

PACIFIC DRILLING S.A.
Audit Committee Charter
Approved on November 28, 2018

A. PURPOSE

The Audit Committee of Pacific Drilling S.A. (the “Company”) is a standing committee of the Board of Directors (the “Board”). The primary objective of the Audit Committee is to assist in the Board’s oversight of: the Company’s accounting practices; the integrity of the Company’s financial statements; the Company’s compliance with legal and regulatory requirements; the qualifications, independence, and performance of the Company’s registered public accounting firm (the “independent auditors”); and the internal audit function.

B. MEMBERSHIP, STRUCTURE, AND ADMINISTRATION

1. **Size and Member Qualifications** – The Audit Committee shall consist of at least two members of the Board, all of whom shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended and the rules of any stock exchange on which the Company’s securities are listed. Each member of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee shall, in the judgment of the Board, be an “audit committee financial expert” in accordance with the rules and regulations of the U.S. Securities and Exchange Commission. The members of the Audit Committee shall serve until their respective successors are duly elected and qualified, or until such member’s earlier resignation or removal.
2. **Selection and Removal** – Members of the Audit Committee shall be appointed by the Board. The Audit Committee shall report regularly to the Board. No member of the Audit Committee may serve on the audit committee of more than two other public companies, unless it is determined by the Board that such simultaneous service would not impair the ability of the member to effectively serve on the Audit Committee. The Board may remove members of the Audit Committee from such committee with or without cause.
3. **Chairman** – Unless the Board elects a Chairman of the Audit Committee, the Audit Committee shall elect the Chairman by majority vote.
4. **Compensation** – The compensation of the Audit Committee members shall be as determined by the Compensation Committee and approved by the Board.
5. **Meetings** – The Audit Committee shall meet on a schedule and in a manner the Audit Committee shall establish, but at a minimum, four times per year. A majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee shall act on the affirmative vote of a majority of members present at a

meeting at which a quorum is present. In the event that the number of members of the Audit Committee voting in favor of a proposal and the number of Audit Committee members voting against such proposal are equal, the vote of the Chairman shall resolve the tie.

The Audit Committee may also act by unanimous written consent in lieu of a meeting. Periodically, the Audit Committee shall meet separately with: the independent auditors, members of the Company's management, and the Company's internal auditor. A special meeting may be called on not less than 24 hours' notice, at any time by the Chairman. The Audit Committee shall keep such records of its meetings as it shall deem appropriate.

6. **Subcommittees** – The Audit Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances.
7. **Audit Committee Authority** - The Audit Committee shall maintain unrestricted communication with the independent auditors, the Company's internal audit function personnel, counsel and financial management to assure that each understands and accepts its responsibilities for direct communication with the Audit Committee as appropriate. The Audit Committee shall have full access to the books and records of the Company, as well as full access to interview employees, if necessary. The Chairman of the Audit Committee shall have the authority to direct the Company's internal audit function to carry out such special audit projects as, in the Chairman's judgment, are warranted.
8. **Charter Evaluations** – The Audit Committee shall maintain this Charter and shall, at least annually and otherwise as conditions dictate, review and reassess the Charter. The Audit Committee shall obtain the approval of the Board for all revisions or changes to the Charter.

C. **RESPONSIBILITIES AND DUTIES**

1. **General** – The Audit Committee shall discharge its responsibilities and shall assess the information provided by the Company's management, the internal auditor and the independent auditors, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and the reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and, as applicable, the Company's internal control over financial reporting and for reviewing the Company's unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly

presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditors' report.

2. **Oversight of Independent Auditors**

- a. **Selection and Reporting** – The Audit Committee shall be directly responsible for appointing, evaluating and, when necessary, terminating and replacing the independent auditors. The Audit Committee is also directly responsible for oversight of the independent auditors' work, including the resolution of disagreements between the Company, management and the independent auditors regarding financial reporting. The independent auditors shall report directly to the Audit Committee.
- b. **Compensation** – The Audit Committee shall take direct responsibility for setting compensation of the independent auditors. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of the independent auditors established by the Audit Committee.
- c. **Independence** – On a periodic, but no less frequently than annual, basis, the Audit Committee shall obtain from the independent auditors a formal written statement delineating all their relationships with the Company or professional services that may impact their objectivity and independence. In addition, the Audit Committee shall review with the independent auditors the nature and scope of any disclosed relationships or professional services and any appropriate actions necessary to ensure the continuing independence of the auditors.
- d. **Lead Partner** – The Audit Committee shall review and evaluate the lead partner of the team of independent auditors and ensure the rotation of the audit partners as required by law.
- e. **Quality-Control Report** – At least annually, the Audit Committee shall obtain and review a report by the independent auditors describing:
 - the internal quality-control procedures at the independent auditors' firm; and
 - any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors' firm, or by any inquiry or investigation by any governmental or professional authorities, within the preceding five years, relating to one or more independent audits carried out by the independent auditors' firm, and any steps taken to deal with any such issues.
- f. **Pre-approval of Services** – The Audit Committee shall pre-approve all audit services to be provided to the Company, whether provided by the principal auditor or other firms, and all other services (review, attest and

non-audit) to be provided to the Company by the independent auditors; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable rules and regulations. The Audit Committee shall cause the Company to comply with any applicable disclosure requirements regarding approval by the Audit Committee of any non-audit services to be performed by the independent auditor. Any decision of a subcommittee to pre-approve audit or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.

g. **Review Scope of Services** – The Audit Committee shall meet with the independent auditors and financial management of the Company to review the scope of the proposed audit and quarterly reviews for the current year and the procedures to be utilized.

h. **Discussion of Independent Auditors' Comments and Recommendations** – The Audit Committee shall meet with the independent auditors to review their comments and recommendations with respect to:

- internal accounting controls;
- audit difficulties, including restrictions on the scope of the independent auditors' activities or access to requested information or significant disagreements with management;
- analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative treatments within generally accepted accounting principles;
- the effect of regulatory and accounting initiatives, as well as off-balance sheet structures; and
- other matters relating to the accounting procedures and records of the Company.

The Audit Committee shall also review with the independent auditors the consideration given by management to such and any corrective action taken by management with respect thereto.

i. **Interim Financial Information** – The Audit Committee shall direct the independent auditors to use their best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and the Chief Financial Officer any matters identified in connection with the

auditor's review of interim financial information that are required to be discussed by applicable auditing standards.

3. **Review of Financial Data and Disclosures**

- a. **Review of Quarterly Reviewed and Annual Audited Financial Data** – The Audit Committee shall meet to review and discuss (i) the financial data to be included in the Company's quarterly financial statements and annual report; (ii) any accompanying opinions of the independent auditors; and (iii) any matters required to be discussed by applicable auditing standards. The Audit Committee shall discuss such items with financial management and the independent auditors and shall report thereon to the Board prior to the release, by public filing or other public disclosure, of earnings.
- b. **Review of Auditor Reports** – The Audit Committee shall review and evaluate reports required to be made by the independent auditors pursuant to (i) critical accounting policies and practices; (ii) alternative treatments of financial information within generally accepted accounting principles that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (iii) other material written correspondence between Company management and the independent auditors, such as a management letter or schedule of unadjusted differences.
- c. **Recommend Inclusion of Financial Statements in Annual Report** – The Audit Committee shall determine whether to recommend to the Board that the audited financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" be included in the Company's annual report for the fiscal year subject to the audit.
- d. **Review of Earnings Releases** – The Audit Committee shall discuss the Company's earnings press releases, as well as financial information provided to analysts and rating agencies.

4. **Review of Internal Reports and Processes**

- a. **Review of Internal Audit Function** – The Audit Committee shall review and evaluate the activities and recommendations of the Company's internal audit function and the responses of the Company to such recommendations, including the independence and authority of the function. The Audit Committee is responsible for reviewing the scope of the internal audit function as well as its staffing and compensation.
- b. **Oversight of Company's Internal Control Processes** – The Audit Committee shall coordinate the Board's oversight of the Company's significant internal control processes, including the process of preparing the interim and annual financial results; disclosure controls and procedures; internal audit function; and global code of conduct.

- c. **Personnel Review** – The Audit Committee shall review and evaluate the succession planning of the Company’s senior financial management.
- d. **Procedure for Complaints** – The Audit Committee shall establish procedures to provide for: (i) receiving, tracking, retaining and treating complaints received by the Company regarding employee reports of conflicts in interest; unethical or illegal activities; or accounting, accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding such matters. The Audit Committee shall establish procedures for the reporting of such matters, when significant, to the Board.
- e. **Discussion with Company Counsel** – The Audit Committee shall review periodically legal, environmental, global code of conduct, and related matters with the Company’s legal counsel.
- f. **Hiring Policies** – The Audit Committee shall establish policies regarding the hiring of employees or former employees of the Company’s independent auditors.
- g. **Risk Management** – The Audit Committee shall discuss with management the Company’s policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company’s exposure to risk is handled. The Audit Committee should also discuss the Company’s major financial risk exposures and steps taken by management to monitor and control such exposures.
- h. **Related Party Transactions** – The Audit Committee shall review with management the Company’s policies and procedures for reviewing and approving related party transactions and shall have the authority to review and approve all related party transactions. The Audit Committee shall review and discuss with the independent auditors the Company’s relationships and transactions with related parties that are significant to the Company; and shall review and discuss with the independent auditors the auditors’ evaluation of the Company’s identification of, accounting for, and disclosure of, its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company’s relationships and transactions with related parties.

5. **Administration**

- a. **Audit Committee Independence** – The Audit Committee shall make inquiry of each member of the Audit Committee to confirm compliance with independence requirements as defined by relevant laws and regulations to the extent applicable to the Company.
- b. **Outside Consultants** – The Audit Committee shall have the sole authority to retain, oversee and terminate independent counsel, consultants and any

other advisors if necessary to carry out its responsibilities. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such independent counsel, consultants or advisors.

- c. **Administrative Expenses** – The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate to carry out its duties.
- d. **Report to Board** – The Audit Committee shall report, no less frequently than quarterly or more frequently as circumstances require, to the Board concerning the Audit Committee’s actions since the previous report and the Audit Committee’s agenda for the ensuing meeting, which report shall contain recommendations as appropriate.
- e. **Minutes** – The Company’s Secretary, or a person designated by the Chairman to act as secretary for purposes of a meeting, will prepare the minutes of each meeting and provide a copy of the minutes to Audit Committee members and the members of the Board who are not members of the Audit Committee.
- f. **Annual Self-Evaluation** – At least annually, the Audit Committee shall evaluate its own performance.

6. **Other Responsibilities**

- a. **Review of Other Outside Reports** – The Audit Committee shall review reports received from regulators and other legal and regulatory matters that have been brought to the attention of the Audit Committee and that may have a material effect on the financial statements or Company compliance policies.
- b. **Other Investigations** – The Audit Committee shall conduct or authorize investigations into any matter brought to the Audit Committee’s attention within the scope of its duties, including anything as may be referred to the Audit Committee by the Board.
- c. **Other Matters** – The Audit Committee shall consider such other matters in relation to the financial affairs of the Company as the Audit Committee may, in its discretion, determine to be advisable.
- d. **Additional Duties** – The Audit Committee shall have such other duties as may be delegated from time to time by the Board.
- e. **Posting Requirement** – The Company shall make this Charter available on or through the Company’s website as required by applicable rules and regulations.