the Portion of LTI Compensation Allocated to Variable/At-Risk Awards. For the second year in a row, the Compensation Committee allocated a larger portion of the LTI awards to variable/at-risk compensation, increasing the percentage to 80% in 2018, from 70% in 2017, and reducing the percentage allocated to long-term cash incentive awards to 20% in 2018 from 30% in 2017. Consequently, the named executive officers were granted target LTI compensation in 2018 that was allocated approximately 50% to performance-based phantom stock unit awards, 30% to time-based RSU awards, and 20% to long-term incentive cash. In consideration of a trend observed in the competitive pay analysis provided by Pearl Meyer, whereby the peers within our Custom Peer Group have decreased the use of stock options as a component of executive compensation, the Compensation Committee approved a grant of time-based RSU awards instead of stock options in 2018, which, are more in line with our Custom Peer Group but like stock options, retain the emphasis on performance and are shareholder aligned. In part to preserve the number of shares available for future issuance under the 2007 Incentive Plan, the Compensation Committee granted performance-based phantom stock unit awards in 2018, instead of performance-based RSU awards.

Revised the Performance-Based Award Vesting Conditions and Limited the Potential Payout. The performance-based phantom stock unit awards granted in 2018 include an additional vesting condition that reduces the portion of total payout achieved above target level by half when the Company's TSR is negative. We also revised the maximum payout of these phantom stock awards by limiting the appreciation of each unit to be no more than three times the stock price at the date of grant, as opposed to the 2016 awards' maximum appreciation of four times the stock price at the date of grant. The 2018 performance-based phantom stock unit awards contain only two performance metrics, as compared to three performance metrics in 2017, which the Compensation Committee believes improves the focus of the award on achieving shareholder value (TSR) and return on capital (EBITDA ROCE), retaining the two strategic

measures that the Compensation Committee believes are most strongly aligned with our shareholders' interests while eliminating any overlap in the performance measures used (between EBITDA growth and EBITDA ROCE). Additionally, according to the competitive pay analysis provided by Pearl Meyer, the use of fewer performance metrics is more prevalent within our Custom Peer Group.

Finalized 2018 Performance-Based Program Payouts. Based on Company performance measures and the achievement of the 2018 Team Goals, each of the named executive officers earned a 2018 annual cash incentive award above their target level, with the exception of Mr. Freeman. Under the 2015 performance-based restricted stock unit award, which had a performance period of January 1, 2015 to December 31, 2017, the Company's performance was slightly above the median of the peer group, which included three peers that filed for bankruptcy before the end of the performance period. Accordingly, Messrs. Locke, Phillips, Peña, Tucker and Freeman each received approximately 106% of their target award shares, which vested in April 2018.

Held Non-Employee Director Compensation Flat. The Compensation Committee decided to hold compensation for non-employee directors flat and grant restricted stock awards in 2018 with a grant date fair market value of approximately \$115,000. Except for the increase of the annual retainer for the Chairman of the Board in 2015, the cash and equity compensation for non-employee directors has not increased since 2013.

COMPENSATION DISCUSSION AND ANALYSIS

2018 Executive Total Compensation Mix

We believe that our 2018 executive compensation program is competitive and strongly aligned with pay-for-performance principles. Consistent with prior practice, in 2018 the Compensation Committee emphasized compensation opportunities that reward our named executive officers when they deliver financial and operational results.

A significant percentage of the 2018 target compensation for our named executive officers was variable/at-risk, as the following graphs illustrate:

COMPENSATION DISCUSSION AND ANALYSIS

Shareholder Advisory Vote on Executive Compensation

We conducted an advisory vote on executive compensation last year at our 2018 Annual Meeting of Shareholders. While this vote is not binding on the Compensation Committee, the Board of Directors or us, the Compensation Committee values the opinions of our shareholders on executive compensation matters.

Based upon the Inspector of Election’s report, the advisory vote on executive compensation received the favorable support of 96% of the votes cast thereon. The Compensation Committee evaluated the results of the 2018 advisory vote together with the other factors and data discussed in this Compensation Discussion and Analysis in determining our 2018 executive compensation program. The Compensation Committee considered the vote results and, in light of

the strong stockholder support, did not make any significant changes to our executive compensation program solely as a result of the 2018 advisory vote.

In response to the majority of the votes cast for an advisory vote on executive compensation every year at our 2017 Annual Meeting of Shareholders, we determined that an advisory vote on executive compensation would be conducted every year, until we hold the next advisory vote on the frequency of advisory votes on executive compensation at our 2023 Annual Meeting of Shareholders.

Our Compensation Philosophy

The Compensation Committee aims to design our executive compensation program with goals and objectives to:

Provide a compensation structure that is consistent with competitive pay practices and pay levels with respect to industry peers;

Attract, motivate and retain executives necessary for our success;

Encourage the attainment of strategic business objectives with pay-for-performance principles; and

Reward executives for building shareholder value.

WHAT WE DO

- þ A significant portion of our executive pay is variable/at-risk
- þ Apply shareholder aligned performance objectives for our executives
- þ Use an independent compensation consultant
- þ Evaluate our executive compensation against our industry peers
- þ Apply share ownership guidelines for named executive officers and directors
- þ Adhere to a claw-back policy
- Consider risk in our executive compensation program:
 - A significant portion of our executive compensation is tied to long-term performance
 - We use diversified performance metrics, including TSR, EBITDA, EBITDA ROCE, EPS, safety, etc.
 - We use diversified plans through which relative performance is measured against our own budgeted goals and against the performance of our peers
- þ Our 2007 Incentive Plan specifies a one-year minimum vest period for all equity awards, except for up to 5% of the shares reserved for issuance under the plan*

WHAT WE DON’T DO

- ý No re-pricing of underwater stock options
- ý No tax gross ups for anyone becoming a participant in our Key Employee Severance Plan after March 2011
- ý No hedging of Company securities or pledging of Company securities as collateral for a loan
- ý No personal aircraft
- ý No country club memberships for personal use
- ý No dividends on unvested awards*
- ý No transfer of awards (other than to certain persons and entities who are (i) not third-party financial institutions and (ii) approved by the Compensation Committee)*

*Subject to shareholder approval of the amendment and restatement of the 2007 Incentive Plan in Proposal 2 Compensation Portfolio. The Compensation Committee recognizes the importance of incentive awards that (i) incentivize Company performance and (ii) reward executives in relation to the performance of the Company's stock price, the use of which aligns executive compensation with shareholder interests. Accordingly, the Compensation Committee applies a portfolio approach within the incentive compensation program to leverage the varied benefits of multiple award types, including awards that are earned based on company performance, awards that derive all or a portion of their value from the Company's stock price, and cash incentive awards. Additionally, the Compensation Committee recognizes that the portfolio of long-term awards granted in previous years continues to provide incentive during the current year and gives consideration to this portfolio approach when determining the incentive award types granted in any given year.

Variable/At-Risk Compensation. Variable/at-risk awards include performance-based awards (which are directly tied to the performance of the Company) and equity-linked awards (which derive all or a portion of their value from the Company's stock price) and thus we believe they are closely correlated

COMPENSATION DISCUSSION AND ANALYSIS

with our shareholders' interests. These awards are intended to instill a sense of ownership in our named executive officers, incentivize them to have a long-term focus for our business, reward them for creating value for our shareholders, and align their financial interests with that of our shareholders.

Seventy percent of our Chief Executive Officer's target direct compensation is variable/at-risk, including: Annual Cash Incentive Awards. The annual cash incentive award is based on operational, financial and team performance.

Time-Based Restricted Stock Unit Awards. These awards are issued as equity and the share value realized upon vesting is linked to Company performance.

Performance-Based Phantom Stock Unit Awards. The performance-based phantom stock unit awards are earned based on our relative performance versus a pre-defined group of 15 peer companies over the three-year performance period in each of the following two metrics: total shareholder return and EBITDA ROCE.

Our Use of Peer Groups for Compensation Analysis and Performance Awards. The Compensation Committee uses a "Custom Peer Group" as well as certain Industry Survey Data in order to develop a "market consensus" for the compensation of our named executive officers. The Compensation Committee believes the Custom Peer Group reflects our current competitors for employee talent and that it provides an appropriate peer set for the purposes of evaluating our pay practices and pay levels. For purposes of determining our performance achieved as compared to the performance of our peers under the performance-based phantom stock unit awards, we use a "Performance Peer Group" comprised of peers with whom the Compensation Committee believes we compete with directly for daily business or for investors, including similarly sized peers that provide product or service offerings to our shared group of target customers. Because the companies in the Performance Peer Group are direct competitors to us either for business or for investors, the Compensation Committee subjectively determined that these companies provide a better comparison for EBITDA ROCE and TSR than the Custom Peer Group, which consists of a broader group of companies with which we compete for employee talent. See additional disclosure in the sections titled "The Role of Competitive Pay Analysis" and "The 2018 Executive Compensation Program in Detail."

Target Compensation. Our executive compensation program is generally designed to achieve target direct compensation (base salary, target annual cash incentive award and target long-term incentive awards) for our named executive officers at the market median compensation level, as determined by our independent compensation consultant. See additional disclosure in the sections titled "The Role of the Compensation Consultant" and "The Role of Competitive Pay Analysis." Accordingly, under our long-term performance-based awards, if the Company's performance over the relevant period were to fall exactly in the middle of the peer group, the participant would receive a target award equal to 50% of the maximum potential award. We believe this design drives improved performance because of the opportunity for above-target payouts for above-median performance. See additional disclosure in the section titled "2018 Target Direct Compensation."

Our Use of Performance Metrics and Diversified Plans. We use diversified performance metrics and plans. Our annual cash incentive awards and long-term performance-based phantom stock unit awards are tied to our strategic business objectives and are not intended to reward executives multiple times for the same performance. Among other performance measures, the Compensation Committee strategically selected earnings before interest, taxes, depreciation and amortization ("EBITDA") return on capital employed ("ROCE") as base performance metrics for both the annual cash incentive award and the long-term performance-based award. However, the awards are varied in the way the metrics are used to determine performance and payouts because the annual cash incentive award is measured over a one-year period against the Company's budgeted metric, while the long-term performance-based phantom stock unit awards are measured over a three-year period against the relative performance of a pre-defined peer group. Consequently, the Company's achievement of a target level EBITDA payout under the annual cash incentive awards will not necessarily mean that a target payout level will be achieved under the long-term performance-based phantom stock unit awards, as the performance-based phantom stock unit awards' payout is based on the Company's EBITDA ROCE over the three-year performance period relative to the performance of the pre-defined peer group, which could be zero if the Company's relative performance was in the bottom quartile as compared to the peer group. Because of the varied plans, we do not believe the use of similar metrics in multiple plans would reward our executives multiple times for the same performance. To the contrary, we believe the plans are

complementary and together incentivize management toward greater-than-peer performance in shareholder value and return on capital over the short and long-term business cycles.

The Role of the Compensation Committee

The Compensation Committee administers our executive compensation program and is responsible for establishing appropriate compensation for our named executive officers. The duties of the Compensation Committee include:

- Approving and overseeing our compensation policies, objectives and programs for executive officers;
- Reviewing and approving all formal employment or other contracts between us and our executive officers;
- Annually reviewing and approving corporate goals, objectives and other key measures relevant to the compensation of our executive officers;
- Evaluating the performance of our executive officers; and
- Appointing, compensating, retaining and overseeing the Compensation Committee's consultant and other advisors.

Except as disclosed in this Compensation Discussion and Analysis, at this time, the Compensation Committee does not intend to delegate its powers and authority to any subcommittee or other persons.

COMPENSATION DISCUSSION AND ANALYSIS

The Role of Management

The Compensation Committee believes that even the best advice of a compensation consultant or other outside advisors must be combined with the input from senior management and the Compensation Committee's own individual experiences and judgment to arrive at the proper alignment of compensation philosophy, objectives, and programs. In 2018, the Chief Executive Officer, Chief Financial Officer, Senior Vice President of Human Resources, and General Counsel worked closely with the Compensation Committee in formulating award designs, performance measures, and performance levels (i.e., threshold, target, and above expectation) necessary to align the executive compensation program with our strategic business objectives.

Generally, the Chief Executive Officer reviews with the Compensation Committee his performance evaluations of the other named executive officers and his recommendations regarding base salary adjustments,

annual cash incentive awards, and long-term incentive awards for the other named executive officers to help ensure alignment with pay-for-performance principles. However, all final decisions regarding the compensation of the named executive officers are made in executive session by the Compensation Committee.

The Board and Compensation Committee conduct their own performance assessment of the Chief Executive Officer, and no management recommendation is made with regard to his compensation.

While certain members of management attended the Compensation Committee's meetings in 2018 upon invitation, they did not attend either private sessions or portions of any other meetings of the Compensation Committee where executive compensation determinations were made by the Compensation Committee.

The Role of the Compensation Consultant

The Compensation Committee retains an independent compensation consultant to obtain objective, expert advice on executive compensation. From 2011 and through November 2017, the Compensation Committee retained Pearl Meyer & Partners ("Pearl Meyer"), and in July 2018, the Compensation Committee retained Compensation Advisory Partners to serve as the independent compensation consultant.

Pearl Meyer advised the Compensation Committee on a variety of issues related to 2018 compensation, including:

• Competitive pay analysis on executive compensation including:

- The composition of the "Custom Peer Group" which the Compensation Committee uses for competitive pay analysis;
- The weighting of information from the Custom Peer Group and Industry Survey Data in order to develop a "market consensus" which is used by the Compensation Committee for the named executive officers' competitive pay analysis;
- Pay levels of the named executive officers;
- Our executive compensation program design, including short-term incentive plan design, long-term incentive plan design and pay mix; and
- The composition of the "Performance Peer Group" which the Company uses for certain of its performance-based equity awards.

Pearl Meyer developed a "market consensus" for each named executive officer's 2018 base salary, target total cash compensation (i.e. base salary, target annual cash incentive and long-term cash incentive awards), target long-term incentive awards, and target direct compensation (i.e. base salary, target annual cash incentive award and target long-term incentive awards) by subjectively prioritizing the data derived from the Custom Peer Group and the Industry Survey Data. The "market consensus" was used to determine the competitiveness of the Company's executive compensation for each named executive officer. See additional disclosure in the section titled "The Role of Competitive Pay Analysis."

In the course of conducting its activities, the independent compensation consultant attended meetings of the Compensation Committee and presented their respective findings and recommendations for discussion. During 2018, the independent

compensation consultant also met with certain senior management to obtain and validate data and review materials.

The Compensation Committee also obtains an analysis of director compensation every other year from the independent compensation consultant. Compensation Advisory Partners provided the most recent analysis of director compensation which was done in December 2018 (and which will be considered in setting the director compensation

for 2019 and 2020). The Compensation Committee reviews the analysis and determines whether to recommend a compensation increase for non-employee directors. The executive officers do not play a role in determining or recommending the amount or form of director compensation.

In 2018, neither Pearl Meyer nor Compensation Advisory Partners provided any services to the Company, nor received any payments from the Company, other than in the capacity as a consultant to the Compensation Committee. The Compensation Committee has assessed whether the services provided by Pearl Meyer or Compensation Advisory Partners raised any conflicts of interest pursuant to the SEC rules, and has concluded that no such conflicts of interest existed during 2018.

COMPENSATION DISCUSSION AND ANALYSIS

The Role of Competitive Pay Analysis

Each year, the Compensation Committee evaluates how our pay practices and the named executive officers' compensation levels compare to the competitive market for executive talent.

To evaluate the competitiveness of the named executive officers' base salary, target total cash compensation (i.e. base salary, target annual cash incentive and long-term cash incentive awards), target long-term incentive awards, and target direct compensation (i.e. base salary, target annual cash incentive award and target long-term incentive awards) for 2018, Pearl Meyer provided the Compensation Committee competitive pay information derived from a custom peer group (the "Custom Peer Group") and the following industry-specific survey data (collectively, the "Industry Survey Data"):

• Pearl Meyers Oilfield Services Benchmark Survey;

• Pearl Meyers Drilling Management Survey;

• Watson Wyatt Top Management; and

• William M. Mercer-Energy.

The companies comprising the Custom Peer Group for 2018 included:

Custom Peer Group	Primary SIC (Standard Industrial Classification) Description
Basic Energy Services, Inc.	Oil and Gas Equipment and Services
CARBO Ceramics, Inc.	Oil and Gas Equipment and Services
Forum Energy Technologies, Inc.	Oil and Gas Equipment and Services
Helix Energy Solutions Group, Inc.	Oil and Gas Equipment and Services
Helmerich & Payne, Inc.	Oil and Gas Drilling
Hornbeck Offshore Services, Inc.	Oil and Gas Equipment and Services
Key Energy Services, Inc.	Oil and Gas Equipment and Services
Newpark Resources, Inc.	Oil and Gas Equipment and Services
Oil States International, Inc.	Oil and Gas Equipment and Services
Parker Drilling Company, Inc.	Oil and Gas Drilling
Patterson-UTI Energy, Inc.	Oil and Gas Drilling
RPC, Inc.	Oil and Gas Equipment and Services
Superior Energy Services, Inc.	Oil and Gas Equipment and Services
Tesco Corporation	Oil and Gas Equipment and Services
TETRA Technologies, Inc.	Oil and Gas Equipment and Services
Unit Corp	Oil and Gas Drilling

The Compensation Committee, with the assistance of the compensation consultant, annually reviews the companies comprising the Custom Peer Group in order to maintain its appropriateness for the competitive pay analysis. These companies were generally selected based upon their (i) Primary SIC Description, (ii) annual revenues, and (iii) market capitalization. Information regarding our and our peer companies' annual revenues and market capitalization is as of September 30, 2017.

There were no changes to the composition of the Custom Peer Group from 2017 to 2018 except for the removal of Atwood Oceanics, which was acquired in 2017. The Compensation Committee believes the Custom Peer Group reflects our current competitors for employee talent and that it provides an appropriate peer set for the purposes of evaluating our pay practices and pay levels.

Pearl Meyer developed a "market consensus" for each named executive officer's 2018 base salary, target total cash compensation, target long-term incentive awards and target direct compensation by subjectively weighting the data derived from the Custom Peer Group and the Industry Survey Data, where appropriate, to provide representative market comparisons.

The Compensation Committee uses the competitive pay information as a "market check" to ensure, in its subjective judgment, that the named executive officers' base salary, target total cash compensation, target long-term incentive awards and target direct compensation remain competitive. While the competitive pay information is important to the Compensation Committee's approval process, it is just one of several factors considered by the Compensation Committee in approving executive compensation and the Compensation Committee has discretion in determining the

nature and extent of its use.

The Compensation Committee reviews the competitive pay information for each component of target direct compensation (i.e., base salary, target annual cash incentive award and target long-term incentive awards), but does not target the individual pay components to fall within a specific range or percentile of the competitive pay information. The Compensation Committee generally aims to set the target direct compensation of the named executive officers in proximity to the median compensation level of the market consensus, with incentive award opportunities that enable the named executive officers to earn compensation at above-median levels when Company performance exceeds targets and/or relative peer performance.

COMPENSATION DISCUSSION AND ANALYSIS

The Role of Team Performance

The named executive officers' compensation is impacted by their individual contributions to team goals, as well as their overall performance as a team. The Compensation Committee annually conducts a subjective assessment of the named executive officers' accomplishments as a team with respect to goals and strategies that are established at the beginning of each year. The Compensation Committee believes that focusing on team performance, rather than individual performance, emphasizes the importance of team work among the named executive officers.

The 2018 team goals included the following (collectively, the "2018 Team Goals"):

- Improve liquidity and financial flexibility, with a focus on positioning the Company for growth and achieving greater profitability and positive cash flow during recovery of the industry;

- Continue to monitor and assess key risks and market challenges, and develop strategic responses to mitigate;

- Identify opportunities for reactivation of stacked production services equipment and/or expansion into new markets during recovery of the industry;

- Maintain high utilization of domestic AC rigs and improve profitability of operations in Colombia;

- Continue to advance our goal of having best-in-class fleets by divesting non-strategic and/or under-performing assets and investing in high-quality fleet additions across our business lines;

- Maintain emphasis on safety and service with a goal to be the best in the industry;

- Leverage IT resources to protect and benefit our operations;

- Assist the Nominating and Corporate Governance Committee with board succession planning; and

- Continue named executive officer successor development.

The Compensation Committee subjectively determined that the named executive officers contributed meaningfully to the 2018 Team Goals during 2018 but were not able to fully achieve all of the 2018 Team Goals due to the industry's continued volatility during 2018.

The 2018 Executive Compensation Program in Detail

COMPENSATION DISCUSSION AND ANALYSIS

Base Salary

We provide the named executive officers with a base level of monthly income for the expertise, skills, knowledge and experience they offer to our management team. The Compensation Committee generally reviews each named executive officer's base salary on an annual basis.

As discussed previously in the section titled "2018 Compensation Highlights," the Compensation Committee held the salaries of the named executive officers flat in 2018 as compared to 2017.

The named executive officers' annual base salary as of December 31, 2018 and 2017 were as follows:

Name and Position	Annual Base Salary as of		% Change
	December 31, 2018	December 31, 2017	
Wm. Stacy Locke, Director, President and Chief Executive Officer	\$ 745,000	\$ 745,000	— %
Lorne E. Phillips, Executive Vice President and Chief Financial Officer	\$ 395,000	\$ 395,000	— %
Carlos R. Peña, Executive Vice President and Chief Strategy Officer ⁽¹⁾	\$ 375,000	\$ 375,000	— %
Brian L. Tucker, Executive Vice President and Chief Operating Officer ⁽²⁾	\$ 375,000	\$ 375,000	— %
Joe P. Freeman, Former Senior Vice President of Well Servicing Segment ⁽³⁾	\$ 330,000	\$ 330,000	— %

On January 1, 2019, Mr. Peña assumed the role of Executive Vice President and Chief Strategy Officer;

(1) previously, Mr. Peña served as the Company's Executive Vice President and President of Wireline and Coiled Tubing Services.

On January 1, 2019, Mr. Tucker assumed the role of Executive Vice President and Chief Operating Officer;

(2) previously, Mr. Tucker served as the Company's Executive Vice President and President of Drilling and Well Servicing.

(3) Mr. Freeman resigned from his position as Senior Vice President of Well Servicing effective January 1, 2019.

As a "market check," the Compensation Committee reviewed the competitive pay information in setting the named executive officers' base salaries for 2018. The base salaries of Messrs. Locke, Phillips, and Tucker fell slightly below the 50th percentile, while Mr. Peña's base salary fell between the 25th and 50th percentiles and Mr. Freeman's base salary was slightly above the 50th percentile of the competitive pay information.

While the Compensation Committee reviewed the competitive pay information in connection with setting the named executive officers' base salary, together with their contributions toward the team goals, the Compensation Committee did not target their respective base salary to fall within a specific range or percentile of the competitive pay information.

Annual Cash Incentive Compensation

Each year, the named executive officers are eligible to earn a cash incentive award under our 2007 Incentive Plan. The annual cash incentive award is intended to motivate and reward the named executive officers for their contributions in achieving certain strategic business objectives that we believe create shareholder value. As discussed previously in the section titled "2018 Compensation Highlights", the Compensation Committee held the annual cash incentive award opportunities for the named executive officers flat in 2018, as compared to 2017.

Each named executive officer has a target annual cash incentive award opportunity expressed as a percentage of their annual base salary paid. Subject to performance and continued employment, the payout of the annual cash incentive

award can range from zero to two times the target award opportunity. The resulting threshold, target and maximum opportunity levels for our named executive officers, expressed as a percentage of each named executive officer's respective base salary paid in 2018, are as follows:

Name	Award Opportunity (as % of Salary Paid)			Award Opportunity (\$)		
	Threshold	Target	Maximum ⁽²⁾	Threshold	Target	Maximum ⁽²⁾
Wm. Stacy Locke	45 %	100 %	200 %	\$ 335,250	\$ 745,000	\$ 1,490,000
Lorne E. Phillips	33.75 %	75 %	150 %	\$ 133,313	\$ 296,250	\$ 592,500
Carlos R. Peña	33.75 %	75 %	150 %	\$ 126,563	\$ 281,250	\$ 562,500
Brian L. Tucker	33.75 %	75 %	150 %	\$ 126,563	\$ 281,250	\$ 562,500
Joe P. Freeman	27 %	60 %	120 %	\$ 89,100	\$ 198,000	\$ 396,000

(1) Represents 45% of the target opportunity level for the named executive officer.

(2) Represents 200% of the target opportunity level for the named executive officer.

COMPENSATION DISCUSSION AND ANALYSIS

Our Cyclical Industry's Effect on our Compensation

The targets in our annual cash incentive plan are based on budgeted metrics measured over a one-year period. Due to the cyclical nature of the oil and gas industry, the targets in a given year could be lower than the targets or actual results achieved in the prior year. We believe it is appropriate to measure the performance of management over a one-year period against such targets primarily because the cyclical nature of the industry is outside of management's control and because the budgeted targets are rigorous, as demonstrated by the eight-year history of annual incentive plan payouts for our CEO represented in the graph to the right. The average bonus over this eight-year period was 108% of target, with half of the bonuses below target, and half above target.

The amount of the cash incentive award is determined by comparing our actual performance against a scorecard of specific performance measures and associated performance levels approved by the Compensation Committee each year. The results of this comparison dictate the ultimate amount of each named executive officer's annual cash incentive award. The Compensation Committee designed the cash incentive award to reward exceptional performance by providing for progressively increasing payments as our performance exceeds the target level, and correspondingly providing for no payment unless a threshold level of performance is achieved. If the Company's performance falls between the threshold, target or above expectation performance levels, the cash incentive award opportunity is linearly interpolated to determine the actual payout.

In January 2018, the Compensation Committee reviewed and approved the following performance measures and associated performance levels for the 2018 annual cash incentive awards. The Company's performance measures and associated performance levels were designed to be in alignment with the Company's strategic plans and the 2018 budget (which was approved by the Board).

	Performance Levels				Measurement Indicator
	Threshold	Target	Above Expectation	Actual Performance	
Adjusted Diluted Earnings (Loss) Per Share ⁽¹⁾	\$(0.73)	\$(0.52)	\$(0.31)	\$(0.62)	Representation of bottom line performance
Consolidated Adjusted EBITDA ⁽²⁾	\$48,893	\$81,488	\$114,083	\$81,983	Indicator of consolidated operating performance of the Company
Consolidated Adjusted EBITDA ⁽²⁾ ROCE ⁽³⁾	7.49	%12.48	%17.47	%12.59	% Indicator of the profitability of our assets
Consolidated or Segment-Level Safety Record (Recordable Incident Rate)	1.5	1.1	0.7	0.8	A cultural measurement important to management, our clients and the families of our employees Emphasizes the importance of consistent, personal performance and contribution to the Company, including the achievement of the 2018 Team Goals
Individual Performance	NA	NA	NA	NA	

* In Thousands

"Adjusted Diluted Earnings (Loss) Per Share" as defined for the calculation of the performance achieved under the 2018 annual cash incentive award was defined as the Company's 2018 earnings before the financial statement impact of impairments, valuation allowances, certain asset sales, and phantom stock unit expense volatility, divided by the weighted-average number of (diluted) shares outstanding during the year.

"Adjusted EBITDA" as defined for the calculation of the performance achieved under the 2018 annual cash incentive award was defined as the Company's 2018 earnings before interest, income taxes, depreciation, amortization, impairments, valuation allowances, net gain on the sale of certain assets, and phantom stock unit expense volatility.

(3)

“Adjusted EBITDA ROCE” as defined for the calculation of the performance achieved under the 2018 annual cash incentive award was defined as the Company’s 2018 Adjusted EBITDA⁽²⁾ divided by the Company’s average debt and equity for the year ended December 31, 2018, adjusted to remove the financial statement impact of impairments, valuation allowances, certain asset sales, and phantom stock unit expense volatility.

After the end of the year, the Compensation Committee determined that for purposes of the annual cash incentive award, the Company’s adjusted diluted earnings per share was a loss of \$0.62 per share. In determining the Company’s actual performance for 2018, the Company’s adjusted diluted earnings per share was based on the Company’s 2018 loss per share reported in its financial statements and adjusted to account for certain items that were not estimable by the Compensation Committee at the time performance targets were set. Specifically, adjustments were made to mitigate the financial statement impact of impairments, valuation allowances, certain asset sales, and the volatility in phantom stock unit expense which fluctuates in relation to our stock price. The Company believes that the performance goals should be made no easier (or harder) to achieve because of the favorable (or unfavorable) impact of these items which do not reflect the performance of management. Accordingly, these adjustments were made to preserve the level of incentives that were intended when the 2018 performance goals were established.

In order to align the Company’s performance and the named executive officers’ performance with the interests of our shareholders, the Compensation Committee subjectively weighted each of the above performance measures relative to its potential impact on the Company’s performance and creation of shareholder value. For all named executive officers, the performance measures included consolidated Adjusted Diluted Earnings (Loss) Per Share and Individual Performance. For our CEO, CFO, Chief Strategy Officer, and Chief Operating Officer, the performance measures included consolidated Adjusted EBITDA ROCE, consolidated Adjusted EBITDA and a consolidated safety record.

COMPENSATION DISCUSSION AND ANALYSIS

However, for our former Well Servicing Senior Vice President, the Compensation Committee included both consolidated and segment-level performance goals to provide incentive to drive the operational results of the segment, while ensuring overall accountability to corporate performance. Accordingly, the Adjusted EBITDA performance measure for Mr. Freeman is based on segment-level Adjusted EBITDA and the safety record performance measure is based on the segment-level safety record. We do not publicly disclose these segment-level measures because they are derived from internal analysis reflecting our confidential business strategy and we believe that the disclosure of these segment-level measures could cause competitive harm to us without commensurate benefit to our shareholders. The targets are intended to be challenging but also realistic enough to be reasonably attainable. Our achievement over the last five years in these two measures, as compared to the target level, was 97% on average, with average achievement in segment-level Adjusted EBITDA over the five years of 75% and average achievement in segment-level safety of 118%.

Each named executive officer's annual cash incentive award is derived from our actual performance with respect to the measures above, on a weighted basis. The weighting of the performance measures for the named executive officers' target annual cash incentive award for 2018 was as follows:

Weighting of Performance Measures (at Target Level)⁽¹⁾

	Adjusted Diluted Earnings (Loss) Per Share	Consolidated or Segment-Level Adjusted EBITDA	Consolidated Adjusted EBITDA ROCE	Consolidated or Segment-Level Safety Record	Individual Performance	
Wm. Stacy Locke	20	% 25	% 15	% 20	% 20	%
Lorne E. Phillips	20	% 25	% 15	% 20	% 20	%
Carlos R. Peña	20	% 25	% 15	% 20	% 20	%
Brian L. Tucker	20	% 25	% 15	% 20	% 20	%
Joe P. Freeman	20	% 40	% NA	20	% 20	%

(1) The weights set forth in the above table are based upon target performance. Consequently, if our performance falls below or above target with respect to a specific performance goal, the weighting of such performance goal toward the actual amount earned will correspondingly increase or decrease, as the case may be.

In assessing individual performance, the Compensation Committee considered the named executive officers' achievement, as a team, of the 2018 Team Goals discussed in the section titled "The Role of Team Performance." At the end of 2018, the Compensation Committee completed the evaluation of our results and the weighting of the performance measures to help ensure that the annual cash incentive award determinations were aligned with pay-for-performance principles. Based on Company performance measures and the achievement of the 2018 Team Goals, each of the named executive officers earned a 2018 annual cash incentive award above their target level, with the exception of Mr. Freeman. The Compensation Committee made the following annual cash incentive award determinations for our named executive officers for 2018:

Award Achievement Levels by Performance Measure

	Adjusted Diluted Earnings (Loss) Per Share	Consolidated or Segment-Level Adjusted EBITDA	Consolidated Adjusted EBITDA ROCE	Consolidated or Segment-Level Safety Record	Individual Performance	2018 Annual Cash Incentive Award
Wm. Stacy Locke Award Achieved (\$)	\$ 108,183	189,078	114,142	\$ 240,432	\$ 134,100	\$ 785,935

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Award Achieved (% of Salary Paid)	15	% 25	% 15	% 32	% 18	% 105	%
Lorne E. Phillips							
Award Achieved (\$)	\$43,019	75,187	45,389	\$ 95,608	\$ 53,325	\$312,528	
Award Achieved (% of Salary Paid)	11	% 19	% 11	% 24	% 14	% 79	%
Carlos R. Peña							
Award Achieved (\$)	\$40,841	71,380	43,091	\$ 90,767	\$ 50,625	\$296,704	
Award Achieved (% of Salary Paid)	11	% 19	% 11	% 24	% 14	% 79	%
Brian L. Tucker							
Award Achieved (\$)	\$40,841	71,380	43,091	\$ 90,767	\$ 50,625	\$296,704	
Award Achieved (% of Salary Paid)	11	% 19	% 11	% 24	% 14	% 79	%
Joe P. Freeman							
Award Achieved (\$)	\$28,752	53,567	NA	\$ 69,300	\$ 35,640	\$187,259	
Award Achieved (% of Salary Paid)	9	% 16	% NA	21	% 11	% 57	%

The named executive officers' 2018 cash incentive awards are reported in the "Non-Equity Incentive Plan Compensation" column of the 2018 Summary Compensation Table.

COMPENSATION DISCUSSION AND ANALYSIS

Long-Term Incentive (LTI) Compensation

The Compensation Committee recognizes the importance of incentive awards that (i) incentivize Company performance and (ii) reward executives in relation to the performance of the Company's stock price, the use of which aligns executive compensation with shareholder interests. Accordingly, the Compensation Committee applies a portfolio approach within the incentive compensation program to leverage the varied benefits of multiple award types, including awards that are earned based on company performance, awards that derive all or a portion of their value from the Company's stock price, and cash incentive awards. Additionally, the Compensation Committee recognizes that the portfolio of long-term awards granted in previous years continues to provide incentive during the current year and gives consideration to this portfolio approach when determining the incentive award types granted in any given year.

As discussed previously in the section titled "2018 Compensation Highlights," the Compensation Committee held the 2018 target long-term incentive compensation levels of the named executive officers flat, as compared to 2017, except for an increase in Mr. Freeman's target LTI award compensation, which was adjusted to better align his target direct compensation with the most recent competitive pay analysis. In setting the target value of each named executive officer's 2018 long-term incentive compensation, the Compensation Committee conducted an assessment of the competitive pay information derived by Pearl Meyer to subjectively develop a competitive aggregate target value for such awards. Mr. Freeman's target direct compensation fell below the market median in 2017, and in consideration of this, the Compensation Committee decided to increase his target LTI to 125% of his base salary in 2018, from 100% in 2017.

In order to align the named executive officers' financial interests with the Company's shareholders, the Compensation Committee strives to allocate the aggregate target value of long-term incentive compensation in such a way that the total is significantly weighted toward variable/at-risk award forms with at least 50% allocated to performance-based awards. As discussed previously in the section titled "2018 Compensation Highlights," for the second year in a row, the Compensation Committee allocated a larger portion of the LTI awards to variable/at-risk compensation, increasing the percentage to 80% in 2018, from 70% in 2017, and reducing the percentage allocated to long-term cash incentive awards to 20% in 2018 from 30% in 2017. In consideration of a trend observed in the competitive pay analysis provided by Pearl Meyer, whereby the peers within our Custom Peer Group have decreased the use of stock options as a component of executive compensation, the Compensation Committee approved a grant of time-based RSU awards instead of stock options in 2018, which, are more in line with our Custom Peer Group but like stock options, retain the emphasis on performance and are shareholder aligned. In part to preserve the number of shares available for future issuance under the 2007 Incentive Plan, the Compensation Committee granted performance-based phantom stock unit awards in 2018, instead of performance-based RSU awards.

Consequently, and as demonstrated below, the Compensation Committee allocated the competitive aggregate target value for each participant's 2018 LTI compensation among long-term variable/at-risk awards (performance-based phantom stock unit awards (50%) and time-based restricted stock unit awards (30%)) and long-term cash incentive awards (20%).

Accordingly, the Compensation Committee granted the named executive officers the following target values of long-term incentive awards in 2018:

Name	Target Value of Variable/At-Risk Awards ⁽¹⁾	Long-Term Cash Incentive Awards	Aggregate Target Value of LTI Awards
Wm. Stacy Locke	\$ 2,280,000	\$ 570,000	\$2,850,000
Lorne E. Phillips	\$ 628,000	\$ 157,000	\$785,000
Carlos R. Peña	\$ 600,000	\$ 150,000	\$750,000

Brian L. Tucker	\$ 600,000	\$ 150,000	\$ 750,000
Joe P. Freeman ⁽²⁾	\$ 206,250	\$ 206,250	\$ 412,500

The amounts reflect the aggregate target value of the variable/at-risk awards granted to the named executive officers in 2018. As discussed further in the next section entitled, "Long-Term Variable/At-Risk Awards," these values were converted to a number of phantom stock unit awards and time-based RSU awards based on an estimate of our stock price. The values shown in the 2018 Summary Compensation Table and 2018 Grants of Plan-Based Awards are different from the amounts presented above, as the amounts in those tables are calculated based on the grant date fair value, which is computed in accordance with ASC Topic 718.

(1) values were converted to a number of phantom stock unit awards and time-based RSU awards based on an estimate of our stock price. The values shown in the 2018 Summary Compensation Table and 2018 Grants of Plan-Based Awards are different from the amounts presented above, as the amounts in those tables are calculated based on the grant date fair value, which is computed in accordance with ASC Topic 718.

(2) Mr. Freeman received an additional \$123,750 long-term cash incentive award in lieu of time-based equity awards pursuant to the Company's policy further described in the section titled "Long-Term Cash Incentive Awards."

COMPENSATION DISCUSSION AND ANALYSIS

Long-Term Variable/At-Risk Awards

Variable/at-risk awards include performance-based awards (which are directly tied to the performance of the Company) and equity-linked awards (which derive all or a portion of their value from the Company's stock price). Restricted stock unit (RSU) and phantom stock unit award value is tied directly to the Company's stock price and thus we believe they are closely correlated with our shareholders' interests. These awards are intended to instill a sense of ownership in our named executive officers, incentivize them to have a long-term focus for our business, reward them for creating value for our shareholders, and align their financial interests with that of our shareholders.

The competitive aggregate target value allocated to equity-linked awards (RSUs and phantom stock units) was converted to a number of time-based RSU awards and target phantom stock unit awards based on a representative "stock price" for our common stock (an average of the closing prices of our common stock from December 21, 2017 to January 12, 2018). Accordingly, the Compensation Committee granted the named executive officers the following variable/at-risk awards in 2018:

Name	Time-Based RSU Awards (#)	Target Phantom Stock Unit Awards (#)	Aggregate Grant Date Fair Value of Variable/At-Risk Awards (\$) ⁽¹⁾
Wm. Stacy Locke	265,528	442,547	\$ 2,374,666
Lorne E. Phillips	73,137	121,894	\$ 654,073
Carlos R. Peña	69,876	116,460	\$ 624,913
Brian L. Tucker	69,876	116,460	\$ 624,913
Joe P. Freeman ⁽²⁾	—	64,053	\$ 195,743

(1) The amounts reflect the aggregate grant date fair value of the awards granted in 2018 to the named executive officers, as applicable, computed in accordance with ASC Topic 718. A discussion of the assumptions used in calculating the grant date fair value is set forth in Note 9 of the Notes to Consolidated Financial Statements of our 2018 Annual Report on Form 10-K filed with the SEC on February 19, 2019.

(2) Mr. Freeman received an additional \$123,750 long-term cash incentive award in lieu of time-based equity awards pursuant to the Company's policy further described in the section titled "Long-Term Cash Incentive Awards." The time-based RSU awards granted to the named executive officers as set forth in the table above will vest annually over a three year period from the date of grant, in three equal annual installments, subject to the continued service of the respective named executive officer through the date of vesting.

The number of performance-based phantom stock unit awards set forth in the above table reflects the target number of phantom stock unit awards to be earned by each named executive officer following a three-year performance period (January 1, 2018 to December 31, 2020). The actual number of phantom stock unit awards that each named executive officer may earn, which may be greater or less than his respective target number, will be based on a weighted average of our relative performance versus a defined group of 15 peer companies (the "Performance Peer Group") over the three-year performance period in each of the equally weighted metrics below:

• Total Shareholder Return ("TSR"); and
 • EBITDA return on capital employed ("EBITDA ROCE").

The 2018 performance-based phantom stock unit awards contain only two performance metrics, as compared to three performance metrics in 2017, which the Compensation Committee believes improves the focus of the award on achieving shareholder value (TSR) and return on capital (EBITDA ROCE), retaining the two strategic measures that the Compensation Committee believes are most strongly aligned with our shareholders' interests while eliminating any overlap in the performance measures used (between EBITDA growth and EBITDA ROCE). Additionally, according to the competitive pay analysis provided by Pearl Meyer, the use of fewer performance metrics is more prevalent within our Custom Peer Group. In order to align the Company's performance and the named executive officers' performance with the interests of our shareholders, the Compensation Committee weighted the above performance measures equally, based on their significance in terms of potential impact on the Company's performance and creation

of shareholder value.

Accordingly, the actual number of performance-based phantom stock unit awards that each named executive officer may earn at the end of the three-year performance period may vary from zero to 200% of his respective target amount, as shown in the following table:

Our performance relative (on weighted average ⁽²⁾) to the EBITDA ROCE and TSR of the Performance Peer Group	Percentage of Target Phantom Stock Unit Awards that may be Earned ⁽¹⁾	Percentage of Maximum Phantom Stock Unit Awards that may be Earned ⁽¹⁾	
<25 th Percentile	0	% 0	%
25 th Percentile	25	% 12.5	%
50 th Percentile	100	% 50	%
90 th Percentile	200	% 100	%

If our performance falls between performance levels, the earned percentage will be linearly interpolated.

(1) Additionally, if TSR is negative, any portion of the award payout for achievement above the target level will be further reduced by 50%.

(2) The total performance percentile achieved is a weighted average of the performance percentiles achieved for each of the metrics, weighted 50% for TSR and 50% for EBITDA ROCE performance.

Our executive compensation program is generally designed to achieve target direct compensation (base salary, target annual cash incentive award and target long-term incentive awards) for our named executive officers at the market median compensation level, as determined by our independent compensation consultant. See additional disclosure in the sections titled "The Role of the Compensation Consultant" and "The Role of Competitive Pay Analysis."

Accordingly, under our long-term performance-based awards, if the Company's performance over the relevant period were to fall exactly

COMPENSATION DISCUSSION AND ANALYSIS

in the middle of the peer group, the participant would receive a target award equal to 50% of the maximum potential award. We believe this design drives improved performance because of the opportunity for above-target payouts for above-median performance. See additional disclosure in the section titled "2018 Target Direct Compensation." Following the three-year performance period, our performance in each of the two weighted performance measures (i.e., TSR and EBITDA ROCE) will be compared to the relative performance of the Performance Peer Group, and the applicable earning percentage (i.e., 0% to 200%) will be assigned to each such performance measure. Each named executive officer's final phantom stock unit awards are equal to the product of (i) the weighted average of the two earning percentages and (ii) his respective target number of performance-based phantom stock unit awards.

The Performance Peer Group consisted of Nabors Industries, Helmerich & Payne, Patterson-UTI Energy, RPC, Inc., C&J Energy Services, Parker Drilling, Superior Energy Services, Key Energy Services, Basic Energy Services, Precision Drilling, Oil States International, Newpark Resources, Inc., TETRA Technologies, Inc., Mammoth Energy Services, and Independence Contract Drilling, all of which the Compensation Committee believes we compete with directly for daily business or for investors, including similarly sized peers that provide product or service offerings to our shared group of target customers. Because the companies in the Performance Peer Group are direct competitors to us either for business or for investors, the Compensation Committee subjectively determined that these companies provide a better comparison for EBITDA ROCE and TSR than the Custom Peer Group, which consists of a broader group of companies with which we compete for employee talent. Companies in the Performance Peer Group that declare bankruptcy are placed at the bottom of the ranking, and companies that are acquired are removed from the Performance Peer Group.

Following the end of the three-year performance period, the Compensation Committee will approve the final phantom stock unit awards that each named executive officer earned and such phantom stock unit awards will cliff vest in April 2021. Upon vesting, the phantom stock unit awards will be converted to equity or cash, at the Company's discretion, and each unit will entitle the employee to either one share of stock or a cash payment equal to the average stock price of our common stock during the last 14 trading days in the performance period, subject to a maximum of three times the Company's stock price on the date of grant and an additional vesting condition that reduces the portion of total payout achieved above target level by half when the Company's TSR is negative. We expect to settle these phantom stock unit awards in cash when they vest. See the 2018 Grants of Plan-Based Awards for each named executive officer's respective threshold, target and maximum number of phantom stock unit awards.

The aggregate grant date fair value of the named executive officer's time-based RSU awards and target phantom stock unit awards, as applicable, are reported in the "Stock Awards" column of the 2018 Summary Compensation table. Under the 2015 performance-based restricted stock unit award, which had a performance period of January 1, 2015 to December 31, 2017, the Company's performance was slightly above the median of the peer group, which included three peers that filed for bankruptcy before the end of the performance period. Accordingly, Messrs. Locke, Phillips, Peña, Tucker and Freeman each received approximately 106% of their target award shares, representing 153,972, 56,616, 46,733, 37,717 and 17,341 shares of common stock, respectively, which vested in April 2018.

We do not have a program, plan or practice to time our long-term equity incentive awards in coordination with the release of material, non-public information. In the event that material non-public information becomes known to the Compensation Committee prior to granting long-term equity incentive awards, the Compensation Committee will take the existence of such information under advisement and make an assessment in its business judgment whether to delay the grant of the long-term equity incentive award in order to avoid any impropriety.

Long-Term Cash Incentive Awards

In order to continue our practice of offering equity compensation awards to levels of management below the named executive officers, while still maintaining total equity awards granted at a consistent level with prior years, the Compensation Committee elected to again provide long-term cash incentive awards to executive officers in addition to long-term equity awards. Accordingly, in 2018, the Compensation Committee granted the named executive officer the following long-term cash incentive awards:

Name	Aggregate Long-Term
------	------------------------

Cash
Incentive
Awards (\$)

Wm. Stacy Locke	\$ 570,000
Lorne E. Phillips	\$ 157,000
Carlos R. Peña	\$ 150,000
Brian L. Tucker	\$ 150,000
Joe P. Freeman ⁽¹⁾	\$ 206,250

(1) This amount includes \$123,750 of long-term incentive cash awards granted to Mr. Freeman in lieu of time-based equity awards.

The cash awards vest and become payable in one-third increments on April 30th of each of the three years following the grant date, assuming the named executive officer provides continuous service through the applicable vesting date; provided that, at the Compensation Committee's sole discretion, up to 50% of any such payment may be paid in shares of the Company's common stock instead of in cash. These awards have historically been paid in cash.

In 2012, we adopted a policy that allows any employee, including any named executive officer, who has attained (i) normal retirement age of 65, or (ii) at least the age of 60 with 5 or more years of service with the Company, to receive a long-term cash incentive award in lieu of their stock options and time-based equity awards. The Compensation Committee adopted this policy to provide strong retention incentives for employees close to retirement. In accordance with this policy, the Compensation Committee awarded Mr. Freeman an additional \$123,750 of long-term cash incentive award in lieu of his annual time-based equity awards in 2018.

COMPENSATION DISCUSSION AND ANALYSIS

2018 Target Direct Compensation

Our executive compensation program is generally designed to achieve target direct compensation (base salary, target annual cash incentive award and target long-term incentive awards) for our named executive officers at the market median compensation level, as determined by our independent compensation consultant. See additional disclosure in the sections titled "The Role of the Compensation Consultant" and "The Role of Competitive Pay Analysis."

Accordingly, under our long-term performance-based awards, if the Company's performance over the relevant period were to fall exactly in the middle of the peer group, the participant would receive a target award equal to 50% of the maximum potential award. We believe this design drives improved performance because of the opportunity for above-target payouts for above-median performance. The amount of compensation ultimately realized can be significantly above or below the target compensation based upon performance.

Based upon the most recent competitive pay information derived by the independent compensation consultant, our 2018 executive compensation program provided target direct compensation (i.e., base salary, target annual cash incentive award and target long-term incentive awards) that was competitive and aligned with the market for which we believe we compete for employee talent, as the following table illustrates.

The 2018 target direct compensation (the "target compensation") for the named executive officers was, on average, 3% below the median compensation level of the market consensus as determined by Compensation Advisory Partners (the "market median"). As illustrated in the above graph, the target compensation for Mr. Locke was above the market median, while the target compensation for Messrs. Phillips and Freeman were below the market median, and the target compensation for Messrs. Peña and Tucker approximated the market median. The Compensation Committee uses the competitive pay information as a "market check" to ensure, in its subjective judgment, that the named executive officers' base salary, target total cash compensation, target long-term incentive awards and target direct compensation remain competitive. Based on this market check, the Compensation Committee believes the 2018 target compensation of the named executive officers to be appropriate and aligned with Company performance. The Compensation Committee also considered the results of this market check in its determination of the executive compensation program for 2019.

COMPENSATION DISCUSSION AND ANALYSIS

Other Practices, Policies & Guidelines

Stock Ownership Requirements

In order to strengthen the alignment of the interests of the named executive officers and shareholders and to increase visibility of the named executive officers' and directors' stock ownership, we have the following stock ownership requirements, which were increased in 2015 as follows:

	Minimum Stock Ownership	
	Previous Requirement	Revised Requirement
Chief Executive Officer	3X annual base salary	5X annual base salary
All Other Named Executive Officers	2X annual base salary	3X annual base salary
Chairman of the Board	3X annual board retainer fee*	6X annual board retainer fee*
Non-Employee Directors	3X annual board retainer fee*	5X annual board retainer fee*

* Excludes the Board committees' annual retainer fees.

Generally, the ownership target is to be acquired no later than the December 31 following the fifth anniversary of the director's initial appointment or election to the Board, or the fifth anniversary following the change in the ownership requirement. For purposes of the above calculation, unvested restricted stock and restricted stock units may be counted toward the applicable ownership requirement.

Because the stock ownership requirements were revised during 2015, all named executive officers and directors will be required to comply with the revised requirements by December 31, 2020. Until then, the previous requirement as shown in the table above is in effect. Additionally, because the fee structure for the non-employee directors was revised effective January 1, 2017, the annual board retainer that was applicable for the year ended December 31, 2016 will serve as the annual board retainer fee basis for the ownership calculations until the fifth anniversary following the change in annual retainer fees, which is January 1, 2022.

As of May 17, 2018, all of our non-employee directors and named executive officers were in compliance with their stock ownership requirements and remain in compliance. Mr. Tucker initially became subject to the stock ownership guidelines in 2015 and thus has until December 31, 2020 to meet his ownership requirements.

Health, Welfare and Retirement Benefits

We offer a standard range of health and welfare benefits to substantially all of our U.S. employees, including the named executive officers. These benefits include medical, prescription drug and dental coverage, life and accidental death and dismemberment insurance, vacation, sick leave and other paid holidays. In addition, long-term disability insurance benefits and optional short-term coverage is available to all of our employees. These benefits are intended to aid in the health and well-being of our employees, as well as contribute directly to a productive and successful work life, which the Compensation Committee believes will enhance the financial results for us and our shareholders.

We also offer all of our U.S. employees the opportunity to participate in our defined contribution 401(k) plan. Under the plan, we make matching contributions equal to 50% of the participant's contributions on the first 8% of compensation deferred under the plan. Under this matching scheme, employees become fully vested in our matching contributions after three years of employment. The 2018 Summary Compensation Table reflects our contributions to the 401(k) plan for each named executive officer in 2018. Effective February 1, 2019, we increased matching contributions to 50% of participants' contributions on the first 10% of compensation deferred under the Plan.

In 2013, the Company implemented the Pioneer Energy Services Corp. Nonqualified Retirement Savings and Investment Plan (the "NRSIP"), an unfunded nonqualified deferred compensation plan for its non-employee directors and a select group of management or highly compensated employees. Under the NRSIP, (i) eligible employees were able to irrevocably elect to defer up to 80% of their base salary, up to 100% of their bonuses, or up to 100% of their restricted stock units, and (ii) non-employee directors were able to irrevocably elect to defer up to 100% of their director fees or 100% of their restricted stock awards. However, due to a lack of participation, the Company discontinued the NRSIP in 2017, and no further deferrals are permitted to be made by eligible employees, effective January 1, 2017.

Perquisites

We provide a limited number of perquisites to the named executive officers, including payment of life insurance premiums, Petroleum Club dues for our CEO, and a car allowance for named executive officers who primarily work in our field location offices. The life insurance policy pays the beneficiary an amount equal to the applicable named executive officer's annual salary up to a maximum of \$300,000.

Effective December 31, 2010, the Compensation Committee adopted a policy prohibiting the payment of country club memberships for any of the named executive officers.

The "All Other Compensation" column of the 2018 Summary Compensation Table shows the value of perquisites we provided to the named executive officers in 2018.

COMPENSATION DISCUSSION AND ANALYSIS

Recoupment of Incentive Compensation Policy (Claw-back Policy)

The Board is dedicated to maintaining and enhancing a culture focused on integrity and accountability which discourages conduct detrimental to the Company's sustainable growth. On March 26, 2015, the Board approved and adopted a Recoupment of Incentive Compensation Policy ("Recoupment Policy"). The Recoupment Policy applies to the Company's current and former executive officers (as defined under Rule 3b-7 of the Securities Exchange Act of 1934, as amended) and any other employee or former employee of the Company and its subsidiaries designated by the Board from time to time (each, a "Covered Employee").

Under the Recoupment Policy, the Board may claw back incentive compensation paid or payable to a Covered Employee if the Company is required to file an adverse accounting restatement with the SEC due to material noncompliance with any financial reporting requirement under federal securities law. If triggered, then to the fullest extent permitted by law, the Board may require the Covered Employee to reimburse or forfeit (as applicable) the excess incentive compensation paid, granted or awarded to the Covered Employee during the three-year period ending on the date of filing of the accounting restatement based on the erroneous performance data. In making the determination to claw back such incentive compensation, the Board will take into account such factors as it deems appropriate, including, among other things, whether the Covered Employee engaged in fraud or misconduct that caused or was a significant contributing factor to the accounting restatement, and the amount of the excess incentive compensation.

In addition, under the Recoupment Policy the Board may claw back incentive compensation paid or payable to a Covered Employee if the Board determines that the Covered Employee violated the Company's Corporate Code of Business Conduct and Ethics ("Code of Conduct"), and such violation is not waived pursuant to the terms of the Code of Conduct. If triggered, then to the fullest extent permitted by law, the Board may require the Covered Employee to reimburse or forfeit (as applicable) any incentive compensation paid, granted or awarded to the Covered Employee during the fiscal year in which such violation occurred and the immediately preceding fiscal year. The amount of any incentive compensation to be clawed back, if any, will be in the Board's discretion, which will consider, among other things, the seriousness and magnitude of the Code of Conduct violation.

The Recoupment Policy applies to all incentive compensation paid or payable to Covered Employees on or after May 21, 2015.

Anti-Hedging and Pledging Policy

The Company's insider trading policy prohibits the Company's employees, including the named executive officers, from engaging in hedging transactions involving the Company's securities. Additionally, the Company's insider trading policy prohibits the Company's employees, including the named executive officers, from placing the Company's securities in a margin account or pledging the Company's securities as collateral for a loan.

Compliance with Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code ("Code") limits our ability to deduct certain compensation paid to a "covered employee" (as defined in the Code) to the extent such compensation exceeds \$1 million in any fiscal year. Before 2018, the \$1 million deduction limitation did not apply to "performance-based compensation" (as defined under Section 162(m) of the Code). However, recent U.S. tax legislation generally eliminated this exception for compensation granted by us to a covered employee after November 2, 2017. As a result, compensation paid to our covered employees in excess of \$1 million will not be deductible unless it qualifies for limited transition relief applicable to certain arrangements in place as of November 2, 2017. Further, the Compensation Committee reserves the right to modify outstanding awards that were initially intended to qualify as "performance-based compensation" if it determines that such modifications are consistent with our business needs.

The Compensation Committee believes that, in establishing the cash and equity incentive compensation plans and arrangements for our executive officers, the potential deductibility of the compensation payable under those plans and arrangements should be only one of the relevant factors taken into consideration. For that reason, the Compensation Committee may deem it appropriate to provide one or more executive officers with the opportunity to earn compensation which may not be deductible by reason of Section 162(m) or other provisions of the Code.

The Compensation Committee believes it is important to maintain compensation at the requisite level to attract and retain the individuals essential to our financial success, even if all or part of that compensation may not be deductible

by reason of the Section 162(m) deduction limitation.

2019 COMPENSATION ACTIONS

On January 24, 2019, the Compensation Committee approved the following grants of plan-based awards to the Company's executive officers:

Name	Target Annual Cash Incentive Award (\$) ⁽¹⁾	Long-Term Cash Incentive Award (\$) ⁽²⁾	Shares Subject to Time-Based RSUs ⁽³⁾	Shares Subject to Time-Based Phantom Stock Unit Awards (#) ⁽⁴⁾	Target Shares Subject to Performance-Based Phantom Stock Unit Awards (#) ⁽⁵⁾
Wm. Stacy Locke, Director, President and Chief Executive Officer	\$ 800,000	\$ 511,200	248,961	248,961	829,870
Lorne E. Phillips, Executive Vice President and Chief Financial Officer	\$ 311,250	\$ 203,000	98,864	98,864	329,545
Carlos R. Peña, Executive Vice President and Chief Strategy Officer	\$ 300,000	\$ 158,000	76,948	76,948	256,494
Brian L. Tucker, Executive Vice President and Chief Operating Officer	\$ 300,000	\$ 158,000	136,948	76,948	256,494
Bryce T. Seki, Vice President, General Counsel, Secretary and Compliance Officer	\$ 187,200	\$ 62,400	30,390	30,390	101,299

Annual Cash Incentive Award - The amounts shown reflect the target payout under an annual cash incentive award granted to each of the executive officers in 2019 under the 2007 Incentive Plan, for which the payouts are based upon the target percentage of each named executive officer's respective base salary expected to be paid in 2019.

(1) The actual amount of the cash incentive award that each executive officer may earn can range from zero to 200% and will be determined by comparing our actual performance in 2019 against a scorecard of weighted performance measures (i.e., diluted earnings (loss) per share, Adjusted EBITDA, Adjusted EBITDA ROCE, safety record, and individual performance) and associated performance levels approved by the Compensation Committee.

(2) Long-Term Cash Incentive Award - The award will vest in three equal annual installments from the date of grant, subject to the continued service of the respective executive officer.

(3) Time-Based RSU Award - These RSU awards were granted under our 2007 Incentive Plan and will vest in three equal annual installments from the date of grant, subject to the continued service of the respective executive officer.

Of the 136,948 time-based RSUs granted to Mr. Tucker in 2019, 60,000 were granted in association with his promotion to Chief Operating Officer.

(4) Time-Based Phantom Stock Unit Award - The award amounts shown reflect the number of phantom stock units that each of the executive officers was granted which will vest in three equal annual installments from the date of grant, subject to the executive officer's continued service. Upon vesting, each phantom share unit will entitle the award recipient to either one share of stock or a cash payment equal to the average stock

price of our common stock during the last 14 trading days in December of the immediately preceding calendar year, subject to a maximum of three times the stock price on the date of grant. We expect to settle these phantom stock unit awards in cash when they vest.

(5) Performance-Based Phantom Stock Unit Award - The award amounts shown reflect the target number of shares of phantom stock units that each of the executive officers may earn under a performance-based phantom stock unit award, which are expected to be settled in cash when they vest. The actual amount that the executive officers may earn can range from zero to 200% and will be based on the weighted average of our relative EBITDA ROCE and TSR versus the Performance Peer Group over a three-year performance period, with the additional conditions that the portion of total payout that is achieved above the target level will be reduced by half if the TSR of the Company is negative and the cash payment for each phantom stock unit is limited to three times the stock price at the date of grant.

In consideration of the strong shareholder support of 2017 executive compensation and the competitive pay information derived from Compensation Advisory Partners, the Compensation Committee decided to keep the 2019 overall target direct compensation levels aligned with those of the 2017 program, and make targeted adjustments to the total direct compensation in order to maintain alignment with the Custom Peer Group. The resulting key decisions related to our 2019 compensation program are as follows:

Adjusted Executive Officer Target Direct Compensation Levels. The target total direct compensation levels were adjusted for the executive officers based on the competitive pay analysis provided by Compensation Advisory Partners, which included the following:

Increased Executive Officer Base Salaries. To better align the executive officers' base salaries with the most recent competitive pay analysis, the executive officers each received a base salary increase of 5% to 7%, with the exception of Mr. Seki which is discussed further below.

Adjusted Executive Officer Target Long-Term Incentive Compensation Levels. To better align the executive officers' target compensation with the most recent competitive pay analysis, Mr. Locke's target LTI compensation was reduced by 10%, while the target LTI compensation for Messrs. Phillips, Peña and Tucker increased by 29%, 5%, and 5%, respectively. As discussed in more detail in the section titled "2018 Target Direct Compensation," Mr. Locke's 2018 target direct compensation was above the market median, while Mr. Phillips' was below the market median and the target direct compensation for Messrs. Peña and Tucker fell slightly below the market median, and in consideration of this, the Compensation Committee made the above adjustments to the 2019 compensation program for these executive officers. Additionally, Mr. Tucker received an additional grant of 60,000 time-based RSUs in association with his promotion to Chief Operating Officer, effective January 1, 2019.

Held Executive Officer Annual Incentive Compensation Targets Flat. The Compensation Committee held the annual cash incentive award targets (expressed as a percentage of base salary) flat for Messrs. Locke, Phillips, Peña and Tucker.

Increased Target Compensation for Mr. Seki. In part to better align Mr. Seki's compensation with the competitive pay information derived by Compensation Advisory Partners, and in part due to his promotion within the Company, Mr. Seki's base salary was increased by 30%, as compared to 2018, his target LTI increased by 160%, and his target annual incentive compensation (expressed as a percentage of base salary) was increased from 40% in 2018 to 60% in 2019. According to the most recent competitive pay analysis, Mr. Seki's target direct

compensation fell below the 10th percentile of the competitive pay information and in consideration of this, the Compensation Committee increased all components of his target compensation as described above.

Allocated the Target Long-Term Incentive Compensation to Variable/At-Risk Awards (80%) and Long-Term Incentive Cash Awards (20%). In line with the Compensation Committee's objective of creating a portfolio of LTI compensation that is shareholder aligned, for the second year in a row, the Compensation Committee allocated 80% of the target LTI compensation to awards that are variable/at-risk and allocated 20% to long-term cash incentive awards. Consequently, the named executive officers were granted target LTI compensation in 2018 that was allocated approximately 50% to performance-based phantom stock unit awards, 15% to time-based RSU awards, 15% to time-based phantom stock unit awards, and 20% to long-term incentive cash. In part to preserve the number of shares available for future issuance under the 2007 Incentive Plan, the Compensation Committee granted time-based phantom stock unit awards in 2019 in addition to time-based RSU awards in 2019.

Adjusted Non-Employee Director Compensation. The Compensation Committee had not increased the level of equity or cash compensation for non-employee directors since 2013, except for the increase of the annual retainer for the Chairman of the Board in 2015. In consideration of the competitive pay analysis provided by Compensation Advisory Partners in December 2018, the Compensation Committee increased the 2019 annual retainers and decided to grant each of the non-employee directors a restricted stock award in 2019 with a grant date fair market value of approximately \$128,000 to improve the competitiveness of our director compensation, which had fallen below the market median of our Custom Peer Group in years prior. The grant date value of the stock award approved for 2019 for each non-employee director, and the annual retainers approved for the Chairman of the Board in 2019 increased by 11%, while the annual retainers for the other members of the Board in 2019 increased by 30%, as compared to 2018.

Retirement of Former Senior Vice President of Well Servicing. Effective January 1, 2019, Joe P. Freeman resigned from his position as Senior Vice President of Well Servicing, and will continue as an employee of the Company through his retirement date of May 31, 2019. In connection with his resignation, Mr. Freeman entered into a Confidential Retirement Agreement and Release of Claims (the "Retirement Agreement") with the Company. Pursuant to the terms of the Retirement Agreement, Mr. Freeman is entitled to the following:

- monthly payments of \$13,750 through May 31, 2019, paid in accordance with the Company's payroll practices and subject to applicable withholdings, which represents his regular monthly wages until his retirement on May 31, 2019;
- a lump sum payment of \$16,024 for accrued, unused vacation time as of December 31, 2018, payable following his retirement date of May 31, 2019;
- payout of his 2018 annual cash incentive award in February 2019, which was \$187,259;
- continued vesting of his 2016, 2017, and 2018 long-term cash incentive awards through his retirement date of May 31, 2019, at which time he will no longer be entitled to payment of such awards;
- continued vesting of his 2016 and 2018 performance-based phantom stock unit awards, and his 2017 performance-based restricted stock award, through his retirement date of May 31, 2019, at which time he will no longer be entitled to payment of such awards;
- continued eligibility to participate in the Company's health and welfare plans through May 31, 2019 at an estimated cost to the Company of \$4,000;
- right to COBRA continuation coverage as to any Company-provided medical, dental, vision or insurance plan, at Mr. Freeman's expense, following May 31, 2019.

The Retirement Agreement contains a general release and customary non-disclosure provisions.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Pioneer Energy Services Corp. has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with the management of Pioneer Energy Services Corp., and, based on such review and discussions, the Compensation Committee recommended to the Board of Pioneer Energy Services Corp. that the Compensation Discussion and Analysis be included in this proxy statement.

The Compensation Committee

Dean A. Burkhardt

John Michael Rauh

C. John Thompson

Scott D. Urban, Chairman

The information in the Report of the Compensation Committee shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (“the Exchange Act”), nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except to the extent that the Company specifically requests that the information be treated as soliciting material or specifically incorporates the information by reference.

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EXECUTIVE COMPENSATION

2018 Summary Compensation Table

The following table presents information concerning compensation for all services rendered to us by our named executive officers, in all capacities, during the fiscal years ended December 31, 2018, 2017 and 2016:

Name and Principal Position	Year	Salary	Bonus ⁽¹⁾	Option Awards ⁽²⁾	Stock Awards ⁽³⁾	Non-Equity Incentive Plan Compensation ⁽⁴⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽⁵⁾	All Other Compensation ⁽⁶⁾	Total
Wm. Stacy Locke, Director, President and Chief Executive Officer	2018	\$745,000	\$796,400	\$—	\$2,374,666	\$785,935	\$—	\$12,910	\$4,714,911
	2017	\$744,423	\$511,400	\$576,028	\$1,643,705	\$949,221	\$—	\$12,871	\$4,437,648
	2016	\$715,000	\$225,400	\$301,957	\$573,075	\$470,699	\$—	\$2,173	\$2,288,304
Lorne E. Phillips, Executive Vice President and Chief Financial Officer	2018	\$395,000	\$261,380	\$—	\$654,073	\$312,528	\$—	\$11,432	\$1,634,413
	2017	\$394,615	\$182,880	\$158,661	\$452,741	\$377,439	\$—	\$11,432	\$1,577,768
	2016	\$375,000	\$82,880	\$105,579	\$200,378	\$146,560	\$—	\$696	\$911,093
Carlos R. Peña, Executive Vice President and President of Wireline and Coiled Tubing Services ⁽⁷⁾	2018	\$375,000	\$228,513	\$—	\$624,913	\$296,704	\$—	\$11,432	\$1,536,562
	2017	\$374,423	\$153,513	\$151,588	\$432,557	\$358,268	\$—	\$11,432	\$1,481,781
	2016	\$345,000	\$68,413	\$89,848	\$170,520	\$134,834	\$—	\$696	\$809,311
Brian L. Tucker, Executive Vice President and President of Drilling and Well Servicing ⁽⁸⁾	2018	\$375,000	\$214,083	\$—	\$624,913	\$296,704	\$—	\$11,432	\$1,522,132
	2017	\$374,327	\$139,083	\$151,588	\$432,557	\$358,242	\$—	\$11,432	\$1,467,229
	2016	\$340,000	\$55,216	\$88,546	\$168,048	\$132,880	\$—	\$696	\$785,386
Joe P. Freeman, Former Senior Vice President of Well Servicing Segment ⁽⁹⁾	2018	\$330,000	\$155,413	\$—	\$195,743	\$187,259	\$—	\$25,541	\$893,956
	2017	\$320,385	\$147,215	\$—	\$184,560	\$150,317	\$—	\$25,541	\$828,018
	2016	\$320,000	\$131,665	\$—	\$85,493	\$125,563	\$—	\$14,821	\$677,542

For Messrs. Locke, Phillips, Peña and Tucker, (i) the amounts in 2018 represent the aggregate of three installments which were the vested portions of the long-term cash incentive awards granted during the immediately preceding three years, (ii) the amounts in 2017 represent the aggregate of their first and second installments of the vested portions of the long-term cash incentive awards granted during 2016 and 2015, respectively, and (iii) the amounts in 2016 represent the first installment of the vested portion of the long-term cash incentive awards granted during 2015, for which, in all cases, such long-term cash incentive awards vest in three equal annual installments subject to the named executive officer's continued service through the vesting date.

For Mr. Freeman, the amounts in each year represents an aggregate of three installments which were the vested portions of the long-term cash incentive awards granted during the immediately preceding three years, and in all cases, such long-term cash incentive awards vest in three equal annual installments subject to the named executive officer's continued service through the vesting date.

The amounts included in the "Option Awards" column represent the aggregate grant date fair value of the option awards granted to the respective named executive officers during the respective fiscal year, computed in accordance with ASC Topic 718, Stock Compensation. For a discussion of valuation assumptions, see Note 9 to our consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2018.

For 2018, these amounts reflect the aggregate grant date fair value of the time-based RSU and performance-based phantom stock unit awards granted during 2018 to the respective named executive officers. For 2017 and 2016, these amounts reflect the grant date fair value of the performance-based RSU awards and performance-based

phantom stock unit awards, respectively, granted during 2017 and 2016, respectively, to the named executive officers.

The grant date fair values of the performance-based phantom stock unit awards and the performance-based RSU awards are based on the target performance level, and are consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under ASC Topic 718, Stock Compensation. For a discussion of valuation assumptions, see Note 9 to our consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2018. Please see the 2018 Grants of Plan-Based Awards Table for further information regarding the time-based RSU and performance-based phantom stock unit awards we granted during 2018.

The aggregate grant date fair value of the stock awards granted in the respective years, assuming the highest level of performance conditions will be achieved, would be as follows:

Name	Stock Awards Granted In		
	2018	2017	2016
Wm. Stacy Locke	\$2,374,666	\$2,322,278	\$832,832
Lorne E. Phillips	\$654,073	\$639,647	\$291,203
Carlos R. Peña	\$624,913	\$611,130	\$247,811
Brian L. Tucker	\$624,913	\$611,130	\$244,219
Joe P. Freeman	\$195,743	\$260,752	\$124,244

The amounts reported for each year reflect the annual cash incentive awards earned in the respective year, but paid (4) in the following year. (For example, the amounts reported for 2018 reflect the annual cash incentive awards earned in 2018, but paid in 2019.)

EXECUTIVE COMPENSATION

- (5) Earnings reflected in the 2018 Nonqualified Deferred Compensation Table are not included as they are not above-market or preferential earnings.
- (6) The amounts shown in the “All Other Compensation” column for 2018 are presented in the table below. All of the amounts reflected in the below table were valued based on the Company's direct costs.

Name	Auto Allowance	401K Matching Contributions	Life Insurance Premiums	Petroleum Club Dues	Total
Wm. Stacy Locke	\$ —	\$ 10,600	\$ 832	\$ 1,478	\$ 12,910
Lorne E. Phillips	\$ —	\$ 10,600	\$ 832	\$ —	\$ 11,432
Carlos R. Peña	\$ —	\$ 10,600	\$ 832	\$ —	\$ 11,432
Brian L. Tucker	\$ —	\$ 10,600	\$ 832	\$ —	\$ 11,432
Joe P. Freeman	\$ 14,400	\$ 10,600	\$ 541	\$ —	\$ 25,541

- On January 1, 2019, Mr. Peña assumed the role of Executive Vice President and Chief Strategy Officer;
- (7) previously, Mr. Peña served as the Company's Executive Vice President and President of Wireline and Coiled Tubing Services.
- On January 1, 2019, Mr. Tucker assumed the role of Executive Vice President and Chief Operating Officer;
- (8) previously, Mr. Tucker served as the Company's Executive Vice President and President of Drilling and Well Servicing.
- (9) Mr. Freeman resigned from his position as Senior Vice President of Well Servicing effective January 1, 2019.

EXECUTIVE COMPENSATION

2018 Grants of Plan-Based Awards

The following table summarizes information concerning plan-based awards granted to the named executive officers during the fiscal year ended December 31, 2018:

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (\$)			Estimated Future Payouts Under Equity Incentive Plan Awards (#)			All Other Stock Awards: Number of Shares of stock or units (#)	Grant Date Fair Value of Stock and Option Awards ⁽⁵⁾
		Threshold	Target	Maximum	Threshold	Target	Maximum		
	(1) 1/25/2018	\$335,250	\$745,000	\$1,490,000	—	—	—	—	
Wm. Stacy	(2) 1/25/2018	—	\$570,000	—	—	—	—	—	
Locke	(3) 1/25/2018	—	—	—	—	—	265,528	\$1,022,283	
	(4) 1/25/2018	—	—	—	66,382	442,547	885,094	\$1,352,383	
	(1) 1/25/2018	\$133,313	\$296,250	\$592,500	—	—	—	—	
Lorne E. Phillips	(2) 1/25/2018	—	\$157,000	—	—	—	—	—	
	(3) 1/25/2018	—	—	—	—	—	73,137	\$281,577	
	(4) 1/25/2018	—	—	—	18,284	121,894	243,788	\$372,496	
	(1) 1/25/2018	\$126,563	\$281,250	\$562,500	—	—	—	—	
Carlos R. Peña	(2) 1/25/2018	—	\$150,000	—	—	—	—	—	
	(3) 1/25/2018	—	—	—	—	—	69,876	\$269,023	
	(4) 1/25/2018	—	—	—	17,469	116,460	232,920	\$355,890	
	(1) 1/25/2018	\$126,563	\$281,250	\$562,500	—	—	—	—	
Brian L. Tucker	(2) 1/25/2018	—	\$150,000	—	—	—	—	—	
	(3) 1/25/2018	—	—	—	—	—	69,876	\$269,023	
	(4) 1/25/2018	—	—	—	17,469	116,460	232,920	\$355,890	
	(1) 1/25/2018	\$89,100	\$198,000	\$396,000	—	—	—	—	
Joe P. Freeman	(2) 1/25/2018	—	\$206,250	—	—	—	—	—	
	(4) 1/25/2018	—	—	—	9,608	64,053	128,106	\$195,743	

Annual Cash Incentive Award - The amounts shown reflect the range of possible payouts under a cash incentive award granted to each of the named executive officers in 2018 under the 2007 Incentive Plan, for which the payouts are based upon percentages of each named executive officer's respective base salary paid in 2018. For example, (i) the threshold, target and maximum levels for Mr. Locke are calculated as 45%, 100% and 200%, respectively, of his respective base salary paid in 2018, (ii) the threshold, target and maximum levels for Mr. Freeman are calculated as 27%, 60% and 120%, respectively, of his respective base salary paid in 2018, and (iii) the threshold, target and maximum levels for the other named executive officers are calculated as 33.75%, 75% and 150%, respectively, of their respective base salary paid in 2018. The actual amount of the cash incentive award is determined by comparing our actual performance in 2018 against a scorecard of weighted performance measures (i.e. adjusted diluted earnings (loss) per share; consolidated or segment-level Adjusted EBITDA; consolidated Adjusted EBITDA ROCE; consolidated or segment-level safety record; and individual performance) and associated performance levels approved by the Compensation Committee. Please see "Compensation Discussion and Analysis – Annual Cash Incentive Compensation" and "2018 Summary Compensation Table" for more information regarding the 2018 annual cash incentive awards.

Long-Term Cash Incentive Award - The long-term cash awards were granted under the 2007 Incentive Plan and will vest and be payable over three years, subject to the continued service of the respective named executive officer through the date of vesting. See "Compensation Discussion and Analysis – Long-Term Incentive (LTI) Compensation" for more information regarding the Long-Term Cash Incentive Awards.

Time-Based RSU Award - These RSU awards were granted under our 2007 Incentive Plan and will vest in three equal annual installments on January 25, 2019, 2020, and 2021.

Performance-based Phantom Stock Unit Awards - The award amounts shown reflect the range of possible phantom stock unit awards that each of the named executive officers may earn under a performance-based phantom

stock-unit award granted in 2018 under the 2007 Incentive Plan. The actual number of phantom stock unit awards that the named executive officers earn will be based on the weighted average of our relative EBITDA ROCE and TSR versus the Performance Peer Group over a three-year performance period. Please see “Compensation Discussion and Analysis – Long-Term Incentive (LTI) Compensation” for more information regarding the performance-based phantom stock unit awards. In general, any phantom stock unit awards that are earned by the named executive officers will cliff vest in April 2021 and will be converted to equity or cash, at the Company's discretion, and each unit will entitle the employee to either one share of stock or a cash payment equal to the average stock price of our common stock during the last 14 trading days in the performance period, subject to a maximum of three times the Company's stock price on the date of grant and an additional vesting condition that reduces the portion of total payout achieved above target level by half when the Company's TSR is negative. The Company expects to settle these awards in cash.

(5) For the phantom stock unit awards, these amounts reflect the aggregate grant date fair value of the phantom stock unit awards based upon the probable outcome of the performance conditions (for 2018, at the target performance level), and is consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under ASC Topic 718, Stock Compensation.

For the time-based RSU awards, these amounts reflect the aggregate grant date fair value of the time-based RSU awards computed in accordance with ASC Topic 718, Stock Compensation.

For a discussion of valuation assumptions, see Note 9 to our consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2018.

EXECUTIVE COMPENSATION

2018 Outstanding Equity Awards at Fiscal Year End

The following table provides information concerning outstanding equity awards held by the named executive officers as of December 31, 2018.

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ⁽⁷⁾ (\$)	Number of Unearned Shares or Units That Have Not Vested (#)	Market or Payout Value of Unearned Shares or Units That Have Not Vested ⁽⁷⁾ (\$)
	236,000	—	\$ 3.84	3/1/2019	—	—	—	—
	181,800	—	\$ 8.86	2/1/2020	—	—	—	—
	155,919	—	\$ 9.01	2/1/2021	—	—	—	—
William	11,697	—	\$ 8.92	1/30/2022	—	—	—	—
Scott	2,796	—	\$ 7.58	1/31/2023	—	—	—	—
Lucas	6,615	—	\$ 8.44	1/30/2024	—	—	—	—
	135,240	—	\$ 4.10	1/29/2025	—	—	—	—
	245,493	122,747	⁽¹⁾ \$ 1.31	1/28/2026	743,316	⁽³⁾ \$914,279	212,054	⁽⁴⁾ \$260,826
	44,653	89,307	⁽²⁾ \$ 6.40	1/26/2027	265,528	⁽⁵⁾ \$326,599	442,547	⁽⁶⁾ \$544,333
	100,000	—	\$ 4.73	2/1/2019	—	—	—	—
	90,000	—	\$ 3.84	3/1/2019	—	—	—	—
	75,400	—	\$ 8.86	2/1/2020	—	—	—	—
Lorne	64,665	—	\$ 9.01	2/1/2021	—	—	—	—
E	54,152	—	\$ 8.92	1/30/2022	—	—	—	—
Phillips	26,862	—	\$ 7.58	1/31/2023	—	—	—	—
	29,106	—	\$ 8.44	1/30/2024	—	—	—	—
	49,728	—	\$ 4.10	1/29/2025	—	—	—	—
	85,836	42,919	⁽¹⁾ \$ 1.31	1/28/2026	259,901	⁽³⁾ \$319,678	58,408	⁽⁴⁾ \$71,842
	12,299	24,599	⁽²⁾ \$ 6.40	1/26/2027	73,137	⁽⁵⁾ \$89,959	121,894	⁽⁶⁾ \$149,930
	63,000	—	\$ 3.84	3/1/2019	—	—	—	—
	53,000	—	\$ 8.86	2/1/2020	—	—	—	—
	48,157	—	\$ 9.01	2/1/2021	—	—	—	—
Charles	48,736	—	\$ 8.92	1/30/2022	—	—	—	—
R	24,420	—	\$ 7.58	1/31/2023	—	—	—	—
Paul	1,977	—	\$ 8.44	1/30/2024	—	—	—	—
	41,048	—	\$ 4.10	1/29/2025	—	—	—	—
	73,047	36,524	⁽¹⁾ \$ 1.31	1/28/2026	221,176	⁽³⁾ \$272,046	55,804	⁽⁴⁾ \$68,639
	11,751	23,502	⁽²⁾ \$ 6.40	1/26/2027	69,876	⁽⁵⁾ \$85,947	116,460	⁽⁶⁾ \$143,246
	55,000	—	\$ 7.02	6/4/2022	—	—	—	—
Brian	11,623	—	\$ 7.58	1/31/2023	—	—	—	—
L	10,177	—	\$ 8.44	1/30/2024	—	—	—	—
Tucker	33,130	—	\$ 4.10	1/29/2025	—	—	—	—
	71,988	35,995	⁽¹⁾ \$ 1.31	1/28/2026	217,970	⁽³⁾ \$268,103	55,804	⁽⁴⁾ \$68,639

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11,751	23,502	(2) \$ 6.40	1/26/2027	69,876	(5) \$85,947	116,460	(6) \$143,246
3,000	—	\$ 3.84	3/1/2019	—	—	—	—
32,400	—	\$ 8.86	2/1/2020	—	—	23,810	(4) \$29,286
30,584	—	\$ 9.01	2/1/2021	110,891	(3) \$136,396	64,053	(6) \$78,785

(1) The indicated options vested on January 28, 2019.

(2) Of the indicated options, half vested on January 26, 2019, and the remaining options are scheduled to vest on January 26, 2020.

(3) The amounts shown reflect the actual number of phantom stock units each named executive officer earned under his respective 2016 phantom stock unit awards, which are scheduled to vest on April 30, 2019. We expect to settle these phantom stock unit awards in cash when they vest.

(4) The amounts shown reflect the target number of restricted shares each named executive officer could earn under his respective 2017 performance-based RSU award, which are scheduled to vest on April 30, 2020.

EXECUTIVE COMPENSATION

The amounts shown reflect the number of restricted stock units each named executive officer was granted under his (5) respective 2018 time-based RSU award, of which one-third vested on January 25, 2019, and installments of one-third each are scheduled to vest on January 25, 2020 and 2021.

(6) The amounts shown reflect the target number of phantom stock units each named executive officer could earn under his respective 2018 phantom stock unit awards, which are scheduled to vest on April 30, 2021. We expect to settle these phantom stock unit awards in cash when they vest.

(7) The market value of the awards is based on the closing price of our common stock on December 31, 2018 of \$1.23 per share.

2018 Option Exercises and Stock Vested

The following table provides information about stock option exercises and shares acquired upon the vesting of stock awards, including the value realized, during 2018, by the named executive officers:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ⁽¹⁾ (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ⁽²⁾ (\$)
Wm. Stacy Locke	—	—	153,972	\$531,203
Lorne E. Phillips	—	—	56,616	\$195,325
Carlos R. Peña	—	—	46,733	\$161,229
Brian L. Tucker	—	—	37,717	\$130,124
Joe P. Freeman	—	—	17,341	\$59,826

(1) Represents the amount realized based on the difference between the closing price of our common stock on the date of exercise and the exercise price.

(2) Represents the amounts realized based on the closing price of our common stock on the vesting date for 2015 performance-based RSU awards.

2018 Nonqualified Deferred Compensation

The following table provides information about the 2018 contributions, earnings and account balances of the named executive officers under the Company's Nonqualified Retirement Savings and Investment Plan:

Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$) ⁽¹⁾	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (\$)
Wm. Stacy Locke	—	—	—	—	—
Lorne E. Phillips	—	—	—	—	—
Carlos R. Peña	—	—	—	—	—
Brian L. Tucker	—	—	\$ (8,687)	—	\$134,012
Joe P. Freeman	—	—	\$ (6,074)	\$ (59,622)	\$165,938

(1)

Represents (i) the net amounts credited to or (debited) from the plan accounts of the participants as a result of the performance of the investment funds selected by the participants, as more fully described in the narrative disclosure below and (ii) the increase or decrease of the fair market value of the participant's deferred shares of common stock. These amounts do not represent above-market or preferential earnings, and as a result, are not reported in the 2018 Summary Compensation Table.

In 2013, the Company implemented the Pioneer Energy Services Corp. Nonqualified Retirement Savings and Investment Plan (the "NRSIP"), an unfunded nonqualified deferred compensation plan for its non-employee directors and a select group of management or highly compensated employees. Under the NRSIP, (i) eligible employees were able to irrevocably elect to defer up to 80% of their base salary, up to 100% of their bonuses, or up to 100% of their restricted stock units, and (ii) non-employee directors were able to irrevocably elect to defer up to 100% of their director fees or 100% of their restricted stock awards.

EXECUTIVE COMPENSATION

When a participant elects to defer compensation, the cash deferrals are credited to an account under the NRSIP and that account is credited (or debited) with earnings and losses based on the actual rate of return on the investment funds selected by the participants. Under the NRSIP, participants were able to select from the following six investment funds:

Name of Fund	% Rate of Return for 2018	
ClearBridge Small Cap Growth Fund - Class C	3.42	%
JP Morgan Mid Cap Value Fund - Class C	(12.45	%)
JP Morgan US Equity Fund - Class C	(6.73	%)
MFS Corporate Bond Fund - Class C	(3.92	%)
MFS International Value Fund - Class C	(9.87	%)
Ready Assets Government Liquidity Fund	1.10	%

Participants are fully vested in their deferred contributions. A participant's account under the NRSIP will be distributed (i) upon his or her separation of service, including retirement or death or (ii) on another scheduled distribution date as provided by Section 409A of the Internal Revenue Code of 1986, as amended. Distributions will be paid in lump sum or in annual installments for two (2) to fifteen (15) years, in each case, as provided in the NRSIP. In addition, participants may make withdrawals from the NRSIP in the event of an unforeseeable financial emergency, as defined in the NRSIP, subject to approval of the committee administering the NRSIP. Any required federal, state or local tax withholding may be withheld from any payment made pursuant to the plan or from any other compensation payable to a participant.

However, due to a lack of participation, the Company discontinued the NRSIP in 2017, and no further deferrals are permitted to be made by eligible employees, effective January 1, 2017. The Company may reinstate the plan in the future and may make additional contributions to a participant's account under the NRSIP in such amounts and at such times as approved by the Board of Directors of the Company or the Compensation Committee, which contributions shall vest as determined by the Board or the Compensation Committee.

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The Compensation Committee views change in control and non-change in control severance protection for officers as a necessary part of compensation to remain competitive in the market. A substantial portion of oilfield service companies provide such benefits. While the Compensation Committee recognizes there are variations in types, amounts, eligibility requirements and other terms and conditions among companies, the Compensation Committee believes that the aggregate potential value remains competitive and does not significantly vary from similar programs at peer group companies.

In 2009, the Company adopted a new Long-Term Disability Plan. This plan is available to all U.S. salaried employees and other full-time active employees and does not discriminate in scope, terms or operation, in favor of the named executive officers. In the event an employee has been disabled for more than 180 days, the Long-Term Disability Plan generally provides for payment of 50% of an employee's base salary up to a maximum monthly benefit of \$5,000 until the earlier of the employee reaching standard retirement age as determined by the Social Security Administration or the employee's death.

Key Executive Severance Plan

The following is a brief description of the material terms and conditions of our Key Executive Severance Plan (the "KESP").

Participation in the KESP is limited to our key executives who are considered to be senior management employees by the Compensation Committee and who are designated by the Compensation Committee, in its sole discretion, as participants in the KESP. The Compensation Committee, upon twelve months' written notice, may also terminate an employee's participation in the KESP; however, an individual participating immediately prior to a change in control may not be removed from participation in the KESP prior to the date which is two years following the date of the "change in control" of Pioneer (as defined below). Participants in the KESP will be designated by the Compensation Committee as either "Level I," "Level II" or "Level III" participants, or as other participants. With regard to our named executive officers, Mr. Locke is designated as a Level I participant, Messrs. Phillips, Peña, and Tucker are designated as Level II participants, and Mr. Freeman is designated as a Level III participant.

In the event of an "involuntary termination" prior to a change in control of Pioneer and subject to certain conditions, including the requirement that a KESP participant execute an acceptable waiver and release of claims, a Level I or Level II participant will receive (1) a lump-sum cash payment equal to 200% of the participant's annual base salary and annual target bonus, (2) accelerated vesting of stock options and other equity-based awards held on the date of termination of employment, but only to the extent such stock options or other equity-based awards would otherwise have vested within twelve months, and (3) continued life insurance and medical benefits coverage at active employee rates for twelve months. A Level III participant will receive (1) a lump-sum cash payment equal to 100% of the participant's annual base salary, (2) accelerated vesting of stock options and other equity-based awards held on the date of termination of employment, but only to the extent such stock options or other equity-based awards would otherwise have vested within twelve months, and (3) continued life insurance and medical benefits coverage at active employee rates for twelve months. Other participants will receive (1) a lump-sum cash payment equal to 50% of the participant's annual base salary, (2) accelerated vesting of stock options and other equity-based awards held on the date of termination of employment, but only to the extent such stock options or other equity-based awards would otherwise have vested within six months, and (3) continued life insurance and medical benefits coverage for six months. An "involuntary termination" means the termination of the participant's employment (1) for any reason other than cause, death or disability or (2) by the participant for good reason, as defined in the KESP.

"Cause" means (1) with respect to any Level I or Level II Participant, that participant's (A) commission of any act or omission constituting fraud under any law of the State of Texas, (B) conviction of, or a plea of nolo contendere to, a felony, (C) embezzlement or theft of property or funds of Pioneer or any of its affiliates or (D) refusal to perform his or her duties, as specified in any written agreement between the participant and Pioneer or in any specific directive adopted by a majority of the members of the Board at a meeting of the Board that is consistent with the participant's status as an executive officer of the Company; and (2) with respect to any Level III or other participant, that participant's (A) commission of any act or omission constituting fraud under any law of the State of Texas, (B)

conviction of, or a plea of nolo contendere to, a felony, (C) embezzlement or theft of property or funds of Pioneer or any of its affiliates, (D) failure to follow the instructions of the Board (in either case, as approved by a majority of the members of such Board at a meeting of such Board) or any supervising or executive officer of Pioneer or any of its affiliates or (E) unacceptable performance, gross negligence or willful misconduct with respect to his or her duties to Pioneer or any of its affiliates.

“Good reason” for the participant to terminate his or her employment means, prior to the effective date of a change in control, the occurrence (without the participant’s written consent) of any of the following: (1) a reduction in the participant’s base salary or total compensation except for an across-the-board reduction similarly affecting all senior executives of Pioneer and all senior executives of any person in control of Pioneer; (2) failure by Pioneer to pay any portion of the participant’s compensation within fourteen days of the date it is due or any other material breach of a contract with the participant by Pioneer which is not remedied by Pioneer within 5 business days after the participant’s written notice to Pioneer of such breach; or (3) Pioneer’s failure to maintain a participant’s employment without material diminution in the participant’s duties and responsibilities, and such failure is not cured by Pioneer within 5 business days after the participant’s written notice to Pioneer of such failure. After the effective date of a change in control, “good reason” shall also include any of (4)-(9) below unless, in the case of any of (5), (7), (8), or (9), such act or failure is corrected within five business days following the giving of written notice of good reason by the participant, and in the case of (6) below, such act is not objected to in writing by the participant within fourteen days after notification thereof: (4) after a change in control, the determination by the participant, in his or her sole and absolute discretion, that the business philosophy or policies of Pioneer or its successor or the implementation thereof is not compatible with those of the participant; (5) the assignment to the participant of duties inconsistent with his or her status as an executive officer of Pioneer or a meaningful alteration, adverse

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to the participant, in the nature or status of his or her responsibilities (other than reporting responsibilities) from those in effect immediately prior to a change in control, including, without limitation, a material reduction in the budget for which the participant is responsible; (6) failure by Pioneer to continue in effect any compensation plan in which the participant participates immediately prior to a change in control that is material to the participant's compensation, unless an equitable arrangement has been made with the participant with respect to such plan; (7) failure by Pioneer to continue the participant's participation in a plan described in (6) above or a substitute or alternative plan on a basis not materially less favorable to the participant than as existed at the time of a change in control; (8) failure by Pioneer to continue to provide the participant with benefits substantially similar to those enjoyed by the participant prior to a change in control; or (9) a requirement by Pioneer that the participant relocate his or her residence outside the metropolitan area in which the participant was based immediately prior to a change in control, or a move of the participant's principal business location more than 45 miles from the participant's previous principal business location. The participant's continued employment shall not of itself constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting good reason under the KESP.

Upon a change in control of Pioneer, all participants will be entitled to full vesting of all options, restricted stock and other equity awards. Upon an involuntary termination within two years following the effective date of a change in control, a Level I or Level II participant will receive (1) a lump-sum cash payment equal to 300% of the sum of the participant's (A) annual base salary, (B) annual maximum bonus and (C) annual car allowance and club dues, and (2) continued life insurance and medical benefits coverage at active employee rates for 18 months. A Level III participant will receive (1) a lump-sum cash payment equal to 200% of the sum of the participant's (A) annual base salary, (B) annual maximum bonus and (C) annual car allowance and club dues, and (2) continued life insurance and medical benefits coverage at active employee rates for twelve months. Other participants will receive (1) a lump-sum cash payment equal to 150% of the sum of the participant's (A) annual base salary, (B) annual maximum bonus and (C) annual car allowance and club dues, and (2) continued life insurance and medical benefits coverage at active employee rates for twelve months. Furthermore, a terminated participant who is unable to sell securities on the open market may require the surviving entity to acquire any vested equity awards or any shares acquired pursuant to equity awards at a price equal to the then fair market value for such shares; such right must be exercised prior to twelve months after the participant's involuntary termination within two years after the change in control.

A "change in control" shall conclusively be deemed to have occurred if an event set forth in any one of the following paragraphs shall have occurred:

any person, (other than (A) Pioneer; (B) any affiliate of Pioneer; (C) any employee benefit plan of Pioneer or of any affiliate and any person organized, appointed or established by Pioneer for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of Pioneer or any affiliate of Pioneer; or (D) any corporation or other entity owned, directly or indirectly, by the shareholders of Pioneer in substantially the same proportions as their ownership of capital stock of Pioneer) is or becomes the (1) beneficial owner of voting stock of Pioneer (not including in the securities beneficially owned by such person any securities acquired directly from Pioneer after the date the KESP first became effective) representing 40% or more of the combined voting power of the voting stock of Pioneer then outstanding; provided, however, that a change of control will not be deemed to occur under this paragraph (1) if a person becomes the beneficial owner of voting stock of Pioneer representing 40% or more of the combined voting power of the voting stock of Pioneer then outstanding solely as a result of a reduction in the number of

shares of voting stock of Pioneer outstanding which results from Pioneer's repurchase of voting stock of Pioneer, unless and until such time as that person or any affiliate or associate of that person purchases or otherwise becomes the beneficial owner of additional shares of voting stock of Pioneer constituting 1% or more of the combined voting power of the voting stock of Pioneer then outstanding, or any other person (or persons) who is (or collectively are) the beneficial owner of shares of voting stock of Pioneer constituting 1% or more of the combined voting power of the voting stock of Pioneer then outstanding becomes an affiliate or associate of that person, unless, in either such case, that person, together with all its affiliates and associates, is not then the beneficial owner of voting stock of Pioneer representing 40% or more of the voting stock of Pioneer then outstanding;

the following individuals cease for any reason to constitute a majority of the number of directors then serving: (A) individuals who, on the date the KESP first became effective, constitute the Board; and (B) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest

(2) relating to the election of directors of Pioneer) whose appointment or election by the Board of Pioneer or nomination for election by Pioneer's shareholders was approved or recommended by a majority vote of the directors then still in office who either were directors on the date the KESP first became effective or whose appointment, election or nomination for election was previously so approved or recommended;

there is consummated a merger or consolidation of Pioneer or any parent or direct or indirect subsidiary of Pioneer with or into any other corporation, other than: (A) a merger or consolidation which results in the voting stock of Pioneer outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities which entitle the holder thereof to vote generally in the election of members of the Board or similar governing body of Pioneer or such surviving entity or any parent thereof

(3) outstanding immediately after such merger or consolidation; or (B) a merger or consolidation effected to implement a recapitalization of Pioneer (or similar transaction) in which no person (other than those persons listed in clauses (A) through (D) of paragraph (1) above) is or becomes the beneficial owner of voting stock of Pioneer (not including, for purposes of this determination, any voting stock of Pioneer acquired directly from Pioneer or its subsidiaries after the date the KESP first became effective other than in connection with the acquisition by Pioneer or one of its subsidiaries of a business) representing 40% or more of the combined voting power of the voting stock of Pioneer then outstanding; or

the shareholders of Pioneer approve a plan of complete liquidation or dissolution of Pioneer, or there is consummated an agreement for the sale or disposition of all or substantially all of Pioneer's assets unless (A) the sale is to an entity, of which at least 50% of the combined voting power of the securities which entitle the holder thereof to vote generally in the election of members of the Board or similar governing body of such entity are

(4) owned by shareholders of Pioneer in substantially the same proportions as their ownership of the voting stock of Pioneer immediately prior to such sale; (B) no person other than Pioneer and any employee benefit plan or related trust of Pioneer or of such corporation then beneficially owns 40% or more of the voting securities of such new entity; and (C) at least a majority of the directors of such corporation were members of the incumbent Board at the time of the execution of the initial agreement or action providing for such disposition.

In addition, in the event any participant is subject to an excise tax under Section 4999 of the Internal Revenue Code, as amended, as a result of payments under the KESP or otherwise, the participant will be entitled to a gross-up payment such that after payment of all taxes on

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the gross-up payment, the participant retains sufficient funds to pay the Section 4999 excise tax on his or her KESP and other payments (or such excise tax is paid on his or her behalf). Pioneer will be responsible for any attorneys' fees incurred by a participant who is successful in pursuing litigation for benefits under the KESP. For any participant who is a "specified employee" within the meaning of Section 409A of the Code, payments under the KESP will generally be delayed six months following termination of employment.

At its March 30, 2011 meeting, the Compensation Committee adopted a policy prohibiting the Company from entering into any future change in control arrangements with executive officers that provide for excise tax gross-up payments, unless such arrangement is approved by shareholders. Pursuant to the policy, any participant who enters the Key Executive Severance Plan after March 30, 2011 will not be entitled to any excise tax gross-up payments. The KESP may not be amended in a manner adverse to the rights of a participant without his or her consent.

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Potential Payments upon Termination or Change in Control

The tables below reflect the amount of compensation that would be payable to each of the named executive officers in various scenarios involving termination of the named executive officer's employment, including following a change in control, as outlined in the KESP and the terms of the respective award agreements. The amount of compensation payable to each named executive officer upon voluntary termination, involuntary not-for-cause termination (non-change in control), voluntary termination for good cause or involuntary termination following a change in control, involuntary for cause termination, and termination in the event of death or disability of each named executive officer is shown below, computed in accordance with the KESP and award terms. The amounts shown assume that the termination was effective on December 31, 2018 and thus include amounts earned through that time and are estimates of the amounts which would be paid out to the officers upon their termination. The actual amounts to be paid out can only be determined at the time of the officer's separation from us and could be different if a severance arrangement is entered into with the employee, which is at the Compensation Committee's discretion. In addition to the amounts presented below, the officer would also have available (i) the value of exercisable options reflected in the 2018 Outstanding Equity Awards at Fiscal Year End table and (ii) the value of their account balance under the NRSIP as reflected in the 2018 Nonqualified Deferred Compensation Table.

As of December 31, 2018, Messrs. Locke and Freeman were eligible for payments under certain of our plans in the case of retirement (the tables presenting potential payments to Messrs. Locke and Freeman set forth the amount of compensation that would be payable upon retirement).

Wm. Stacy Locke's Benefits and Payments Upon Termination as of 12/31/2018	Voluntary Termination	Normal Retirement	Involuntary Not for Cause Termination (Non-Change in Control)	Involuntary or Good Reason Termination (Following a Change in Control)	Involuntary For Cause Termination	Death	Disability ⁽¹⁾
Compensation:							
Severance Payments	—	—	\$ 1,490,000	\$ 2,235,000	—	—	—
Annual Cash Incentive Payment ⁽²⁾	—	\$ 785,935	\$ 1,490,000	\$ 4,470,000	—	\$ 785,935	\$ 785,935
Intrinsic Value of Unvested and Accelerated ⁽³⁾ :							
Stock Options	—	—	—	—	—	—	—
Time-Based Restricted Stock Units	—	—	\$ 108,866	\$ 326,599	—	\$ 326,599	\$ 326,599
Performance-Based Restricted Stock Units ⁽⁴⁾	—	—	—	\$ 260,826	—	\$ 260,826	\$ 260,826
Performance-Based Phantom Stock Units ⁽⁵⁾	—	—	—	\$ 2,896,778	—	\$ 1,448,389	\$ 1,448,389
Accelerated Long-Term Cash Incentive Payment ⁽⁶⁾	—	—	—	\$ 1,426,000	—	\$ 1,426,000	\$ 1,426,000
Benefits and Perquisites:							
Excise Tax Gross-Up ⁽⁷⁾	—	—	—	\$ 4,040,495	—	—	—
Health Care and Life Insurance Coverage	—	—	\$ 14,808	\$ 22,212	—	—	—
Life Insurance Proceeds ⁽⁸⁾	—	—	—	—	—	\$ 300,000	—
Petroleum Club Dues	—	—	—	\$ 4,434	—	—	—
TOTAL	\$	-\$ 785,935	\$ 3,103,674	\$ 15,682,344	\$	-\$ 4,547,749	\$ 4,247,749

Disability payment does not include benefits payable under the Company's Long-Term Disability Plan (which is available to all U.S. salaried employees), the value of which would depend on the life span or years remaining prior to the named executive officer reaching the standard retirement age based on the retirement age guidelines used by Social Security Administration.

In the event of retirement, death or disability before the annual cash incentive award is paid, the Compensation Committee has the discretion under the 2007 Incentive Plan to authorize payment (in full or on a prorated basis) of (2) the amount the officer would have received, to the extent that the performance goals were achieved. We have assumed that the Compensation Committee would have authorized the payment of the cash incentive award in full, at the actual performance levels achieved, for purposes of the table above.

The intrinsic value of unvested and accelerated equity awards is calculated based on the stock price at (3) December 31, 2018, which was \$1.23. Because the exercise price was above the Company's stock price at December 31, 2018, the intrinsic value of the unvested stock options was zero.

(4) The intrinsic value of unvested and accelerated performance-based restricted stock units is calculated based on the target performance level for the 2017 awards.

The intrinsic value of unvested and accelerated performance-based phantom stock unit awards represents the amount which will vest upon the death or disability of the named executive officer or change in control of Pioneer under the performance-based phantom stock unit awards granted in 2016 and 2018. In the event of a change in (5) control of Pioneer, and subject to certain conditions, the award will vest in full at the maximum achievement level. In the event of death or disability of the named executive officer, the award will vest in full at the target achievement level. In any case, the value of the award is calculated based on the average stock price for the 14 trading days prior to December 31, 2018, which was \$1.67.

The Accelerated Long-Term Cash Incentive Payment represents the amount which will be payable upon the death or disability of the named executive officer or change in control of Pioneer under the long-term cash incentive awards granted in 2018, 2017, and 2016. In the event of a change in control of Pioneer, and subject to certain (6) conditions, the award will vest in full and be payable immediately. In the event of death or disability of the named executive officer at December 31, 2018, one-third of the award amount will vest and be payable on each of the remaining applicable vesting dates.

At its March 30, 2011 meeting, the Compensation Committee adopted a policy prohibiting the Company from (7) entering into any future change in control arrangements with executive officers that provide for excise tax gross-up payments, unless such arrangement is approved by shareholders.

(8) The life insurance plan pays the beneficiary an amount equal to the applicable officer's annual salary up to a maximum of \$300,000.

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Lorne E. Phillips' Benefits and Payments Upon Termination as of 12/31/2018	Voluntary Termination	Involuntary Not for Cause Termination (Non-Change in Control)	Involuntary or Good Reason Termination (Following a Change in Control)	Involuntary For Cause Death Termination	Disability ⁽¹⁾
Compensation:					
Severance Payments	—	\$ 790,000	\$ 1,185,000	—	—
Annual Cash Incentive Payment ⁽²⁾	—	\$ 592,500	\$ 1,777,500	—	\$ 312,528
Intrinsic Value of Unvested and Accelerated ⁽³⁾ :					
Stock Options	—	—	—	—	—
Time-Based Restricted Stock Units	—	\$ 29,986	\$ 89,959	—	\$ 89,959
Performance-Based Restricted Stock Units ⁽⁴⁾	—	—	\$ 71,842	—	\$ 71,842
Performance-Based Phantom Stock Units ⁽⁵⁾	—	—	\$ 903,166	—	\$ 451,583
Accelerated Long-Term Cash Incentive Payment ⁽⁶⁾	—	—	\$ 414,000	—	\$ 414,000
Benefits and Perquisites:					
Excise Tax Gross-Up ⁽⁷⁾	—	—	\$ 1,610,816	—	—
Health Care and Life Insurance Coverage	—	\$ 14,808	\$ 22,212	—	—
Life Insurance Proceeds ⁽⁸⁾	—	—	—	\$ 300,000	—
TOTAL	\$	-\$ 1,427,294	\$ 6,074,495	\$	-\$ 1,639,912

Carlos R. Peña's Benefits and Payments Upon Termination as of 12/31/2018	Voluntary Termination	Involuntary Not for Cause Termination (Non-Change in Control)	Involuntary or Good Reason Termination (Following a Change in Control)	Involuntary For Cause Death Termination	Disability ⁽¹⁾
Compensation:					
Severance Payments	—	\$ 750,000	\$ 1,125,000	—	—
Annual Cash Incentive Payment ⁽²⁾	—	\$ 562,500	\$ 1,687,500	—	\$ 296,704
Intrinsic Value of Unvested and Accelerated ⁽³⁾ :					
Stock Options	—	—	—	—	—
Time-Based Restricted Stock Units	—	\$ 28,649	\$ 85,947	—	\$ 85,947
Performance-Based Restricted Stock Units ⁽⁴⁾	—	—	\$ 68,639	—	\$ 68,639
Performance-Based Phantom Stock Units ⁽⁵⁾	—	—	\$ 811,106	—	\$ 405,553
Accelerated Long-Term Cash Incentive Payment ⁽⁶⁾	—	—	\$ 385,100	—	\$ 385,100
Benefits and Perquisites:					
Excise Tax Gross-Up ⁽⁷⁾	—	—	\$ 1,514,864	—	—
Health Care and Life Insurance Coverage	—	\$ 14,808	\$ 22,212	—	—
Life Insurance Proceeds ⁽⁸⁾	—	—	—	\$ 300,000	—
TOTAL	\$	-\$ 1,355,957	\$ 5,700,368	\$	-\$ 1,541,943

(1) Disability payment does not include benefits payable under the Company's Long-Term Disability Plan (which is available to all U.S. salaried employees), the value of which would depend on the life span or years remaining prior

to the named executive officer reaching the standard retirement age based on the retirement age guidelines used by Social Security Administration.

In the event of retirement, death or disability before the annual cash incentive award is paid, the Compensation Committee has the discretion under the 2007 Incentive Plan to authorize payment (in full or on a prorated basis) of (2) the amount the officer would have received, to the extent that the performance goals were achieved. We have assumed that the Compensation Committee would have authorized the payment of the cash incentive award in full, at the actual performance levels achieved, for purposes of the table above.

The intrinsic value of unvested and accelerated equity awards is calculated based on the stock price at (3) December 31, 2018, which was \$1.23. Because the exercise price was above the Company's stock price at December 31, 2018, the intrinsic value of the unvested stock options was zero.

The intrinsic value of unvested and accelerated performance-based restricted stock units is calculated based on the (4) target performance level for the 2017 awards.

The intrinsic value of unvested and accelerated performance-based phantom stock unit awards represents the amount which will vest upon the death or disability of the named executive officer or change in control of Pioneer under the performance-based phantom stock unit awards granted in 2016 and 2018. In the event of a change in (5) control of Pioneer, and subject to certain conditions, the award will vest in full at the maximum achievement level. In the event of death or disability of the named executive officer, the award will vest in full at the target achievement level. In any case, the value of the award is calculated based on the average stock price for the 14 trading days prior to December 31, 2018, which was \$1.67.

The Accelerated Long-Term Cash Incentive Payment represents the amount which will be payable upon the death or disability of the named executive officer or change in control of Pioneer under the long-term cash incentive awards granted in 2018, 2017, and 2016. In the event of a change in control of Pioneer, and subject to certain (6) conditions, the award will vest in full and be payable immediately. In the event of death or disability of the named executive officer at December 31, 2018, one-third of the award amount will vest and be payable on each of the remaining applicable vesting dates.

At its March 30, 2011 meeting, the Compensation Committee adopted a policy prohibiting the Company from (7) entering into any future change in control arrangements with executive officers that provide for excise tax gross-up payments, unless such arrangement is approved by shareholders.

The life insurance plan pays the beneficiary an amount equal to the applicable officer's annual salary up to a (8) maximum of \$300,000.

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Brian Tucker's Benefits and Payments Upon Termination as of 12/31/2018	Voluntary Termination	Involuntary Not for Cause Termination (Non-Change in Control)	Involuntary or Good Reason Termination (Following a Change in Control)	Involuntary For Cause Termination Death	Disability ⁽¹⁾	
Compensation:						
Severance Payments	—	\$ 750,000	\$ 1,125,000	—	—	
Annual Cash Incentive Payment ⁽²⁾	—	\$ 562,500	\$ 1,687,500	—	\$ 296,704	
Intrinsic Value of Unvested and Accelerated ⁽³⁾ :						
Stock Options	—	\$ —	\$ —	—	\$ —	
Time-Based Restricted Stock Units	—	\$ 28,649	\$ 85,947	—	\$ 85,947	
Performance-Based Restricted Stock Units ⁽⁴⁾	—	—	\$ 68,639	—	\$ 68,639	
Performance-Based Phantom Stock Units ⁽⁵⁾	—	—	\$ 804,986	—	\$ 402,493	
Accelerated Long-Term Cash Incentive Payment ⁽⁶⁾	—	—	\$ 383,867	—	\$ 383,867	
Benefits and Perquisites:						
Excise Tax Gross-Up ⁽⁷⁾	—	—	—	—	—	
Health Care and Life Insurance Coverage	—	\$ 17,289	\$ 25,934	—	—	
Life Insurance Proceeds ⁽⁸⁾	—	—	—	—	\$ 300,000	
TOTAL	\$	—\$ 1,358,438	\$ 4,181,873	\$	—\$ 1,537,650	
\$ 1,237,650						
Joe Freeman's Benefits and Payments Upon Termination as of 12/31/2018	Voluntary Termination	Normal Retirement	Involuntary Not for Cause Termination (Non-Change in Control)	Involuntary or Good Reason Termination (Following a Change in Control)	Involuntary For Cause Termination Death	Disability ⁽¹⁾
Compensation:						
Severance Payments	—	—	\$ 330,000	\$ 660,000	—	—
Annual Cash Incentive Payment ⁽²⁾	—	\$ 187,259	—	\$ 792,000	—	\$ 187,259
Intrinsic Value of Unvested and Accelerated ⁽³⁾ :						
Stock Options	—	—	—	—	—	—
Performance-Based Restricted Stock Units ⁽⁴⁾	—	—	—	\$ 29,286	—	\$ 29,286
Performance-Based Phantom Stock Units ⁽⁵⁾	—	—	—	\$ 425,580	—	\$ 212,790
Accelerated Long-Term Cash Incentive Payment ⁽⁶⁾	—	—	—	\$ 376,917	—	\$ 376,917
Benefits and Perquisites:						
Excise Tax Gross-Up ⁽⁷⁾	—	—	—	—	—	—
Health Care and Life Insurance Coverage	—	—	\$ 9,275	\$ 9,275	—	—
Life Insurance Proceeds ⁽⁸⁾	—	—	—	—	—	\$ 300,000
Auto Allowance	—	—	—	\$ 28,800	—	—
TOTAL	\$	—\$ 187,259	\$ 339,275	\$ 2,321,858	\$	—\$ 1,106,252
\$ 806,252						

(1) Disability payment does not include benefits payable under the Company's Long-Term Disability Plan (which is available to all U.S. salaried employees), the value of which would depend on the life span or years remaining prior to the named executive officer reaching the standard retirement age based on the retirement age guidelines used by Social Security Administration.

In the event of retirement, death or disability before the annual cash incentive award is paid, the Compensation Committee has the discretion under the 2007 Incentive Plan to authorize payment (in full or on a prorated basis) of (2) the amount the officer would have received, to the extent that the performance goals were achieved. We have assumed that the Compensation Committee would have authorized the payment of the cash incentive award in full, at the actual performance levels achieved, for purposes of the table above.

The intrinsic value of unvested and accelerated equity awards is calculated based on the stock price at (3) December 31, 2018, which was \$1.23. Because the exercise price was above the Company's stock price at December 31, 2018, the intrinsic value of the unvested stock options was zero.

(4) The intrinsic value of unvested and accelerated performance-based restricted stock units is calculated based on the target performance level for the 2017 awards.

The intrinsic value of unvested and accelerated performance-based phantom stock unit awards represents the amount which will vest upon the death or disability of the named executive officer or change in control of Pioneer under the performance-based phantom stock unit awards granted in 2016 and 2018. In the event of a change in (5) control of Pioneer, and subject to certain conditions, the award will vest in full at the maximum achievement level.

In the event of death or disability of the named executive officer, the award will vest in full at the target achievement level. In any case, the value of the award is calculated based on the average stock price for the 14 trading days prior to December 31, 2018, which was \$1.67.

The Accelerated Long-Term Cash Incentive Payment represents the amount which will be payable upon the death or disability of the named executive officer or change in control of Pioneer under the long-term cash incentive awards granted in 2018, 2017, and 2016. In the event of a change in control of Pioneer, and subject to certain (6) conditions, the award will vest in full and be payable immediately. In the event of death or disability of the named executive officer at December 31, 2018, one-third of the award amount will vest and be payable on each of the remaining applicable vesting dates.

At its March 30, 2011 meeting, the Compensation Committee adopted a policy prohibiting the Company from (7) entering into any future change in control arrangements with executive officers that provide for excise tax gross-up payments, unless such arrangement is approved by shareholders.

(8) The life insurance plan pays the beneficiary an amount equal to the applicable officer's annual salary up to a maximum of \$300,000.

POTENTIAL PAYMENTS UNDER TERMINATION OR CHANGE OF CONTROL

Mr. Freeman resigned from his position as Senior Vice President of Well Servicing Segment effective January 1, 2019. See the section titled "2019 Compensation Actions" for a description of Mr. Freeman's Confidential Retirement Agreement and Release of Claims.

The terms for the payments for involuntary not-for-cause termination (non-change in control) and for involuntary or good reason termination (following a change in control) are summarized under the heading "Key Executive Severance Plan" of this section. In the event of a change in control termination, if the termination qualified as (i) a change in ownership or effective control or (ii) a change in ownership of a substantial portion of our assets, in either case as defined in Section 280G of the Internal Revenue Code, then severance payments and benefits paid to our named executive officers may be subject to an excise tax under Section 4999 of the Internal Revenue Code. At its March 30, 2011 meeting, the Compensation Committee adopted a policy prohibiting the Company from entering into any future change in control arrangements with executive officers that provide for excise tax gross-up payments, unless such arrangement is approved by shareholders. For certain arrangements entered into with executive officers prior to the adoption of this policy, in the event a named executive officer is subject to such excise tax, the named executive officer will be entitled to a gross-up payment, such that after payment of all taxes on the gross-up payment, the named executive officer retains sufficient funds to pay the excise taxes that result from the severance payments and benefits received.

2018 CEO PAY RATIO

Our Chief Executive Officer (CEO) to median employee pay ratio is calculated in accordance with the SEC's pay ratio rules in Item 402(u) of Regulation S-K, which requires the disclosure of (i) the median of the annual total compensation of all employees of the Company (except the CEO), (ii) the annual total compensation of the CEO, and (iii) the ratio of these two amounts.

We first identified the median employee as of December 1, 2017, based on the 2017 total cash compensation of our 2,082 employees (excluding independent contractors), not including our CEO. Total cash compensation for 2017 was annualized for all regular full and part time employees (not seasonal or temporary), including those who were not employed by us for all of 2017. We believe the use of total cash compensation is an appropriate compensation measure because we do not widely distribute annual equity awards to employees. Foreign salaries were converted to U.S. dollars at the average exchange rate over the 12-month period and no cost of living adjustments were utilized in the calculation.

There has been no change in our employee population or employee compensation arrangements that we believe would significantly impact the pay ratio disclosure, except that the median employee identified as of December 1, 2017 was promoted during 2018 and as this employee was no longer in the same position, we selected a replacement median employee whose compensation is substantially similar to the original median employee.

After identifying the median employee, we determined the annual total compensation for the median employee using the same methodology we use to determine total compensation for our CEO as presented in the 2018 Summary Compensation Table. The 2018 annual total compensation for our CEO was \$4,714,911 and our median employee's annual total compensation was \$84,729. The resulting ratio of our CEO's pay to the pay of our median employee for 2018 is 56 to 1.

The pay ratio disclosed above is a reasonable estimate calculated in accordance with the SEC's pay ratio rules, based on the methodologies described above. The SEC's rules for identifying the median compensated employee and calculating the pay ratio allow companies to use a variety of methodologies and apply various assumptions. The application of various methodologies may result in significant differences in the results reported by other SEC reporting companies. As a result, the pay ratio reported by other SEC reporting companies may differ substantially from, and may not be comparable to, the pay ratio we disclose above.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Pioneer Energy Services Corp. (the "Company") is presently comprised of the four directors named below. Each member of the Audit Committee is an independent director, as defined by applicable Securities and Exchange Commission rules and the NYSE listing standards. The Audit Committee met 5 times during the fiscal year ended December 31, 2018.

In performing our oversight function, over the course of the year, among other things, we have:

- reviewed and discussed with management and KPMG LLP ("KPMG") the quarterly and annual earnings press releases and Form 10-Q's and Form 10-K filed with the SEC;
- reviewed and discussed with management and KPMG the Company's audited financial statements as of and for the fiscal year ended December 31, 2018;
- reviewed and discussed with management, the Company's Internal Audit Director and KPMG management's assessment of the effectiveness of the Company's internal controls over financial reporting and KPMG's evaluation of the Company's internal controls over financial reporting;
- met in periodic executive sessions with financial and legal management, including the CFO, General Counsel, Internal Audit Director, and KPMG to discuss the results of their examinations, their evaluations of internal controls, and the overall quality of the Company's financial reporting;
- discussed with KPMG the matters required to be discussed by the independent auditor with the Audit Committee under the Public Company Accounting Oversight Board (PCAOB) applicable auditing standards, including Auditing Standard No. 1301, Communications with Audit Committees;
- reviewed the written disclosures and the letter from KPMG required by applicable requirements of the PCAOB regarding KPMG's communications with the Audit Committee concerning independence, and we have discussed with KPMG its independence; and
- reviewed the terms for the engagement of KPMG, considering, among other things, the scope of audit, audit fees, selection of lead audit partner, auditor independence matters, applicable PCAOB reports concerning KPMG, and to the extent to which KPMG may be retained to perform non-audit services.

Based on the reviews and discussions referred to above, we recommended to the Board of Pioneer Energy Services Corp. that the audited financial statements referred to above be included in the Company's Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the Securities and Exchange Commission.

The Audit Committee

Dean A. Burkhardt

John Michael Rauh, Chairman

C. John Thompson

Scott D. Urban

The information above in the Report of the Audit Committee shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except to the extent that the Company specifically

requests that the information be treated as soliciting material or specifically incorporates the information by reference.

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

Proposal 2 Approval of the Amendment and Restatement of the 2007 Incentive Plan

Conditioned on and subject to obtaining shareholder approval, the Compensation Committee of the Board approved an amendment and restatement of the Pioneer Energy Services Corp. 2007 Incentive Plan (the “2007 Incentive Plan”) to (i) increase the number of authorized shares that can be awarded to the officers, employees and consultants of the Company or any of its subsidiaries and any non-employee director of the Company under the plan by 3,200,000 shares (from 13,850,000 shares to 17,050,000 shares), (ii) extend the term of the plan from May 13, 2023 until May 16, 2029, (iii) update the plan for certain tax law changes made by the Tax Cut and Jobs Act of 2017 (the “Tax Act”), (iv) provide that awards (other than cash awards) granted under the plan are subject to a one-year minimum vesting requirement (with an exception for up to 5% of the shares available for issuance under the plan), (v) prohibit the payment of dividends or dividend equivalents on unvested awards, and (vi) make certain other clarifying changes.

Purpose of the Amendment and Restatement

Awards under the 2007 Incentive Plan are a major component of our long-term incentive program for our employees, consultants and members of our Board. As noted in the “Compensation Discussion and Analysis,” we recognize that having an ownership interest in the Company is critical to aligning the financial interests of our employees and shareholders. In order to ensure that shares of our common stock continue to be available for future awards, in March 2019, the Compensation Committee of the Board approved an amendment and restatement of the 2007 Incentive Plan, subject to obtaining shareholder approval.

The Compensation Committee believes it is important to authorize an additional 3,200,000 shares for grant under the 2007 Incentive Plan. In this proxy statement, we refer to any grant under the 2007 Incentive Plan as an “award.” As of March 18, 2019, approximately 6,436,637 shares had been issued under the 2007 Incentive Plan, 5,864,489 shares were subject to awards outstanding under the 2007 Incentive Plan (assuming the target level of performance achievement for performance-based RSU awards outstanding) and 1,548,874 shares were available for future awards. The 2007 Incentive Plan utilizes a fungible share pool for awards granted after May 15, 2013. This means that if full value awards, i.e. awards other than options, stock appreciation rights, and cash, are granted, they will decrease the number of shares available for issuance by 1.38 for each share covered by the award. This could leave 1,122,372 shares available for issuance if full value awards are utilized, and assuming payouts at the target achievement level under performance-based RSU awards. We do not believe that this amount is sufficient to meet the Company’s anticipated grants of awards through the date of our 2020 Annual Meeting of Shareholders. As of March 18, 2019, approximately 220 or 9% of our employees, officers, consultants and non-employee directors participate in the 2007 Incentive Plan, of which five will be named executive officers, four will be non-employee directors and none are consultants. If shareholders do not approve the amendment and restatement of the 2007 Incentive Plan, the 2007 Incentive Plan will remain in effect; however, we anticipate the shares available for equity-based compensation will be quickly depleted, and we will lose our ability to use equity as a compensation tool. Based on the Compensation Committee’s historical practice, the Compensation Committee anticipates that the additional shares requested will enable the Company to maintain its current equity compensation program for at least two years, accommodating anticipated grants related to the hiring, retention and promotion of employees. In 2016, 2017 and 2018, the number of shares of common stock underlying equity awards granted (including stock options, shares of restricted stock and target restricted stock units) was approximately 1,500,295, 1,410,092 and 1,196,472 (as adjusted for the share counting rules under the 2007 Incentive Plan for awards granted after May 15, 2013), respectively. The Compensation Committee expects to continue to grant awards under the 2007 Incentive Plan consistent with the Company’s historical share utilization rates.

In its determination to approve the amendment and restatement of the 2007 Incentive Plan, the Compensation Committee reviewed the burn rate, as discussed below, dilution and overhang metrics, peer group market practices and trends, and the costs associated with the addition of authorized shares to the 2007 Incentive Plan, including the estimated shareholder value transfer cost.

The amendment and restatement also amends the plan to:

• Extend the term of the plan from May 13, 2023, until May 16, 2029.

- Update the plan to conform to certain changes made to Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) by the Tax Act.

Provide that no portion of an award granted under the plan (other than a cash award) may vest or become exercisable before the one-year anniversary of the date of grant of such award; provided that (a) the Compensation Committee retains discretion to accelerate the vesting and exercisability of any award granted under the plan, and (b) up to 5% of the shares available for issuance under the plan may be issued without regard to this minimum vesting requirement. Provide that no dividends or dividend equivalents may be paid currently on an unvested stock award. Further, no dividends or dividend equivalents may be paid with respect to a stock option or stock appreciation right granted under the plan on or after May 16, 2019.

Make certain other clarifying changes.

YOU ARE URGED TO READ THIS ENTIRE PROPOSAL, WHICH EXPLAINS OUR REASONS FOR SUPPORTING THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN.

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

The Importance of Equity Compensation

The Compensation Committee believes that 2007 Incentive Plan (as amended and restated) will provide it flexibility to continue to issue equity compensation in the future at the levels it deems appropriate to:

• Attract and retain the services of key employees, nonemployee directors and consultants who can contribute to our success;

• Align the interests of our key employees and nonemployee directors with the interests of our shareholders through certain incentives whose value is based upon the performance of our common stock;

• Motivate key employees to achieve our strategic business objectives; and

- Provide a long-term equity incentive program that is competitive with our peer companies.

The Compensation Committee strongly believes that granting equity awards motivates employees to think and act like owners, rewarding them when value is created for our shareholders.

The Compensation Committee believes that the approval of the 2007 Incentive Plan (as amended and restated) is important to our continued success. Our employees and non-employee directors are some of our most valuable assets. Our named executive officers (including Stacy Locke) who are current employees of the Company and our nonemployee directors will be eligible to receive awards under the 2007 Incentive Plan (as amended and restated) and therefore have an interest in this proposal.

Provisions Designed to Protect Shareholders

The 2007 Incentive Plan (as amended and restated) and the Company's governance policies contain a number of provisions that the Company believes are designed to protect shareholder interests, including:

• Fungible share pool. The plan uses a fungible share pool under which each share of common stock issued upon exercise of a stock option or stock appreciation right counts as one share against the plan share reserve and each share of common stock issued upon grant or settlement of awards (other than stock options and stock appreciation rights) granted after May 15, 2013 counts as 1.38 shares against the plan share reserve.

• No liberal share counting. The plan prohibits the reuse of shares withheld or delivered to satisfy the exercise price of a stock option or to satisfy tax withholding requirements.

• No repricing of stock options or stock appreciation rights. The plan does not permit the repricing of stock options or stock appreciation rights either by amending an existing award or by substituting a new award at a lower price without shareholder approval.

• No cash buyouts of underwater stock options or stock appreciation rights. The plan does not permit the cash buyout of stock options or stock appreciation rights if such awards are not "in the money" without shareholder approval.

• No dividends payable on unvested awards. The plan (as amended and restated) prohibits the current payment of dividends or dividend equivalents on unvested stock awards and prohibits the payment of dividends or dividend equivalents on stock options and stock appreciation rights.

• No discounted stock options. The plan prohibits the granting of stock options with an exercise price less than the fair market value of the common stock on the date of grant.

• Limitation on term of stock options. The maximum term of each stock option is ten years.

• No excise tax gross-up payments. In 2011, the Compensation Committee adopted a policy prohibiting the Company from entering into any future change in control arrangements with executive officers that provide for excise tax gross-up payments, unless such arrangement is approved by shareholders.

• Stock ownership guidelines. In order to further align their economic interests with those of our shareholders, the Company adopted guidelines generally requiring each of our executive officers and directors to own a certain amount of our common stock.

• One-Year minimum vesting period. The plan (as amended and restated) provides that no portion of an award (other than a cash award) may vest or become exercisable before the one-year anniversary of the date of grant of such award; provided that the Compensation Committee retains discretion to accelerate the vesting and exercisability of any award granted under the plan (as amended and restated). Shorter vesting periods may apply to awards granted after May 21, 2015, covering up to 5% of the number of shares reserved under the plan.

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Claw-back policy. The plan provides that all awards granted under the plan after May 21, 2015 to the Company's current and former executive officers are subject to the Company's Recoupment of Incentive Compensation Policy (a Claw-Back Policy). For more information, see "Compensation Discussion and Analysis—Recoupment of Incentive Compensation Policy (a Claw-Back Policy)" of this Proxy Statement.

Anti-hedging and pledging policy. The Company's insider trading policy prohibits employees from engaging in hedging transactions involving the Company's securities. Additionally, employees are prohibited from placing the Company's securities in a margin account or pledging the Company's securities as collateral for a loan. For more information, see "Compensation Discussion and Analysis—Anti-Hedging and Pledging Policy" of this Proxy Statement.

Limit on non-employee director equity compensation. The plan provides for a limit on the amount of equity awards that may be awarded to a non-employee director during any single calendar year for Board service.

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

Historical Burn Rate

The Compensation Committee believes approval of the 2007 Incentive Plan (as amended and restated) will enable the Company to compete effectively in the competitive market for knowledgeable, experienced employees over the coming years, while maintaining reasonable annual burn rates.

Our three-year average burn rate of 1.71% is below the estimated ISS global industry classification standard (GICS) burn rate benchmark for our industry of 3.99%.

The following table shows the 2007 Incentive Plan's annual burn rate for each of the past three fiscal years:

Key Equity Metrics	2018	2017	2016	3-Year Average (2016-2018)
Shares subject to awards granted ⁽¹⁾	1,315,464	849,783	1,532,360	1,232,536
Gross burn rate ⁽²⁾	1.69	% 1.10	% 2.34	% 1.71

(1) Reflects total number of shares subject to equity awards granted during the fiscal year. Shares subject to performance-based RSU awards are excluded from this calculation in the year the awards are granted; however, shares issued in settlement of performance-based RSU awards are included in the year that such awards are settled.

(2) Gross burn rate is calculated by dividing the total number of shares subject to equity awards granted during the fiscal year by the total weighted-average number of shares outstanding during the period. Shares subject to performance-based RSU awards are excluded from this calculation in the year the awards are granted; however, shares issued in settlement of performance-based RSU awards are included in the year that such awards are settled.

The last reported sales price for our common stock on the NYSE on March 18, 2019 was \$2.02 per share.

Summary of the 2007 Incentive Plan (As Amended and Restated)

The following description summarizes certain provisions of the 2007 Incentive Plan (as amended and restated). This general description of the plan and the other material features of the plan are qualified in their entirety by reference to the copy of the 2007 Incentive Plan (as amended and restated) attached hereto as Appendix A.

The 2007 Incentive Plan is designed to attract and retain officers, key employees, consultants and qualified directors, to encourage the sense of proprietorship of those employees, consultants and directors and to stimulate the active interest of those persons in the development and financial success of our Company and its subsidiaries. The plan is administered by the Compensation Committee and provides for various types of awards to be granted to participants. Under the 2007 Incentive Plan, options to purchase shares of our common stock and stock appreciation rights may be granted, provided the exercise price is not less than the fair market value of a share of our common stock on the date of grant. In addition, the 2007 Incentive Plan permits grants of cash awards, shares of our common stock or of rights to receive shares of our common stock, or a combination of such awards, on such terms as the Compensation Committee may determine. The plan also provides for cash or stock bonus awards based on performance goals established by the Compensation Committee. Options and stock appreciation rights must have fixed terms no longer than ten years. In addition, we may use shares issuable under the 2007 Incentive Plan as the form of payment for any other compensation payable by us.

Shares Subject to the 2007 Incentive Plan

The 2007 Incentive Plan establishes a fungible share pool that makes available a maximum of 17,050,000 shares of our common stock for the types of awards described below. All shares available under the 2007 Incentive Plan can be granted through incentive stock options.

Fungible Share Pool

Under the 2007 Incentive Plan, shares of common stock granted or issued in settlement of awards other than stock options and stock appreciation rights granted after May 15, 2013 will count against the fungible share pool as 1.38 shares. Any shares that become available for grant upon the forfeiture, repurchase, cancellation, or expiration of an award that originally counted as 1.38 shares upon grant will be added back to the fungible share pool as 1.38 shares for each share forfeited, repurchased, canceled, or expired or deemed not to have been issued from the 2007 Incentive Plan. A share of common stock issued in connection with the exercise of a stock option or stock appreciation right will

count against the fungible share pool as one share of common stock and will be added back to the fungible share pool as one share of common stock for each such share that is forfeited, repurchased, canceled, or expired or deemed not to have been issued from the 2007 Incentive Plan. The number of shares available will not be increased by any shares tendered in payment of an option exercise price or for tax withholding for any award.

Selection of Participants

The Compensation Committee selects the participants and determines the number and type of awards to be granted to each participant. Participants who may be granted awards under the 2007 Incentive Plan include any officer, employee or consultant of our Company or any of its subsidiaries and any nonemployee director of our Company (“Participants”).

As of February 28, 2019, we had approximately 2,543 employees, including five executive officers, and four nonemployee directors who were eligible to receive awards under the plan.

Awards may be granted as alternatives to or in replacement of (a) awards previously granted under the 2007 Incentive Plan or any other plan or arrangement of ours, or (b) awards outstanding under a plan or arrangement of a business or entity all or part of which is acquired by us; provided,

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

however, that except for adjustments to account for a corporate transaction as described below, the grant price of any option or stock appreciation right shall not be decreased, including by means of issuance of a substitute option or stock appreciation right with a lower grant price, without shareholder approval. The Compensation Committee may permit or require the deferral of any award payment, subject to such rules and procedures as it may establish, and in addition may include provisions in awards for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred share equivalents.

Stock Options

The exercise price of a stock option granted pursuant to the 2007 Incentive Plan may not be less than the fair market value of our common stock on the date of grant. The term of a stock option may not exceed ten years from the date of grant. Subject to the foregoing provisions, the Compensation Committee determines the terms, conditions and limitations applicable to any stock option awarded pursuant to the 2007 Incentive Plan, including the term of stock options and the date or dates upon which they become exercisable, the exercise price, whether that price is payable in cash (and whether that may include proceeds of a sale assisted by a third party) or shares of our common stock or both, the terms and conditions of exercise, the expiration date, whether the option will qualify as an incentive stock option under Code Section 422 or a nonqualified stock option, restrictions on transfer of the option, and other provisions not inconsistent with the 2007 Incentive Plan. Incentive stock options may not be granted to consultants or nonemployee directors. All of the shares available under the 2007 Incentive Plan may be used for grants of incentive stock options.

Stock Appreciation Rights

The Compensation Committee is authorized to grant stock appreciation rights, or SARs, to employees and nonemployee directors. An SAR entitles the participant, on exercise of the SAR, to receive shares of common stock with a value equal to the excess of the market value of a specified number of shares of common stock at the time of exercise, over the exercise price established by the Compensation Committee. The term of any SAR may not exceed ten years from the date of grant. SARs may be granted in tandem with options, subject to such terms and restrictions as established by the Compensation Committee.

Stock Awards and Cash Awards

The 2007 Incentive Plan authorizes the Compensation Committee to grant Participants stock awards consisting of shares of our common stock or of a right to receive shares of our common stock, or their cash equivalent or a combination of both, in the future.

Nonemployee Director Annual Award Limit

A non-employee director may not, during any single calendar year, be granted awards under the plan as compensation for his or her services as a director having an aggregate grant date fair value (for financial reporting purposes) in excess of \$300,000 in total value. This limitation, however, would not apply to awards granted to a non-employee director in respect of his or her services as an employee or consultant of the Company during such calendar year.

Performance Awards

Any award available under the 2007 Incentive Plan may be made as a performance award, meaning they are paid, vested or otherwise deliverable solely on account of the attainment of one or more performance goals established by the Compensation Committee based on any one or more of the following measures:

- increased revenue;
- net income measures (including but not limited to income after capital costs and income before or after taxes);
- stock price measures (including but not limited to growth measures and total shareholder return);
- price per share of common stock;
- market share;
- net earnings;
- earnings per share (actual or targeted growth);
- earnings before interest, taxes, depreciation and amortization (“EBITDA”);
- earnings before interest, taxes and amortization (“EBITA”);
- economic value added (or an equivalent metric);
- market value added;

debt-to-equity ratio;

cash flow measures (including cash flow per share, cash flow return on capital, cash flow return on tangible capital, net cash flow, net cash flow before financing activities and improvement in or attainment of working capital levels);

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return measures (including but not limited to return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity);

operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, net operating profit after tax, revenue volumes, operating efficiency, fleet revenue per day rates and fleet utilization);

expense measures (including but not limited to overhead cost, general and administrative expense and improvement in or attainment of expense levels);

margins;

shareholder value;

proceeds from dispositions;

total market value;

reliability;

productivity;

corporate values measures (including ethics compliance, environmental and safety); and

debt reduction; and

any other criteria determined by the Compensation Committee.

With respect to an outstanding award that was granted on or before November 2, 2017, that (a) currently qualifies as "performance-based compensation" within the meaning of Section 162(m) of the Code as in effect immediately before enactment of the Tax Act ("Prior Section 162(m)") and (b) the Compensation Committee determines it to be desirable to continue to qualify as "performance-based compensation" (a "Grandfathered Qualified Performance-Based Award"), any adjustments to the performance goals and/or the written certification of achievement of the performance goals applicable to such Grandfathered Qualified Performance-Based Award shall comply with the requirements of Prior Section 162(m) of the Code. Nothing in the plan (as amended and restated) is intended to modify in any material respect any Grandfathered Qualified Performance-Based Award.

Minimum Restriction Periods

Except as otherwise provided below, (i) stock awards that are not performance awards will have a restriction period of not less than three years from the date of grant (but permitting pro rata vesting over such time, provided that no portion of a stock award will vest before the first anniversary of the date of grant of such stock award), (ii) stock awards that are performance awards will have a restriction period of not less than one year from the date of grant, and (iii) stock options and SARs will have a restriction period of not less than one year from the date of grant.

Notwithstanding, the Compensation Committee may grant stock awards, options and SARs after March 15, 2015 with respect to up to five percent (5%) of the shares of common stock that may be authorized for grant under the plan (as such authorized number of shares may be adjusted pursuant to the terms of the plan) without regard to the applicable minimum restriction period provision.

Prohibition on Repricing or Cash Buyout of Underwater Options and SARs

No stock option or SAR may be repriced, replaced, regranted through cancellation or modified without shareholder approval, if the effect would be to reduce the exercise price for the shares underlying such award. The Company may not, without shareholder approval, make any cash payment to the holder of a stock option or SAR that has an exercise price that is higher than the current fair market value of the underlying shares in exchange for cancellation or termination of the stock option or SAR. Notwithstanding, the Board may make certain equitable adjustments to outstanding stock options and SARs as described below under "Adjustment of Awards."

Adjustment of Awards

In the event of any subdivision or consolidation of outstanding shares, declaration of a dividend payable in shares or other stock split, then (i) the number of shares reserved under the plan, (ii) the number of shares covered by outstanding awards in the form of shares or units denominated in shares, (iii) the exercise or other price in respect of such awards, (iv) the per-person annual award limitations, and (v) the appropriate fair market value and other price determinations for such awards, will each be proportionately adjusted by the Board to reflect such transaction.

In the event of any other recapitalization or capital reorganization of the Company, any consolidation or merger of the Company with another corporation or entity, the adoption by the Company of any plan of exchange affecting the

shares or any distribution to holders of shares of securities or property (other than normal cash dividends or dividends payable in shares), the Board will make appropriate adjustments to (i) the number of shares covered by awards in the form of shares or units denominated in shares, (ii) the exercise or other price in respect of such awards, and (iii) the appropriate fair market value and other price determinations for such awards, and (iv) the per-person annual award limitations, to give effect to such transaction will each be proportionately adjusted by the Board to reflect such transaction; provided that such adjustments will only be such as are necessary to maintain the proportionate interest of the holders of the awards and preserve the value of such awards.

In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Board may make such adjustments to awards or other provisions for the disposition of awards as it deems equitable (i) to provide for the substitution of a new award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Board determines) for an award or the assumption of the award, (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the award and, if the transaction is a cash merger, provide for the termination of any portion of the award that remains unexercised at the time of such transaction

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

or (iii) to provide for the acceleration of the vesting and exercisability of an award and the cancellation of the award in exchange for such payment as shall be mutually agreeable to the participant and the Board.

Claw-Back Policy

All awards granted under the plan on or after May 21, 2015 are subject to the Company's Recoupment of Incentive Compensation Policy as from time to time in effect.

Deductibility Not Required

The Compensation Committee may award compensation to our executive officers that is not fully deductible if it determines the compensation, including awards under the 2007 Incentive Plan, is consistent with our executive compensation philosophy and is in the Company's and our shareholders' best interests. The 2007 Incentive Plan does not preclude the committee from making other compensation payments outside of the 2007 Incentive Plan to our executive officers even if those payments do not qualify for tax deductibility under Code Section 162(m).

Duration; Plan Amendments; No Dividends

The Compensation Committee may not make any further grants under the 2007 Incentive Plan after May 15, 2029, although outstanding awards on that date will remain outstanding in accordance with their terms. Our Board may at any time amend, suspend or terminate the 2007 Incentive Plan, but in doing so cannot adversely affect any outstanding award without the grantee's written consent or make any amendment without shareholder approval, to the extent such shareholder approval is required by applicable law or the exchange on which the shares are traded. No dividends or dividend equivalents may be paid currently on an unvested stock award. Further, no dividends or dividend equivalents may be paid with respect to a stock option or stock appreciation right granted under the Plan on or after May 16, 2019.

Applicability of ERISA; Tax Qualification

The 2007 Incentive Plan is not intended to be subject to the provisions of the Employee Retirement Income Security Act of 1974, nor is it intended to be qualified under Code Section 401(a).

Certain Federal Income Tax Consequences of Awards Under the 2007 Incentive Plan

The following is a summary of the general rules of present federal income tax law relating to the tax treatment of incentive stock options, nonqualified stock options, SARs, stock awards and cash awards under the 2007 Incentive Plan. The discussion is general in nature and does not take into account a number of considerations, which may apply, based on the circumstances of a particular participant under the 2007 Incentive Plan.

Options

Some of the options issuable under the 2007 Incentive Plan may constitute "incentive stock options" within the meaning of Code Section 422, while other options granted under the 2007 Incentive Plan will be nonqualified stock options. The Code provides for tax treatment of incentive stock options that may be more favorable to employees than the tax treatment of nonqualified stock options. On grant of either form of option, the optionee will not recognize income for tax purposes and we will not receive any deduction. Generally, on the exercise of an incentive stock option, the optionee will recognize no income for U.S. federal income tax purposes. However, the difference between the exercise price of the incentive stock option and the fair market value of the underlying shares at the time of exercise is an item of tax adjustment that may require payment of an alternative minimum tax. On the sale of shares acquired by exercise of an incentive stock option (assuming that the sale does not occur within two years of the date of grant of the option or within one year from the date of exercise), any gain will be taxed to the optionee as long-term capital gain. In contrast, on the exercise of a nonqualified option, the optionee recognizes taxable income (subject to withholding) in an amount equal to the difference between the fair market value of the underlying shares on the date of exercise and the exercise price. On any sale of the share acquired by the exercise of a nonqualified option by the optionee, any difference between the sale price and the fair market value of the shares on the date of exercise of the nonqualified option will be treated generally as capital gain or loss.

No deduction is available to us on the grant or exercise of an incentive stock option (although a deduction may be available if the employee sells the shares acquired on exercise before the applicable holding period expires), whereas on exercise of a nonqualified stock option, we are entitled to a deduction in an amount equal to the income recognized by the optionee. Except in the case of the death or disability of an optionee, an optionee has three months after

termination of employment in which to exercise an incentive stock option and retain favorable tax treatment at exercise. An option exercised more than three months after an optionee's termination of employment for other than death or disability cannot qualify for the tax treatment applicable to incentive stock options. Any such option would be treated as a nonqualified stock option instead.

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

Stock Appreciation Rights

The fair market value of any shares of our common stock received by the holder on the exercise of SARs under the 2007 Incentive Plan will be subject to ordinary income tax in the year of receipt, and we will be entitled to a deduction for that amount.

Stock Awards

A grant of shares of our common stock or a cash equivalent that is not subject to vesting restrictions will result in taxable income for federal income tax purposes to the recipient at the time of grant in an amount equal to the fair market value of the shares or the amount of cash awarded. We would be entitled to a corresponding deduction at that time for the amount included in the recipient's income.

Generally, a grant of shares of our common stock under the 2007 Incentive Plan subject to vesting and transfer restrictions will not result in taxable income to the recipient for federal income tax purposes or a tax deduction to us at the time of the grant. The recipient will generally realize taxable income at the time the shares become vested in an amount equal to the then fair market value of the shares. However, a recipient may elect pursuant to Code Section 83(b) to treat the fair market value of the shares on the date of grant as compensation income at the year of the grant. The early income election must be made, if at all, within 30 days after the date of the grant. In any case, we will receive a deduction for federal income tax purposes corresponding in amount to the amount of compensation included in the recipient's income in the year in which that amount is so included.

Cash Awards

Cash awards are taxable income to the recipient for federal income tax purposes at the time of payment. The recipient will have compensation income equal to the amount of cash paid, and we will have a corresponding deduction for federal income tax purposes.

Other

In general, a federal income tax deduction is allowed to us in an amount equal to the ordinary income recognized by a participant with respect to awards under the 2007 Incentive Plan, provided that such amount constitutes an ordinary and necessary business expense of ours, that such amount is reasonable, and that the amount of the deduction is not limited by the executive compensation deduction limitations of Section 162(m) of the Code. Section 162(m) of the Code imposes an annual deduction limitation of \$1 million on the amount of compensation paid to certain of our top executive officers. Prior to the Tax Act, the deduction limit did not apply to "performance-based compensation" that complied with certain conditions imposed by Prior Section 162(m). The Tax Act provides limited transition relief for "performance-based compensation" paid pursuant to certain grandfathered arrangements in effect as of November 2, 2017, provided the grandfathered arrangements are not materially modified. Certain outstanding awards granted under the 2007 Incentive Plan before November 2, 2017 may qualify as "performance-based compensation" under Prior Section 162(m), and nothing in the plan is intended to modify in any material respect any of those outstanding awards. While little guidance has been issued on the scope of the transition relief, its application is based on interpretation and no assurance can be given as to whether those outstanding awards will be fully deductible by us. In any event, the Compensation Committee retains full discretion to grant non-deductible awards under the 2007 Incentive Plan or materially modify outstanding awards if, in its judgment, it is in our best interest to do so.

Additionally, under the so-called "golden parachute" provisions of Section 280G of the Code, the accelerated vesting of awards in connection with a change of control may be required to be valued and taken into account in determining whether participants have received compensatory payments contingent on the change of control, in excess of certain limits. If these limits are exceeded, a portion of the amounts payable to the participant may be subject to an additional 20% federal tax and may be nondeductible by us.

New Plan Benefits

Because it is within the discretion of the Compensation Committee to determine which individuals receive awards and the amount and type of awards received, it is not presently possible to determine the number of individuals to whom other awards will be made in the future under the 2007 Incentive Plan or the amounts of such awards.

PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2007 INCENTIVE PLAN

Benefits to Named Executive Officers and Others

Although future grants under the 2007 Incentive Plan are not determinable at this time, for illustrative purposes only, the following table sets forth, with respect to each named executive officer listed in the Summary Compensation Table and each group listed below, the number of shares of common stock issuable pursuant to (i) time-based restricted stock unit awards, and (ii) restricted stock awards, granted under the 2007 Incentive Plan during the fiscal year ended December 31, 2018. The number of shares of stock subject to the performance-based phantom stock unit awards granted to the named executive officers during 2018 are not included in the below table as these awards are expected to be settled in cash.

Name	Shares of Restricted Stock and Shares Subject to Time-Based RSUs
Wm. Stacy Locke, President, Chief Executive Officer and Director	265,528
Lorne E. Phillips, Executive Vice President and Chief Financial Officer	73,137
Carlos R. Peña, Executive Vice President and Chief Strategy Officer	69,876
Brian L. Tucker, Executive Vice President and Chief Operating Officer	69,876
Joe P. Freeman, Former Senior Vice President of Well Servicing	—
All current executive officers as a group	485,870
All non-employee directors as a group	78,632
All employees, including all current officers who are not executive officers, as a group	788,377

From January 1, 2019 through March 18, 2019, we granted time-based restricted stock unit awards covering 870,648 shares of our common stock to 78 employees, including executive officers.

Equity Compensation Plan Information

The following table summarizes, as of December 31, 2018, the indicated information regarding the 2007 Incentive Plan, the Pioneer Drilling Company 2003 Stock Plan and the Pioneer Drilling Company 1999 Stock Plan:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price per share of outstanding options, warrants and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans ⁽³⁾
Equity compensation plans approved by security holders	5,190,974	\$5.56	2,390,057
Equity compensation plans not approved by security holders	—	—	—
TOTAL	5,190,974	\$5.56	2,390,057

(1) Includes (a) 3,362,991 shares subject to issuance pursuant to outstanding awards of stock options and 1,451,064 shares subject to issuance pursuant to outstanding awards of restricted stock units (assuming the target level of

performance achievement) under the 2007 Incentive Plan; and (b) 376,919 shares subject to issuance pursuant to outstanding awards of stock options under the Pioneer Drilling Company 2003 Stock Plan. It does not include awards we grant in the form of phantom stock unit awards which are expected to be paid in cash.

(2) The weighted-average exercise price does not take into account the shares issuable upon vesting of outstanding awards of restricted stock units, which have no exercise price.

(3) Represents 1,731,925 shares available for future issuance in the form of restricted stock under the 2007 Incentive Plan as of December 31, 2018.

From January 1, 2019 through March 18, 2019, we granted time-based restricted stock unit awards covering 870,648 shares of our common stock to 78 employees and executive officers. Applying the share counting rules under the 2007 Incentive Plan, these grants reduce the total number of shares available for issuance under the 2007 Incentive Plan by 1,201,494. Factoring in forfeitures that have occurred from January 1, 2019 through March 18, 2019, this leaves 1,548,874 shares available for issuance as of March 18, 2019. As discussed above, if full value awards are issued, the fungible share pool approach under the 2007 Incentive Plan would deplete the shares available for issuance at a rate of 1.38 shares per share actually covered by an award.

Our Board unanimously recommends a vote “FOR” the approval of the amendment and restatement of the 2007 Incentive Plan.

PROPOSAL 3 Advisory Vote on Executive Compensation

Proposal 3 Advisory Vote on Executive Compensation

As required pursuant to Section 14A of the Exchange Act, this proposal is an advisory vote on executive compensation that gives shareholders the opportunity to approve our named executive officers' compensation, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K. In response to the majority of the votes cast for an advisory vote on executive compensation every year at our 2017 Annual Meeting of Stockholders, we determined that the advisory vote on executive compensation would be conducted every year, until we hold the next advisory vote on the frequency of advisory votes on executive compensation at our 2023 Annual Meeting of Shareholders.

Our 2018 Executive Compensation Program is described in detail on pages 30-46.

Business Highlights

Early in 2018, our Board approved a business plan that reflected aggressive goals for earnings per share ("EPS"), adjusted earnings before interest, taxes, depreciation, amortization and impairments ("Adjusted EBITDA"), adjusted EBITDA return on capital employed (ROCE) and safety. These goals served as targets for our annual cash incentive plan. We exceeded our goals for Adjusted EBITDA, EBITDA ROCE and safety.

The Compensation Committee believes that management performed well and that the Company delivered strong results for the 2018 Team Goals. Some key highlights of our 2018 performance include the following:

Improved profitability across all business lines:

- Consolidated gross margin increased by almost 40%, Adjusted EBITDA increased by 80%, and net loss reduced by 35%, as compared to 2017.

- Maintained 100% utilization of our domestic AC rig fleet and industry-leading margins per day.

- Grew utilization of our Colombia fleet to seven rigs working during 2018 and expanded our international client base, driving a 115% increase in gross margin, as compared to 2017.

- Gross margin from production services grew 35% in 2018, as compared to 2017, with improvements in all business lines.

Continued to excel in safety:

- Achieved a Total Recordable Incident Rate in 2018 of less than 1.0 for the second year in a row, and better than the industry average by over 30%.

- Our 2018 lost time incident rate is the lowest in company history, for the fifth consecutive year.

- Our domestic drilling business achieved record safety results and was ranked first among the top 10 most active contractors.

- Our international drilling business was ranked 1st among the top 5 most active drilling contractors in South America.

Strategically upgraded and expanded fleets:

- Began construction of our 17th AC drilling rig, secured by a 3 year term contract.

- Placed three new wireline units and two new large diameter coiled tubing units into service in 2018.

Positioned for 2019:

- Redeployed our leadership talent through the creation of a Chief Operating Officer role to centralize operational and sales leadership for all business segments, and a Chief Strategy Officer role to lead a team designed to identify market opportunities, execute strategic initiatives and enhance our fleet performance across all business lines.

- Maintained financial flexibility and liquidity with total cash of \$55 million at December 31, 2018 and availability under our asset-based lending facility of approximately \$50 million.

Results of 2018 Say on Pay

At our 2018 Annual Meeting of Shareholders, the advisory vote on our executive compensation ("say on pay") received the support of 96% of the votes cast. The Board is extremely pleased with this result, and has continued its efforts to continually improve our executive compensation program, listen to shareholders, and focus on performance and at-risk compensation.

Seventy percent of our Chief Executive Officer's target direct compensation is variable/at-risk, including:

Annual Cash Incentive Awards. The annual cash incentive award is based on operational, financial and team performance.

Time-Based Restricted Stock Unit Awards. These awards are issued as equity and the share value realized upon vesting is linked to Company performance.

PROPOSAL 3 Advisory Vote on Executive Compensation

Performance-Based Phantom Stock Unit Awards. The performance-based phantom stock unit awards are earned based on our relative performance versus a pre-defined group of 15 peer companies over the three-year performance period in each of the following two metrics: total shareholder return and EBITDA ROCE.

2018 Compensation Highlights

In consideration of the strong shareholder support of 2017 executive compensation and the competitive pay information derived from the independent compensation consultant, the Compensation Committee decided to keep the 2018 overall incentive compensation levels aligned with those of the 2017 program, and make targeted improvements to the Long-Term Incentive (LTI) award program. The resulting key decisions related to our 2018 compensation program are as follows:

Held Named Executive Officer Target Direct Compensation Levels Flat, except for Mr. Freeman. The Compensation Committee did not make any changes to the named executive officers' base salaries, target annual cash incentive award levels or their target long-term incentive compensation levels, except for an increase in Mr. Freeman's target LTI award compensation to better align his target direct compensation with the most recent competitive pay analysis. Mr. Freeman's target direct compensation fell below the market median in 2017, and in consideration of this, the Compensation Committee decided to increase his target LTI to 125% of his base salary in 2018, from 100% in 2017.

Determined the Mix and Vesting Conditions of Awards Comprising the 2018 Long-Term Incentive Compensation Program. In line with the Compensation Committee's objective of creating a portfolio of LTI compensation that is shareholder aligned, with at least 50% comprised of performance awards, the Compensation Committee subjectively allocated and set vesting conditions for the LTI compensation as follows:

Increased the Portion of LTI Compensation Allocated to Variable/At-Risk Awards. For the second year in a row, the Compensation Committee allocated a larger portion of the LTI awards to variable/at-risk compensation, increasing the percentage to 80% in 2018, from 70% in 2017, and reducing the percentage allocated to long-term cash incentive awards to 20% in 2018 from 30% in 2017. Consequently, the named executive officers were granted target LTI compensation in 2018 that was allocated approximately 50% to performance-based phantom stock unit awards, 30% to time-based RSU awards, and 20% to long-term incentive cash. In consideration of a trend observed in the competitive pay analysis provided by Pearl Meyer, whereby the peers within our Custom Peer Group have decreased the use of stock options as a component of executive compensation, the Compensation Committee approved a grant of time-based RSU awards instead of stock options in 2018, which, are more in line with our Custom Peer Group but like stock options, retain the emphasis on performance and are shareholder aligned. In part to preserve the number of shares available for future issuance under the 2007 Incentive Plan, the Compensation Committee granted performance-based phantom stock unit awards in 2018, instead of performance-based RSU awards.

Revised the Performance-Based Award Vesting Conditions and Limited the Potential Payout. The performance-based phantom stock unit awards granted in 2018 include an additional vesting condition that reduces the portion of total payout achieved above target level by half when the Company's TSR is negative. We also revised the maximum payout of these phantom stock awards by limiting the appreciation of each unit to be no more than three times the stock price at the date of grant, as opposed to the 2016 awards' maximum appreciation of four times the stock price at the date of grant. The 2018 performance-based phantom stock unit awards contain only two performance metrics, as compared to three performance metrics in 2017, which the Compensation Committee believes improves the focus of the award on achieving shareholder value (TSR) and return on capital (EBITDA ROCE), retaining the two strategic measures that the Compensation Committee believes are most strongly aligned with our shareholders' interests while eliminating any overlap in the performance measures used (between EBITDA growth and EBITDA ROCE).

Additionally, according to the competitive pay analysis provided by Pearl Meyer, the use of fewer performance metrics is more prevalent within our Custom Peer Group.

Finalized 2018 Performance-Based Program Payouts. Based on Company performance measures and the achievement of the 2018 Team Goals, each of the named executive officers earned a 2018 annual cash incentive award above their target level, with the exception of Mr. Freeman. Under the 2015 restricted stock unit award, which had a performance period of January 1, 2015 to December 31, 2017, the Company's performance was slightly above the median of the peer group, which included three peers that filed for bankruptcy before the end of the performance period.

Accordingly, Messrs. Locke, Phillips, Peña, Tucker and Freeman each received approximately 106% of their target

award shares, which vested in April 2018.

Held Non-Employee Director Compensation Flat. The Compensation Committee decided to hold compensation for non-employee directors flat and grant restricted stock awards in 2018 with a grant date fair market value of approximately \$115,000. Except for the increase of the annual retainer for the Chairman of the Board in 2015, the cash and equity compensation for non-employee directors has not increased since 2013.

You have the opportunity to vote “for” or “against” or “abstain” from voting on the following non-binding resolution: “RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the named executive officers as disclosed in our Proxy Statement for the 2019 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K, including the compensation discussion and analysis, the compensation tables, and the narrative discussion of this proxy statement.”

While your vote on this proposal is advisory and will not be binding on us, the Board or the Compensation Committee, we value the opinion of our shareholders and will take the results of this advisory vote into account when making future decisions regarding our executive compensation program.

The Board recommends a vote FOR the approval, on an advisory basis, of the compensation paid to the named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of regulation S-K.

Proposal 4 Ratification of the Appointment of Our Independent Registered Public Accounting Firm

The Audit Committee of our Board has selected KPMG LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2019. KPMG LLP has served as our independent public accountants since 1979. The Audit Committee's decision to re-appoint KPMG LLP as our independent registered public accounting firm was based on, among others, the following considerations: the quality and performance of the lead audit partner and the overall engagement team, knowledge of the energy industry and company operations, global capabilities and technical expertise, auditor independence and objectivity, and the potential impact of rotating to another independent registered public accounting firm. Based on these considerations, the Audit Committee believes that the selection of KPMG LLP is in the best interest of the Company and our shareholders.

Although shareholder ratification is not required, the Board has directed that such appointment be submitted to the shareholders for ratification at the annual meeting. If our shareholders do not ratify the appointment of KPMG LLP at the annual meeting, the Audit Committee will consider such event in its selection of our Company's independent registered public accounting firm for the 2020 fiscal year. Additionally, even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the 2019 fiscal year if it determines that such a change would be in the best interests of the Company and its shareholders. Representatives of KPMG LLP are expected to be present at the meeting, are expected to be given an opportunity to make a statement if they so desire and will be available to respond to appropriate questions of any shareholders.

Principal Accounting Fees and Services

The aggregate fees billed by KPMG LLP in the fiscal years ended December 31, 2018 and 2017 for services are as follows (amounts in thousands):

Type of Fees	Fiscal Year	Fiscal Year
	Ended December 31, 2018	Ended December 31, 2017
Audit Fees	\$ 1,488	\$ 1,423

Audit Fees include aggregate fees billed for professional services rendered by KPMG LLP for the audit of our annual financial statements, audit of our internal control over financial reporting and review of financial statements included in our Forms 10-Q and services that are normally provided by the principal auditor (e.g., comfort letters, statutory audits, consents and assistance with and review of documents filed with the SEC) in the fiscal years ended December 31, 2018 and 2017. There were no tax or other non-audit services provided by KPMG LLP.

Audit Committee's Pre-Approval Policies and Procedures

The Audit Committee has established a policy for the pre-approval of audit and non-audit services performed for us by the independent auditors, which also specifies the types of services that the independent auditors may and may not provide to us. The policy provides for general pre-approval of services and specific case-by-case approval of certain services. The services that are pre-approved include audit services and audit-related services, such as due diligence services pertaining to potential business acquisitions and dispositions, and may also include other services. The Audit Committee approved all of the fees and services described above. At the present time, we use a third party other than KPMG LLP to prepare our tax returns and assist with tax-compliance issues. The term of any pre-approval is twelve months and is generally subject to certain specific budgeted amounts or ratios, as determined by the Audit Committee. The Audit Committee may revise the list of general pre-approved services from time to time based on subsequent determinations. Unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any proposed services which were addressed in the pre-approval, but which exceed pre-approved cost levels or budgeted amounts, will also require specific pre-approval by the Audit Committee. The Audit Committee does not delegate its responsibilities concerning pre-approval of services to management. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for services performed to date.

During the fiscal year ended December 31, 2018, no pre-approval requirements were waived pursuant to the limited waiver provisions in applicable rules of the SEC.

Our Board unanimously recommends a vote “FOR” the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

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OTHER INFORMATION

Expenses Related to this Proxy Solicitation

We will pay all expenses relating to this proxy solicitation. We retained Okapi Partners to assist in the solicitation of proxies. Okapi Partners will receive an aggregate fee of \$9,500, plus out-of-pocket expenses. We also agreed to indemnify Okapi Partners against certain liabilities arising out of or in connection with this engagement. In addition to solicitation by mail, employees of Okapi Partners, and our officers, directors and regular employees may solicit proxies in person or by telephone or other electronic communication without extra compensation for that activity. We also expect to reimburse banks, brokers and other persons for reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of our common stock and obtaining the proxies of those owners.

Date for Submission of Shareholder Proposals

Under the currently effective rules the SEC has established, any shareholder who wishes to have a qualified proposal considered for inclusion in our proxy statement for our 2020 Annual Meeting of Shareholders must send notice of the proposal to our Corporate Secretary at our principal executive offices, 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209, so that we receive such notice by no later than December 18, 2019, unless the date of our 2020 Annual Meeting of Shareholders is more than 30 days from the anniversary date of our 2019 Annual Meeting of Shareholders, in which case the deadline is a reasonable time before we print and mail our proxy materials for the 2020 Annual Meeting of Shareholders. If you submit a shareholder proposal, you must provide your name and address, the number of shares of common stock you hold of record or beneficially, the date or dates on which you acquired those shares and documentary support for any claim of beneficial ownership.

In addition, our bylaws establish an advance notice procedure for shareholder proposals to be brought before an annual meeting. In general, the procedure provides that shareholders must submit proposals to us in writing containing certain information specified in our bylaws not more than 180 days and not less than 90 days prior to the first anniversary of our preceding year's annual meeting. Accordingly, in order to be brought before our 2020 Annual Meeting of Shareholders, any such proposal must be submitted so that we receive the proposal no earlier than the close of business on November 18, 2019 and no later than the close of business on February 16, 2020. Shareholders should submit any such proposals to our Corporate Secretary at Pioneer Energy Services Corp., 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209. These requirements are in addition to the SEC's requirements that a shareholder must comply with to have a shareholder proposal included in our proxy statement.

Householding

The SEC permits a single set of annual reports and proxy statements to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces our mailing and printing expenses. A number of brokerage firms have instituted householding. As a result, if you hold your shares through a broker and you reside at an address at which two or more shareholders reside, you will likely be receiving only one annual report and proxy statement unless any shareholder at that address has given the broker contrary instructions. However, if any such beneficial shareholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, or if any such beneficial shareholder that elected to continue to receive separate annual reports or proxy statements wishes to receive a single annual report or proxy statement in the future, that shareholder should contact their broker or send a request to our Corporate Secretary at our principal executive offices, 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209, telephone number (855) 884-0575. We will deliver, promptly upon written or oral request to the Corporate Secretary, a separate copy of the 2018 annual report and this proxy statement to a beneficial shareholder at a shared address to which a single copy of the documents was delivered.

Annual Report and Additional Materials

Our annual report for the fiscal year ended December 31, 2018 is being distributed with this proxy statement. Copies of our annual report on Form 10-K for such period (including the financial statements and the financial statement schedules, if any, required to be filed with the Securities and Exchange Commission pursuant to Rule 13a-1 for our most recent fiscal year, but excluding exhibits) may be obtained without charge upon written or oral request to our Corporate Secretary at our principal executive offices, 1250 N.E. Loop 410, Suite 1000, San Antonio, Texas 78209, telephone number (855) 884-0575.

Other Matters

Our Board does not intend to bring any other matters before the annual meeting and has not been informed that any other matters are to be properly presented by others. If any other matters properly come before the annual meeting, the persons named in the enclosed form of proxy will vote all proxies according to their discretion.

By Order of the Board

Bryce T. Seki
Vice President, General Counsel, Secretary and Compliance Officer

San Antonio, Texas
April 16, 2019

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APPENDIX A

APPENDIX A

PIONEER ENERGY SERVICES CORP.

AMENDED AND RESTATED 2007 INCENTIVE PLAN

(Effective May 16, 2019)

1. Plan

This Amended and Restated 2007 Incentive Plan of Pioneer Energy Services Corp. (this “Plan”) is further amended and restated effective as of May 16, 2019 by Pioneer Energy Services Corp., a Texas corporation (the “Company”), to further the Company’s goal of incentivizing certain corporate officers, key employees, consultants and directors of the Company or its Subsidiaries by enabling them to acquire shares of common stock of the Company and/or through the provision of cash payments.

2. Objectives

This Plan is designed to attract and retain officers, key employees and consultants of the Company and its Subsidiaries, to attract and retain qualified directors of the Company, to encourage the sense of proprietorship of such officers, employees, consultants and directors and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries. These objectives are to be accomplished by making Awards under this Plan and thereby providing Participants with a proprietary interest in the growth and performance of the Company and its Subsidiaries.

3. Definitions

As used herein, the terms set forth below shall have the following respective meanings:

- (a) “Authorized Officer” means the Chairman of the Board or the Chief Executive Officer of the Company (or any other senior officer of the Company to whom either of them shall delegate the authority to execute any Award Agreement).
- (b) “Award” means the grant of any Option, SAR, Stock Award, Performance Award or Cash Award, whether granted singly, in combination or in tandem, to a Participant pursuant to such applicable terms, conditions and limitations as the Committee may establish in accordance with the objectives of the Plan.
- (c) “Award Agreement” means any written agreement between the Company and a Participant setting forth the terms, conditions and limitations applicable to an Award.
- (d) “Board” means the Board of Directors of the Company.
- (e) “Cash Award” means an award denominated in cash.
- (f) “Code” means the Internal Revenue Code of 1986, as amended from time to time.
- (g) “Committee” means the Compensation Committee of the Board or such other committee of the Board as may be designated by the Board to administer the Plan.
- (h) “Common Stock” means the Common Stock, par value \$0.10 per share, of the Company.
- (i) “Director” means an individual serving as a member of the Board.
- (j) “Dividend Equivalents” means, with respect to shares of Restricted Stock or Restricted Stock Units, with respect to which shares are to be issued at the end of the Restriction Period, an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to shareholders of record during the Restriction Period on a like number of shares of Common Stock.
- (k) “Employee” means an employee of the Company or any of its Subsidiaries and an individual who has agreed to become an employee of the Company or any of its Subsidiaries and actually becomes such an employee within the following six months.
- (l) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (m) “Fair Market Value” of a share of Common Stock means, as of a particular date, (i) if shares of Common Stock are listed on a national securities exchange, the closing sales price per share of Common Stock on the consolidated transaction reporting system for the principal national securities exchange on which shares of Common Stock are listed on that date, or, if there shall have been no such sales reported on that date, on the last preceding date on which

such a sale was so reported, (ii) if the Common Stock is not so listed, the mean between the closing bid and asked price on that date, or, if there are no such prices available for such date, on the last preceding date on which such prices shall be available, as reported by the National Quotation Bureau Incorporated, or (iii) if shares of Common Stock are not publicly traded, the most recent value determined by an independent appraiser appointed by the Company for such purpose.

(n) “Grandfathered Qualified Performance-Based Award” means an Award granted on or before November 2, 2017, to a “covered employee” (within the meaning of Prior Section 162(m) of the Code) that qualifies as “performance-based compensation” (within the meaning of Prior Section 162(m) of the Code) and which, as of any applicable date, the Committee intends to continue to qualify as “performance-based compensation” (within the meaning of Prior Section 162(m) of the Code).

(o) “Incentive Option” means an Option that is intended to comply with the requirements set forth in Section 422 of the Code.

(p) “Option” means a right to purchase a specified number of shares of Common Stock at a specified price.

(q) “Nonqualified Option” means an Option that is not intended to comply with the requirements set forth in Section 422 of the Code.

(r) “Participant” means an Employee, consultant or Director to whom an Award has been made under this Plan.

(s) “Performance Award” means an award made pursuant to this Plan to a Participant who is an Employee, which Award is subject to the attainment of one or more Performance Goals. Performance Awards may be Stock Awards or Cash Awards.

(t) “Performance Goal” means a standard established by the Committee, to determine in whole or in part whether a Performance Award shall be earned.

APPENDIX A

- (u) "Prior Section 162(m) of the Code" means Section 162(m) of the Code as in effect immediately prior to the amendments made to Section 162(m) of the Code by Section 13601 of the Tax Cuts and Jobs Act of 2017, and the regulations and other guidance promulgated thereunder.
- (v) "Restricted Stock" means any Common Stock that is restricted or subject to forfeiture provisions.
- (w) "Restricted Stock Unit" means a unit evidencing the right to receive one share of Common Stock or equivalent value (as determined by the Committee) that is restricted or subject to forfeiture provisions.
- (x) "Restriction Period" means a period of time beginning as of the date upon which an Award of Restricted Stock, Restricted Stock Units, Options or SARs is made pursuant to this Plan and ending as of the date upon which such Award (or, if applicable, the shares of Common Stock subject to such Award) is no longer restricted or subject to forfeiture provisions.
- (y) "Stock Appreciation Right" or "SAR" means a right to receive a payment, in cash or Common Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Common Stock on the date the right is exercised over a specified strike price, in each case, as determined by the Committee.
- (z) "Stock Award" means an award in the form of shares of Common Stock or units denominated in shares of Common Stock.
- (aa) "Subsidiary" means (i) in the case of a corporation, any corporation of which the Company directly or indirectly owns shares representing 50% or more of the combined voting power of the shares of all classes or series of capital stock of such corporation which have the right to vote generally on matters submitted to a vote of the shareholders of such corporation and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

4. Eligibility

- (a) Employees. Employees eligible for Awards under this Plan are: (i) the officers of the Company; and (ii) those other employees who hold positions of responsibility and whose performance, in the judgment of the Committee, can have a significant effect on the success of the Company and its Subsidiaries.
- (b) Consultants. Consultants eligible for Awards under this Plan are those consultants to the Company or Subsidiaries whose performance, in the judgment of the Committee, can have or have had a significant effect on the success of the Company and its Subsidiaries.
- (c) Directors. Directors eligible for Awards under this Plan, in their capacities as Directors, are those who are not employees of the Company or any of its Subsidiaries ("Nonemployee Directors").

5. Common Stock Available for Awards

Subject to the provisions of paragraph 12 hereof, there shall be available for Awards under this Plan granted wholly or partly in Common Stock (including rights or options that may be exercised for or settled in Common Stock) an aggregate of 17,050,000 shares of Common Stock. In the discretion of the Committee, all shares of Common Stock may be granted as Incentive Options. For Awards granted after May 15, 2013, each share of Common Stock issued in connection with an Award other than a Cash Award, Option or SAR will reduce the shares available for issuance under the plan by 1.38 shares, and each share of Common Stock issued upon exercise of an Option or SAR will reduce the shares available for issuance under the Plan by one share. For Awards granted on or before May 15, 2013, each share of Common Stock issued in connection with an Award will reduce the shares available for issuance under the plan by one share. The number of shares reserved for issuance under the Plan shall be reduced only to the extent that shares of Common Stock are actually issued in connection with the exercise or settlement of an Award; provided, however, that the number of shares reserved for issuance shall be reduced by the total number of Options or SARs exercised, regardless of the manner of exercise. A share of Common Stock that is the subject of an Award that is cancelled, forfeited, terminated or expires unexercised, will be added back to the shares available for issuance under the Plan as 1.38 shares of Common Stock or one share of Common Stock, as applicable. The number of shares reserved for issuance under the Plan shall not be increased by (i) any shares tendered or Award surrendered in

connection with the purchase of shares upon the exercise of an Option as described in paragraph 11 or (ii) any shares deducted from an Award payment in connection with the Company's tax withholding obligations as described in paragraph 13(a). The Committee may from time to time adopt and observe such procedures concerning the counting of shares against the Plan maximum as it may deem appropriate. The Committee and the appropriate officers of the Company shall be authorized to, from time to time, take all such actions as any of them may determine are necessary or appropriate to file any documents with governmental authorities, stock exchanges and transaction reporting systems as may be required to ensure that shares of Common Stock are available for issuance pursuant to Awards.

6. Administration

(a) Authority of the Committee. This Plan shall be administered by the Committee. Subject to the provisions hereof, the Committee shall have full and exclusive power and authority to administer this Plan and to take all actions that are specifically contemplated hereby or are necessary or appropriate in connection with the administration hereof. The Committee shall also have full and exclusive power to interpret this Plan and to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of this Plan. Subject to paragraph 6(c) hereof and notwithstanding anything contrary in paragraph 8(j) hereof, the Committee may, in its discretion, provide for the extension of the exercisability of an Award, accelerate the vesting or exercisability of an Award, eliminate or make less restrictive any restrictions contained in an Award, waive any restriction or other provision of this Plan or an Award or otherwise amend or modify an Award in any manner that is (i) not adverse to the Participant to whom such Award was granted, (ii) consented to by such Participant or (iii) authorized by paragraph 13(b) hereof; provided, however, that no such action shall permit the term of any Option to be greater than ten years from the applicable grant date. The Committee may make an Award to an individual who it expects to become an employee of the Company or any of its Subsidiaries within the next six months, with such Award being subject to the individual's actually becoming an employee within such time period, and subject to such other terms and conditions as may be established by the Committee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further the Plan purposes. Any decision of the Committee in the interpretation and administration of this Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned.

(b) Limitation of Liability. No member of the Committee or officer of the Company to whom the Committee has delegated authority in accordance with the provisions of paragraph 7 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

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(c) Prohibition on Repricing or Cash Buyout of Underwater Options and SARs. No Option or SAR may be repriced, replaced, regranted through cancellation or modified without shareholder approval, if the effect would be to reduce the exercise price for the shares of Common Stock underlying such Award. The Company shall not, without shareholder approval, make any cash payment to the holder of an Option or SAR that has an exercise price that is higher than the current Fair Market Value of the underlying shares of Common Stock, in exchange for cancellation or termination of the Option or SAR. Nothing in this paragraph 6(c) shall limit or prevent the Board from making adjustments to outstanding Options and SARs pursuant to paragraph 12 hereof.

7. Delegation of Authority

The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under this Plan pursuant to such conditions or limitations as the Committee may establish.

8. Awards

(a) General. The Committee shall determine the type or types of Awards to be made under this Plan and shall designate from time to time the Participants who are to be the recipients of such Awards. Each Award shall be embodied in an Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Committee in its sole discretion and shall be signed by the Participant to whom the Award is made and by an Authorized Officer for and on behalf of the Company. Awards may consist of those listed in this paragraph 8 and may be granted singly, in combination or in tandem. Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Company or any of its Subsidiaries, including the plan of any acquired entity. All or part of an Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Company and its Subsidiaries, achievement of specific business objectives, increases in specified indices, attainment of specified growth rates and other comparable measurements of performance. Upon the termination of employment by a Participant who is an Employee, any unexercised, deferred, unvested or unpaid Awards shall be treated as set forth in the applicable Award Agreement.

(b) Option. An Award may be in the form of an Option. An Option awarded pursuant to this Plan may consist of an Incentive Option or a Nonqualified Option. Incentive Options may not be awarded to Nonemployee Directors. The price at which shares of Common Stock may be purchased upon the exercise of an Option shall be not less than the Fair Market Value of the Common Stock on the date of grant. The term of an Option shall not exceed ten years from the date of grant. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Options awarded pursuant to this Plan, including the term of any Options and the date or dates upon which they become exercisable, shall be determined by the Committee.

(c) Stock Appreciation Right. An Award may be in the form of an SAR. The strike price for an SAR shall not be less than the Fair Market Value of the Common Stock on the date on which the SAR is granted. The term of an SAR shall not exceed ten years from the date of grant. Subject to the foregoing limitations, the terms, conditions and limitations applicable to any SARs awarded pursuant to this Plan, including the term of any SARs and the date or dates upon which they become exercisable, shall be determined by the Committee.

(d) Stock Award. An Award may be in the form of a Stock Award. The terms, conditions and limitations applicable to any Stock Awards granted pursuant to this Plan shall be determined by the Committee, subject to the limitations specified below.

(e) Cash Award. An Award may be in the form of a Cash Award. The terms, conditions and limitations applicable to any Cash Awards granted pursuant to this Plan shall be determined by the Committee.

(f) Performance Award. Without limiting the type or number of Awards that may be made under the other provisions of this Plan, an Award may be in the form of a Performance Award. The terms, conditions and limitations applicable to any Performance Awards granted to Participants pursuant to this Plan shall be determined by the Committee. The Committee shall set Performance Goals in its discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Participant and/or the portion

of an Award that may be exercised.

(g) A Performance Goal may include one or more of the following:

- increased revenue;
- net income measures (including but not limited to income after capital costs and income before or after taxes);
- stock price measures (including but not limited to growth measures and total shareholder return);
- price per share of Common Stock;
- market share;
- net earnings;
- earnings per share (actual or targeted growth);
- earnings before interest, taxes, depreciation, and amortization (“EBITDA”);
- earnings before interest, taxes and amortization (“EBITA”);
- economic value added (or an equivalent metric);
- market value added;
- debt to equity ratio;
- cash flow measures (including but not limited to cash flow per share, cash flow return on capital, cash flow return on tangible capital, net cash flow, net cash flow before financing activities and improvement in or attainment of working capital levels);
- return measures (including but not limited to return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors’ capital and return on average equity);
- operating measures (including operating income, funds from operations, cash from operations, after-tax operating income; net operating profit after tax, revenue volumes, operating efficiency, fleet revenue per day rates and fleet utilization);
- expense measures (including but not limited to overhead cost, general and administrative expense and improvement in or attainment of expense levels);
- margins;
- shareholder value;
- proceeds from dispositions;
- total market value;
- reliability;
- productivity;

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corporate values measures (including ethics compliance, environmental, and safety) and
 debt reduction; and
 any other criteria determined by the Committee in its discretion.

To the extent that the Committee determines it to be desirable to continue to qualify a Grandfathered Qualified Performance-Based Award as "performance-based compensation" within the meaning of prior Section 162(m) of the Code, any adjustment(s) to the Performance Goal(s) and/or the written certification of achievement of the Performance Goal(s) applicable to such Grandfathered Qualified Performance-Based Award shall comply with the requirements of Prior Section 162(m) of the code. Notwithstanding any other provision in the Plan, the Plan is not intended to modify in any material respect any Grandfathered Qualified Performance-Based Award.

(i) Nonemployee Director Award Limits. Notwithstanding anything to the contrary contained in this Plan, the aggregate grant date fair value for financial reporting purposes of Awards granted during any single calendar year to a Nonemployee Director as compensation for his or her services as a Director shall not exceed \$300,000 in total value.

(j) Minimum Restriction Periods. Except as otherwise provided in this paragraph 8(j), (i) Stock Awards that are not Performance Awards shall have a Restriction Period of not less than three years from the date of grant (but permitting pro rata vesting over such time, provided that no portion of a Stock Award shall vest before the first anniversary of the date of the grant of such Stock Award), (ii) Stock Awards that are Performance Awards shall have a Restriction Period of not less than one year from the date of grant, and (iii) Options and SARs shall have a Restriction Period of not less than one year from the date of grant. Notwithstanding anything contrary in the preceding sentence, the Committee may grant Stock Awards, Options and SARs with respect to up to five percent (5%) of the shares of Common Stock that may be authorized for grant under paragraph 5 (as such authorized number of shares may be adjusted as provided under paragraph 12) without regard to the applicable minimum Restriction Period provision.

9. Awards to Nonemployee Directors

Upon becoming a Director, each Nonemployee Director shall receive a fully-vested Nonqualified Option to purchase 10,000 shares of Common Stock, and as of the close of business on the date on which the Company's regular annual meeting of shareholders is held for each year after the year in which the Plan is approved by the shareholders of the Company, each Nonemployee Director then serving shall receive a fully-vested Nonqualified Option to purchase 10,000 shares of Common Stock (individually, a "Nonemployee Director's Option," and collectively, "Nonemployee Directors' Options"). The Board may, in its discretion, determine to increase, from time to time, the number of shares subject to Nonemployee Directors' Options awarded after such determination, provided that any such increase in any single calendar year shall not exceed 10,000 shares per Nonemployee Director's Option. Each Nonemployee Director's Option shall expire five years from the date of grant; otherwise, a Nonemployee Director's Option shall not be subject to forfeiture or termination. Upon the termination of the Plan or the unavailability of shares of Common Stock for issuance under the Plan, no additional Nonemployee Directors' Options shall be granted pursuant to this sub-paragraph.

Additionally, the Committee may grant a Nonemployee Director of the Company one or more Awards and establish the terms thereof in accordance with paragraph 8 consistent with the provisions therein for the granting of Awards to Employees and subject to the applicable terms, conditions and limitations set forth in this Plan and the applicable Award Agreement. Notwithstanding anything in this paragraph 9 to the contrary, Awards granted to Nonemployee Directors shall be subject to the limitations set forth in paragraph 8(i) of the Plan.

10. Award Payment; Dividends; Substitution

(a) General. Payment of Awards may be made in the form of cash or Common Stock, or a combination thereof, and may include such restrictions as the Committee shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions. If payment of an Award is made in the form of Restricted Stock, the applicable Award Agreement relating to such shares shall specify whether they are to be issued at the beginning or end of the Restriction Period. In the event that shares of Restricted Stock are to be issued at the beginning of the Restriction

Period, the certificates evidencing such shares (to the extent that such shares are so evidenced) shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable thereto. In the event that shares of Restricted Stock are to be issued at the end of the Restricted Period, the right to receive such shares shall be evidenced by book entry registration or in such other manner as the Committee may determine.

(b) Deferral. With the approval of the Committee, amounts payable in respect of Awards may be deferred and paid either in the form of installments or as a lump-sum payment; provided, however, that if deferral is permitted, each provision of the Award shall be interpreted to permit the deferral only as allowed in compliance with the requirements of Section 409A of the Code and any provision that would conflict with such requirements shall not be valid or enforceable. The Committee intends that any Awards under the Plan satisfy the applicable requirements of Section 409A of the Code to avoid imposition of applicable taxes thereunder. The Committee may permit selected Participants to elect to defer payments of some or all types of Awards in accordance with procedures established by the Committee. Any deferred payment of an Award, whether elected by the Participant or specified by the Award Agreement or by the Committee, may be forfeited if and to the extent that the Award Agreement so provides.

(c) Dividends and Interest. Rights to dividends or Dividend Equivalents may be extended to and made part of any Award consisting of shares of Common Stock or units denominated in shares of Common Stock, subject to such terms, conditions and restrictions as the Committee may establish. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and Dividend Equivalents for Awards consisting of shares of Common Stock or units denominated in shares of Common Stock. Notwithstanding anything in the Plan to the contrary, the Committee may not provide for the current payment of dividends or Dividend Equivalents with respect to any shares of Common Stock subject to an outstanding Award (or portion thereof) that has not vested. For any such Award, the Committee may provide only for the accrual of dividends or Dividend Equivalents that will not be payable to the Participant unless and until, and only to the extent that, the Award vests. No dividends or Dividend Equivalents shall be paid on Options or SARs.

11. Stock Option Exercise

The price at which shares of Common Stock may be purchased under an Option shall be paid in full at the time of exercise in cash or, if elected by the Participant, the Participant may purchase such shares by means of tendering Common Stock or surrendering another Award, including Restricted Stock, valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee shall determine acceptable methods for Participants to tender Common Stock or other Awards; provided that any Common Stock that is or was the subject of an Award may be so tendered only if it has been held by the Participant for at least six months. The Committee may provide for procedures to permit the exercise or purchase of such Awards by use of the proceeds to be received from the sale of Common Stock issuable pursuant to an Award. Unless otherwise provided in the applicable Award Agreement, in the event shares of Restricted Stock are tendered as consideration for the exercise of an Option, a number of the

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shares issued upon the exercise of the Option, equal to the number of shares of Restricted Stock used as consideration thereof, shall be subject to the same restrictions as the Restricted Stock so submitted as well as any additional restrictions that may be imposed by the Committee.

12. Adjustments

The existence of outstanding Awards shall not affect in any manner the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the capital stock of the Company or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock (whether or not such issue is prior to, on a parity with or junior to the Common Stock) or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding of any kind, whether or not of a character similar to that of the acts or proceedings enumerated above.

In the event of any subdivision or consolidation of outstanding shares of Common Stock, declaration of a dividend payable in shares of Common Stock or other stock split, then (i) the number of shares of Common Stock reserved under this Plan, (ii) the number of shares of Common Stock covered by outstanding Awards in the form of Common Stock or units denominated in Common Stock, (iii) the exercise or other price in respect of such Awards, (iv) the Stock-based Award Limitations described in paragraph 8(i) hereof, (v) the number of shares of Common Stock covered by Awards to Directors granted pursuant to paragraph 9 hereof, and (vi) the appropriate Fair Market Value and other price determinations for such Awards shall each be proportionately adjusted by the Board to reflect such transaction. In the event of any other recapitalization or capital reorganization of the Company, any consolidation or merger of the Company with another corporation or entity, the adoption by the Company of any plan of exchange affecting the Common Stock or any distribution to holders of Common Stock of securities or property (other than normal cash dividends or dividends payable in Common Stock), the Board shall make appropriate adjustments to (i) the number of shares of Common Stock covered by Awards in the form of Common Stock or units denominated in Common Stock, (ii) the exercise or other price in respect of such Awards, and (iii) the appropriate Fair Market Value and other price determinations for such Awards, and (iv) the Stock-based Award Limitations described in paragraph 8(i) hereof, to give effect to such transaction shall each be proportionately adjusted by the Board to reflect such transaction; provided that such adjustments shall only be such as are necessary to maintain the proportionate interest of the holders of the Awards and preserve, without exceeding, the value of such Awards.

In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Board may make such adjustments to Awards or other provisions for the disposition of Awards as it deems equitable, and shall be authorized, in its discretion, (i) to provide for the substitution of a new Award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Board determines) for an Award or the assumption of the Award, regardless of whether in a transaction to which Section 424(a) of the Code applies, (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award and, if the transaction is a cash merger, provide for the termination of any portion of the Award that remains unexercised at the time of such transaction or (iii) to provide for the acceleration of the vesting and exercisability of an Award and the cancellation thereof in exchange for such payment as shall be mutually agreeable to the Participant and the Board.

13. Miscellaneous

(a) Taxes. The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes. The Committee may also permit withholding to be satisfied by the transfer to the Company of shares of Common Stock theretofore owned by the holder of the Award with respect to which withholding is required. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued based on the Fair Market Value

when the tax withholding is required to be made.

(b) Amendment, Modification, Suspension or Termination. The Board may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) no amendment or alteration that would adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (ii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Company to the extent shareholder approval is otherwise required by applicable legal requirements.

(c) Limits on Transfer; Assignability. Except as provided below, no Award or any other benefit under this Plan shall be assignable or otherwise transferable. Any attempted assignment of an Award or any other benefit under this Plan in violation of this paragraph 13(c) shall be null and void. The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Stock Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including, but not limited to, members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities (other than a third-party financial institution) as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

(d) Restrictions. No Common Stock or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with applicable federal and state securities laws. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation and any applicable federal or state securities law. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

(e) Unfunded Plan. Insofar as it provides for Awards of cash, Common Stock or rights thereto, this Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Common Stock or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto to be granted under this Plan. Any liability or obligation of the Company to any Participant with respect to an Award of cash, Common Stock or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

(f) Section 409A of the Code. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under the Plan would result in the imposition of an applicable tax under Section 409A of the Code and related regulations and Treasury pronouncements, that Plan provision or Award will be reformed to avoid imposition of the applicable tax and no such action shall be deemed to adversely affect the Participant's rights to an Award.

(g) Clawback. All Awards granted under the Plan on or after May 21, 2015 are subject to the Company's Recoupment of Incentive Compensation Policy as from time to time in effect.

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(h) Governing Law. This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas.

(i) No Right to Employment or Directorship. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or a Subsidiary to terminate any Participant's employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or any Subsidiary. Further, nothing in the Plan or an Award Agreement constitutes any assurance or obligation of the Board to nominate any Director for re-election by the Company's shareholders.

(j) Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(k) Effectiveness. This amendment and restatement of the Plan shall be effective upon the approval by the holders of a majority of shares of votes entitled to vote and who vote for or against or expressly abstain from voting with respect to the approval of this amendment and restatement of the Plan at the 2019 annual meeting of the Company's shareholders to be held on May 16, 2019 or any adjournment or postponement thereof. If the shareholders of the Company should fail to so approve this amendment and restatement of the Plan prior to such date, this amendment and restatement of the Plan shall be of no force or effect. Notwithstanding the foregoing, the Plan shall continue in effect until May 16, 2029, unless sooner terminated by action of the Board.

IN WITNESS WHEREOF, Pioneer Energy Services Corp. has caused this Plan to be executed by its duly authorized officer, effective as provided herein.

Pioneer Energy Services Corp.

By: /s/ Bryce T. Seki

Bryce T. Seki

Corporate Secretary



