

IDEX CORP /DE/
Form 4
August 25, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Kingsley Lawrence D

(Last) (First) (Middle)

C/O IDEX CORPORATION, 630
DUNDEE ROAD

(Street)

NORTHBROOK, IL 60062

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
IDEX CORP /DE/ [IEX]

3. Date of Earliest Transaction (Month/Day/Year)
08/23/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chairman & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	08/23/2006		F	V	9,074	A	\$ 42.24
					224,103	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kingsley Lawrence D C/O IDEX CORPORATION 630 DUNDEE ROAD NORTHBROOK, IL 60062			Chairman & CEO	

Signatures

LAWRENCE D.
KINGSLEY 08/25/2006

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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Richard J. Alario

N/A
Kim B. Clarke

N/A

(1) Mr. Miller received an additional grant of 20,000 shares of restricted stock on January 15, 2016 with a fair market value of \$6,800 based on the closing stock price of \$0.34 per share in connection with his promotion to Senior Vice President, Operations Services and Chief Administrative Officer effective January 1, 2016.

These grants were to vest in equal installments over a three-year period from the date of grant. In connection with the reorganization, on the Effective Date, all restricted stock awards (whether vested or unvested) granted prior to Key's bankruptcy filing were accelerated and exchanged for vested stock and warrants in the post-emergence entity, or cash in lieu of such stock and warrants. For additional information about equity grants awarded in 2016, see "Compensation of Executive Officers- Summary Compensation Table" and "-2016 Grants of Plan-Based Awards."

Retention Awards

The following table sets forth the cash retention awards granted on January 28, 2016 to our NEOs:

Participant	2016 Cash Retention Awards
Robert Drummond	\$766,000
J. Marshall Dodson	\$425,000
Scott P. Miller	\$150,000
Katherine I. Hargis	\$120,000
Jeffrey S. Skelly	\$150,000
Richard J. Alario	\$—
Kim B. Clarke	\$—

On October 17, 2016, the pre-emergence compensation committee amended the retention agreements held by certain key employees, including each of Messrs. Dodson, Miller and Skelly and Ms. Hargis, but not Mr. Drummond, in order to address retention concerns.

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The amended retention awards provide for the immediate payment of one-third of the original award amount, subject to a clawback in the event that the employee resigns, provides notice of intention to resign, or is terminated by the Company for cause prior to June 30, 2017. Accordingly, each of Messrs. Dodson, Miller and Skelly and Ms. Hargis received immediate cash payment of one-third of their original award amount on October 21, 2016 (\$141,667, \$50,000, \$40,000 and \$50,000, respectively). The remainder of the original award amounts for such executives, and the entire amount for Mr. Drummond, will vest on June 30, 2017.

2016 Grant Post-Reorganization

On the Effective Date, the post-emergence compensation committee approved the grant of stock option awards under the 2016 ECIP to certain employees of the Company. These stock option grants were equally divided between time-based stock options and performance-based stock options for each recipient. The following table sets forth the stock option grants made to NEOs on the Effective Date:

Participant	Time-Based Options	Performance Based Options	Exercise Price
Robert Drummond	50,212	50,212	\$19.35
J. Marshall Dodson	25,506	25,506	\$19.35
David J. Brunnert	15,797	15,797	\$19.35
Scott P. Miller	11,848	11,848	\$19.35
Katherine I. Hargis	3,949	3,949	\$19.35
Jeffrey S. Skelly	4,796	4,796	\$19.35

Each stock option was granted with a term of ten years and an exercise price equal to 1.5 times the Fair Market Value (as defined in the 2016 ECIP) of the Company's common stock on the Effective Date. The time-based stock options will vest in installments on each of the first four anniversaries of the date of grant. The performance-based stock options will vest in equal installments on the last day of each of four calendar-year performance periods, beginning in 2017, so long as the Company generates at least \$100,000,000 of "EBITDA" (the Company's earnings before interest, taxes, depreciation and amortization) in the applicable performance period; provided, however, that the EBITDA requirement does not apply to the first installment. If any installment fails to vest because the Company does not generate at least \$100,000,000 of EBITDA during the applicable performance period, such installment shall vest on the last day of the immediately following calendar year if during such following year, the Company generates EBITDA that exceeds \$100,000,000 by at least the amount by which EBITDA was less than \$100,000,000 during the applicable performance period. Unvested stock options, both time-based and performance-based, will generally be forfeited in the event that the holder's employment with the Company is terminated for any reason. In the event that the stock option holder is terminated without cause or terminates for good reason (each term as defined in the form of award agreement), in either case within the twelve-month period following a change in control (as defined in the form of award agreement), all unvested stock options will become immediately vested and exercisable.

On December 20, 2016, the compensation committee approved the grant of restricted stock unit awards ("RSUs") and additional grants of stock options to certain employees of the Company. Each recipient received an equal amount of time-based and performance-based RSUs, and an equal amount of time-based and performance-based stock options. The stock options were granted under the same time-based and performance-based terms as described above with respect to the December 15, 2016 grants and the form of award agreement described above, with the exception that the exercise price for these options was set at 1.5 times the Fair Market Value (as defined in the 2016 ECIP) of the

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Company's common stock on the date of grant. The following tables set forth the stock option and RSU grants made to NEOs on the December 20, 2016:

Participant	Time-Based Options	Performance Based Options	Exercise Price
Robert Drummond	50,212	50,212	\$47.99
J. Marshall Dodson	25,506	25,506	\$47.99
David J. Brunnert	15,797	15,797	\$47.99
Scott P. Miller	11,848	11,848	\$47.99
Katherine I. Hargis	3,949	3,949	\$47.99
Jeffrey S. Skelly	4,796	4,796	\$47.99

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Participant	Time-Based RSUs	Performance Based RSUs	Closing Price on Date of Grant
Robert Drummond	100,425	100,425	\$31.99
J. Marshall Dodson	51,012	51,012	\$31.99
David J. Brunnert	31,594	31,594	\$31.99
Scott P. Miller	23,696	23,696	\$31.99
Katherine I. Hargis	7,899	7,899	\$31.99
Jeffrey S. Skelly	9,591	9,591	\$31.99

The time-based RSUs and performance-based RSUs were granted subject to the same vesting and forfeiture conditions as the time-based stock options and performance-based stock options, respectively. Each RSU will be settled in the form of the Company's common stock on a one-for-one basis.

2017 Annual Cash Incentive Plan

Our executive compensation program is designed to support and reinforce our mission and each of our strategic objectives while at the same time aligning the interests of our management with those of our stockholders. In January of 2017, the compensation committee approved a performance based cash bonus plan for 2017, the 2017 Annual Incentive Plan (the "2017 AIP"), pursuant to which all eligible Company employees, including NEOs, will be eligible to receive a cash bonus. Under the 2017 AIP, eligible employees, including each of the NEOs, may receive cash bonuses upon the achievement of certain performance criteria in the event that they are still employed by the Company at the time of any payout to be made in 2018. The 2017 AIP is a performance-based cash bonus plan for 2017 and a sub-plan under the 2016 ECIP. Under the 2017 AIP, eligible employees, including each of the NEOs, may receive a cash bonus based upon the achievement of certain performance criteria with respect to (i) earnings before interest expense, taxes, depreciation and amortization ("EBITDA," weighted 80%), (ii) safety performance (weighted 10%) and (iii) free cash flow (weighted 10%). With respect to the EBITDA component, 50% is based upon the achievement of an annual EBITDA target and the other 50% is based upon achievement of quarterly EBITDA targets. Individual target bonuses under the 2017 AIP are based on a percentage of each eligible employee's base salary. Actual bonus amounts may be earned between 0% and 126% of the applicable target.

Oversight of Executive Compensation Program

As described above under "Corporate Governance-Board Committees-Compensation Committee," the compensation committee is responsible for establishing, implementing and continually monitoring adherence with our compensation philosophy. The compensation committee has the sole authority to engage independent compensation consultants, who report directly to the committee, to advise and consult on compensation issues.

Role of Executives in Establishing Compensation

The compensation committee makes the final determination of all compensation paid to our NEOs and is involved in all compensation decisions affecting our CEO. When making compensation decisions for individual executive

Explanation of Responses:

officers, the compensation committee considers many factors, including:

- the individual's role and responsibilities, performance, tenure, and experience;
- our overall performance;
- individual compensation as compared to our peers;
- the individual's historical compensation, equity holdings, realized gains on past equity grants; and
- comparisons to other executive officers of our Company.

The compensation committee evaluates the performance of the chief executive officer and considers the evaluations of the other Named Executive Officers on an annual basis following the close of each fiscal year. Although these performance evaluations are most closely connected to the qualitative portion of the officer's annual incentive award, the compensation committee considers individual performance in evaluating the appropriateness of the officer's base salary specifically and the compensation package as a whole. However, management also plays a role in the determination of executive compensation levels. The key members of management involved in the compensation process are the chief executive officer and the chief administrative officer. Management proposes certain corporate safety and individual executive performance objectives based on the following year's business plan, which is approved by the Board each year. Management also participates in the discussion of peer companies to

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be used to benchmark NEO compensation, and recommends the overall funding level for cash bonuses and equity incentive awards. Prior to the reorganization, all management recommendations were reviewed by its compensation consultant, modified as necessary and approved by the compensation committee. The post-reorganization grants to employees of stock options and RSUs were determined in connection with the reorganization. The compensation committee meets regularly in executive session without management present.

The Role of our Compensation Consultant

The compensation committee has sole authority over the selection, use, and retention of any compensation consultant or any other experts engaged to assist the compensation committee in discharging its responsibilities. In November 2015, the pre-emergence compensation committee engaged Longnecker & Associates to assist with its overall compensation review and decision-making. In late 2015, Longnecker conducted an independent, comprehensive, broad-based analysis of our executive compensation program, and the pre-emergence compensation committee used this analysis as one of several reference points in making decisions regarding 2016 compensation. Longnecker's objectives were to:

Review the total direct compensation (base salary, annual incentives, and long-term incentives) for the NEOs;

Assess the competitiveness of executive compensation, based on revenue size, asset size, enterprise value and market capitalization, as compared to the peer group and published survey companies in the energy services industry; and

Provide conclusions and recommend considerations for total direct compensation.

Longnecker performed services solely on behalf of the compensation committee. In accordance with the rules and regulations of the SEC and the NYSE, the former compensation committee assessed the independence of Longnecker and concluded that no conflicts of interest exist that would prevent Longnecker from providing independent and objective advice.

Longnecker also provides guidance on industry best practices. This information assists us in developing and implementing compensation programs generally competitive with those of other companies in our industry and other companies with which we generally compete for executive talent. The compensation committee reviews salary ranges for all senior executive positions annually.

Longnecker tailored its recommendations to (i) balance external market data, (ii) reflect our internal environment to ensure fiscal responsibility, and (iii) address potential retention concerns. Specifically, Longnecker evaluated the total direct compensation of the senior executives, assessed the competitiveness of our executive compensation and analyzed other factors such as cost of management, pay versus total stockholder return performance, mix of pay, peer annual incentive targets and mix of peer long-term incentive awards.

The companies used for the executive compensation comparisons in early 2016 included the following:

Basic Energy Services, Inc.	Patterson-UTI Energy, Inc.
C & J Energy Services, Inc.	Pioneer Energy Services Corp.
Exterran Holdings, Inc.	RPC, Inc.
Helix Energy Solutions Group, Inc.	Seventy-Seven Energy Inc.
Oceaneering International, Inc.	Superior Energy Services, Inc.

Longnecker also reviewed survey data as a reference point to compare the compensation of our executives to those of a broad range of companies. The following published surveys utilized by Longnecker were:

• Economic Research Institute, 2015 ERI Executive Compensation Assessor;

• Mercer, Inc., 2015 US General Benchmark Survey;

• Towers Watson 2014/2015 Top Management Compensation;

• Kenexa, 2015 Compensation Survey;

• Longnecker & Associates, 2015 Long-Term Incentive Survey; and

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WorldatWork, 2015/2016 Total Salary Increase Budget Survey.

Based on its review of the compensation program in 2015, Longnecker recommended to the pre-emergence compensation committee that we consider the following compensation practices for 2016:

- maintain the practice of aligning targeted total cash opportunity at the median, but paying above market only when performance warrants;

- maintain the use of restricted stock and performance units for the senior executive team to continue alignment of executive and stockholder interests with 85% of the CEO's long-term incentive award vesting only when relative stock price performance is above predetermined peer performance and 50% of Mr. Dodson and Ms. Clarke and Frye's long-term equity incentive award vesting only when relative stock price performance is above predetermined peer performance;

- consider no base salary increases;

- assess the market 50th percentile for long-term incentive awards, but give consideration to the total stockholder return, share usage and retention concerns.

As a result of discussions with its compensation consultant, and in light of the macro-economic conditions affecting the industry and the need to retain employees critical to the operations of the Company, the former compensation committee deviated from its prior practice and elected not to grant performance units in 2016 and elected to utilize a combination of restricted shares and cash for its 2016 long-term incentive award. Long-term incentive awards for 2016 were approximately 65% below historical award levels and 65% below market median award levels. These award values reflected the performance of the company, the availability of shares and cash, while also balancing the need to retain key employees through the volatile energy downturn.

Executive Compensation Risk Management

We do not believe that our compensation policies and practices encourage excessive or unnecessary risk-taking. Historically, our compensation committee annually reviews and discusses risks that relate to compensation policies and practices, and considers risk management in connection with overseeing the executive compensation program. We believe that our executive compensation program is designed with an appropriate balance of risk and reward. To achieve this balance, our program includes:

- performance incentives with both financial and operational metrics that are not completely based on arithmetic formulas, but also incorporate the exercise of negative and positive discretion and judgment;

- long-term incentives that are principally based on the retention and motivation of employees through a combination of long-term incentive vehicles;

- different types of equity awards, including performance-based awards, to mitigate risk that our executive officers will take actions that are detrimental to or not in the best interest of our stockholders;

- regularly benchmarking our current compensation practices, policies and pay levels with our peer group;

aligning with the market mid-point for targeted total direct compensation, such that management interests are aligned with stockholder interests while rewarding for exceptional performance in comparison with its peer group;

capping the maximum amounts that may be earned under our incentive compensation plans;

granting equity awards annually, with appropriate vesting periods, to encourage consistent behavior and reward long-term, sustained performance; and

ensuring that our executive compensation programs are overseen by a committee of independent directors, who are advised by an external compensation consultant.

Other Components of Total Compensation

The total compensation program for our Named Executive Officers also consists of the following components:

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retirement, health and welfare benefits;

limited perquisites;

discretionary bonuses; and

certain post-termination payments.

Retirement, Health and Welfare Benefits

We offer a 401(k) savings plan and health and welfare programs to all eligible employees. Under the terms of their employment agreements, the NEOs are eligible for the same broad based benefit programs on the same basis as the rest of our employees. Our health and welfare programs include medical, pharmacy, dental, vision, life insurance and accidental death and disability. For additional information about employment agreements, see “Compensation of Executive Officers-Employment Agreements” below.

Under the 401(k) plan, eligible employees may elect to contribute up to 100% of their eligible compensation on a pre-tax basis in accordance with the limitations imposed under the Internal Revenue Code of 1986, as amended, and the regulations promulgated there under (collectively, the “Code”). Effective as of September 1, 2015, we suspended the matching contribution under our 401(k) plan. The cash amounts contributed under the 401(k) plan are held in a trust and invested among various investment funds in accordance with the directions of each participant. For the year ended December 31, 2016, we made no employer matching contributions to the 401(k) plan.

Perquisites

We provide our NEOs with the opportunity to receive certain perquisites that we believe are reasonable and consistent with the practices of our peer group. With respect to certain NEOs, we pay all covered out-of-pocket medical and dental expenses not otherwise covered by insurance. The NEOs receive these reimbursements under the terms of, and subject to the limitations set forth in, our Executive Health Reimbursement Plan. These programs are intended to promote the health and financial security of our executives. The programs are provided at competitive market levels to attract, retain and reward superior executives in key positions. Perquisites did not constitute a material portion of the compensation to the NEOs for 2016. Our costs associated with providing these benefits for NEOs in 2016 are reflected under “Compensation of Executive Officers-Perquisites” and “-Employment Agreements” below.

Severance Payments/Change of Control

We have determined that it is appropriate to formally document the employment relationships that we have with certain executive officers of the Company, and we have entered into employment agreements with each of our NEOs that offer severance payments and other benefits following termination of the applicable executive officer’s employment under various scenarios, as described below. The Company believes that offering severance benefits is beneficial in attracting and retaining key executive officers, encourages the retention of such executive officers during the pendency of a potential change of control transaction or other organizational changes within the Company and protects the Company’s interest.

We have employment arrangements in place with each of the NEOs providing for severance compensation for a period of up to three years if the executive’s employment is terminated for a variety of reasons, including a change of

control of Key. We have provided more information about these benefits, along with estimates of the value under various circumstances, under the heading “Compensation of Executive Officers-Payments upon Termination or Change of Control” below.

Change of control benefits are structured as “double trigger” benefits. In other words, the change of control does not itself trigger benefits. Rather, benefits are paid only if the employment of the executive is terminated during a specified period after a change of control. We believe a “double trigger” benefit maximizes stockholder value because it prevents an unintended windfall to executives in the event of a friendly change of control, while still providing appropriate incentives to cooperate in negotiating any change of control. In addition, these agreements avoid distractions involving executive management that arise when the Board is considering possible strategic transactions involving a change of control, and assure continuity of executive management and objective input to the Board when it is considering any strategic transaction. For additional information concerning our change of control agreements, see “Compensation of Executive Officers-Payments upon Termination or Change of Control” below.

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Regulatory Considerations

The tax and accounting consequences of utilizing various forms of compensation are considered by the compensation committee when adopting new or modifying existing compensation.

Under Section 162(m) of the Code, publicly held corporations may not take a tax deduction for compensation in excess of \$1 million paid to our chief executive officer, and our three most highly compensated executive officers other than our chief financial officer during any fiscal year. There is an exception to the \$1 million limitation for performance based compensation meeting certain requirements. To maintain flexibility in compensating executives in a manner designed to promote varying corporate goals, the compensation committee has not adopted a policy requiring all compensation to be deductible under Section 162(m) and the compensation committee reserves the right to grant non-deductible compensation.

Accounting for Equity Based Compensation

We account for equity-based compensation in accordance with the requirements of FASB ASC Topic 718, "Stock Compensation."

Compensation Committee Report

The compensation committee reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with our management. Based on this review and discussion, the compensation committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

By the compensation committee of the Board of Directors of Key Energy Services, Inc.

Bryan Kelln, Chair

Philip Norment

Jacob Kotzubei

Scott D. Vogel

H. H. Tripp Wommack, III

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Compensation of Executive Officers

Summary Compensation Table

The following table contains information about the compensation that our NEOs earned for fiscal years 2016, 2015 and 2014 as applicable to their status as NEOs for each given year:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Non-equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)(3)	Total
Robert Drummond Chief Executive Officer	2016	\$683,654	\$1,000,000	\$6,804,358	\$2,114,929	\$632,419	\$15,299	\$11,250,659
	2015	\$293,269	\$59,063	\$2,000,001	\$—	\$140,937	\$208	\$2,493,478
J. Marshall Dodson Chief Financial Officer	2016	\$359,351	\$141,667	\$3,464,858	\$1,074,313	\$202,350	\$11,002	\$5,253,541
	2015	\$352,788	\$31,500	\$731,250	\$—	\$93,500	\$10,238	\$1,219,276
	2014	\$373,077	\$—	\$1,137,499	\$—	\$125,000	\$15,890	\$1,651,466
David Brunnert Chief Operating Officer	2016	\$24,231	\$—	\$2,021,384	\$665,370	\$—	\$—	\$2,710,985
Scott P. Miller Chief Administrative Officer	2016	\$266,233	\$50,000	\$1,587,870	\$499,038	\$148,390	\$486	\$2,552,017
Katherine I. Hargis Chief Legal Officer	2016	\$266,437	\$40,000	\$537,878	\$166,332	\$115,493	\$594	\$1,126,734
Jeffrey S. Skelly Former SVP Operations	2016	\$335,394	\$50,000	\$704,112	\$202,008	\$110,985	\$1,098	\$1,403,597
	2015	\$329,269	\$55,000	\$320,700	\$—	\$70,000	\$11,374	\$786,343
Kim B. Clarke Administration and Chief People Officer	2016	\$90,176	\$175,000	\$—	\$—	\$—	\$269,527	\$534,703
	2015	\$338,818	\$30,253	\$594,246	\$—	\$39,747	\$18,050	\$1,021,114
	2014	\$360,150	\$—	\$1,065,416	\$—	\$125,000	\$20,258	\$1,570,824

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Richard J. Alario	2016	\$ 149,712	\$—	\$—	\$—	\$—	\$ 807,307	\$957,019
Former Chief Executive Officer	2015	\$ 791,808	\$ 36,469	\$ 2,755,499	\$—	\$ 113,531	\$ 87,277	\$ 3,784,584
	2014	\$ 865,000	\$—	\$ 3,892,494	\$—	\$—	\$ 51,643	\$ 4,809,137

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- Each year includes the aggregate grant date fair value dollar amounts with respect to restricted stock awards granted under the 2014 Incentive Plan or 2016 Incentive Plan, as applicable, calculated on the respective grant date of each such award in accordance with FASB ASC Topic 718. The assumptions made in the valuation of the expense amounts included in this column are discussed in Note 21 in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. On January 28, 2016, the pre-emergence compensation committee granted restricted stock awards to NEOs. In connection with the reorganization, all unvested restricted stock awards granted prior to Key's bankruptcy filing were accelerated and exchanged for vested stock and warrants in the post-emergence entity as part of the emergence process on the Effective Date.
- (2) The amounts shown in this column consist of annual bonus payments made to the NEOs under each of the 2014 cash bonus incentive plan, the 2015 cash bonus incentive plan and the 2016 cash bonus incentive plan.
- (3) A breakdown of the amounts shown in this column for 2016 for each of the NEOs is set forth under "401(k) Plan Contributions and Perquisites" below.

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401(k) Plan Contributions and Perquisites

The following table contains information about the perquisites that our NEOs received for fiscal year 2016:

Name	Savings Plan Contribution(1)	Insurance	Auto Allowance(2)	Medical Expenses(3)	Other	Total
Robert J. Drummond		324	—	9,242	5,733	(5)(6) 15,299
David P. Marshall		324	—	10,408	270	(6) 11,002
David P. Brunnert		—	—	—	—	—
Scott P. Miller		324	—	—	162	(6) 486
Katherine I. Hargis		324	—	—	270	(6) 594
Jeffrey S. Skelly		324	—	—	774	(6) 1,098
Richard J. Alario	\$ —	\$ 42,111	(4) \$ 2,538	\$ 4,683	\$ 757,975	(5)(7) 807,307
Kim B. Clarke		19,748	(4) —	11,667	238,112	(6)(7) 269,527

Represents contributions by Key on behalf of the NEO to the Key Energy Services, Inc. 401(k) Savings and Retirement Plan. Key stopped matching contributions to the Key Energy Services, Inc. 401(k) Savings and Retirement Plan in 2015.

(2) Represents \$2,538 for an automobile allowance paid to Mr. Alario during 2016 pursuant to the terms of his employment agreement.

(3) Represents out-of-pocket medical expenses reimbursed to the NEO.

(4) Represents \$42,111 in premiums that were paid by Key on behalf of Mr. Alario for (i) life insurance policies (\$14,193), (ii) related tax gross-up payment (\$10,211), and (iii) continued medical, dental and vision insurance (\$17,707) pursuant to his employment agreement. Represents \$19,748 in premiums that were paid by Key on behalf of Ms. Clarke for (i) life insurance (\$87), and (ii) continued medical, dental and vision insurance (\$19,661).

(5) Represents (i) \$8,555 reimbursed to Mr. Alario for personal services provided by certified public accountants or tax attorneys paid pursuant to his employment agreement. Represents \$4,959 reimbursed to Mr. Drummond for personal services provided by certified public accountants or tax attorneys paid pursuant to his employment

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agreement.

- (6) Includes amounts for imputed income with respect to life insurance paid pursuant to each NEO's respective employment agreement.

- (7) Represents amounts payable to Mr. Alario in connection with his departure, including (i) \$681,239 in severance payments (ii) \$66,538 of unused vacation, (iii) \$228 of imputed income with respect to life insurance, (iv) and other miscellaneous reimbursements totaling \$1,414 all of which were paid pursuant to the terms of Mr. Alario's employment agreement. Represents amounts payable to Ms. Clarke in connection with her departure, including (i) \$210,087 in severance payments, (ii) \$27,704 of unused vacation and (iii) \$320 of imputed income with respect to life insurance, all of which were paid pursuant to the terms of her employment agreement.

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2016 Grants of Plan-Based Awards

The following table presents information on plan-based awards made to the NEOs in fiscal 2016:

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)		Estimated Future Payouts Under Equity Incentive Plan Awards	Estimated Target (#)	All Other Stock Awards: Number of Shares or Units (#)(4)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date of Stock and Option Awards (\$)(2)
		Target (\$)	Maximum Awards (\$)						
Robert Drummond	—	\$937,500	\$1,875,000	—	—	—	—	\$—	\$—
	1/28/2016	\$—	\$—	—	—	1,458,333	—	\$—	\$379,167
	12/15/2016	\$—	\$—	12,553	50,212	—	50,212	\$ 19.35	\$553,336
	12/20/2016	\$—	\$—	37,659	150,637	100,425	50,212	\$ 47.99	\$7,986,785
J. Marshall Dodson	—	\$300,000	\$600,000	—	—	—	—	\$—	\$—
	1/28/2016	\$—	\$—	—	—	773,500	—	\$—	\$201,110
	12/15/2016	\$—	\$—	6,377	25,506	—	25,506	\$ 19.35	\$281,076
	12/20/2016	\$—	\$—	19,130	76,518	51,012	25,506	\$ 47.99	\$4,056,985
David Brunner	—	\$—	\$—	—	—	—	—	\$—	\$—
	12/15/2016	\$—	\$—	3,949	15,797	—	15,797	\$ 19.35	\$174,083
	12/20/2016	\$—	\$—	11,848	47,391	31,594	15,797	\$ 47.99	\$2,512,671
Scott P. Miller	—	\$220,000	\$440,000	—	—	—	—	\$—	\$—
	1/15/2016	\$—	\$—	—	—	20,000	—	\$—	\$6,800
	1/28/2016	\$—	\$—	—	—	250,000	—	\$—	\$65,000
	12/15/2016	\$—	\$—	2,962	11,848	—	11,848	\$ 19.35	\$130,565
	12/20/2016	\$—	\$—	8,886	35,544	23,696	11,848	\$ 47.99	\$1,884,543
Katherine I. Hargis	—	\$137,500	\$275,000	—	—	—	—	\$—	\$—
	1/28/2016	\$—	\$—	—	—	125,000	—	\$—	\$32,500
	12/15/2016	\$—	\$—	987	3,949	—	3,949	\$ 19.35	\$43,518
	12/20/2016	\$—	\$—	2,962	11,848	7,899	3,949	\$ 47.99	\$628,192
Jeffrey S. Skelly	—	\$227,500	\$455,000	—	—	—	—	\$—	\$—
	1/28/2016	\$—	\$—	—	—	348,000	—	\$—	\$90,480
	12/15/2016	\$—	\$—	1,199	4,796	—	11,848	\$ 19.35	\$52,852
	12/20/2016	\$—	\$—	3,597	14,387	9,591	11,848	\$ 47.99	\$762,788

Explanation of Responses:

Richard J. Alario	\$—	\$—	—	—	\$—	\$—
Kim B. Clarke	\$—	\$—	—	—	\$—	\$—

The columns represent the potential annual value of the payout for each NEO under the cash bonus incentive compensation component if the threshold, target or maximum goals were satisfied. For a detailed description of the cash bonus incentive plan, see the “Cash Bonus Incentive Plan” section under “Compensation Discussion and Analysis” above. Amounts actually paid, if any, for the 2016 year are reflected in the “Non-equity Incentive Plan Compensation” column of the “Summary Compensation Table” above. Mr. Alario and Ms. Clarke did not receive a bonus for 2016 as they were not a employees of the Company at the time 2016 bonuses were paid.

(2) These amounts represent the grant date fair value calculated in accordance with FASB ASC Topic 718.

(3) Mr. Skelly's target and maximum awards have been blended as a result of his bonus opportunity changing from 80% first half 2016 to 50% second half 2016.

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2016 Outstanding Equity Awards at Fiscal Year-End

The following table provides information with respect to outstanding stock options, SARs, restricted stock and performance units held by the NEOs as of December 31, 2016:

Name	OPTION AWARDS			STOCK AWARDS			
	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1)	Equity Incentive Plan Awards: Number of Units That Have Not Vested (\$)(2)	Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested (\$)(1)
Robert Driscoll	50,212	\$ 19.35	12/15/26	100,425	\$3,208,579	100,425	\$3,208,579
	50,212	\$ 47.99	12/20/26	—	—	—	—
J. Marshall Dodson	25,506	\$ 19.35	12/15/26	51,012	\$1,629,833	51,012	\$1,629,834
	25,506	\$ 47.99	12/20/26	—	—	—	—
Daniel Brunn	15,797	\$ 19.35	12/15/26	31,594	\$1,009,428	31,594	\$1,009,429
	15,797	\$ 47.99	12/20/26	—	—	—	—
Scott P. Miller	11,848	\$ 19.35	12/15/26	23,696	\$757,087	23,696	\$757,087
	11,848	\$ 47.99	12/20/26	—	—	—	—
Katherine I. Hargis	3,949	\$ 19.35	12/15/26	7,899	\$252,373	7,899	\$252,373
	3,949	\$ 47.99	12/20/26	—	—	—	—
Jeffrey S. Skelly	4,796	\$ 19.35	12/15/26	9,591	\$306,432	9,591	\$306,433
	4,796	\$ 47.99	12/20/26	—	—	—	—
Richard J. Alario	—	—	—	—	—	—	—

Explanation of Responses:

Kim
B. — — — — — — — —
Clarke

(1) The market price of stock awards is determined by multiplying the number of shares by the closing price of the stock on the last trading day of the year. The closing price quoted on the NYSE on December 30, 2016 was \$31.95.

Represents shares of restricted stock which vest in annual increments beginning on the one-year anniversary of the
(2) date of grant. With respect to each NEO, the vesting applicable to each outstanding award as of December 31, 2016 is as follows:

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Name	Number of Shares	Vesting Date
Robert Drummond	25,107	December 20, 2017
	25,107	December 31, 2017
	25,106	December 20, 2018
	25,106	December 31, 2018
	25,106	December 20, 2019
	25,106	December 31, 2019
	25,106	December 20, 2020
	25,106	December 31, 2020
J. Marshall Dodson	12,753	December 20, 2017
	12,753	December 31, 2017
	12,753	December 20, 2018
	12,753	December 31, 2018
	12,753	December 20, 2019
	12,753	December 31, 2019
	12,753	December 20, 2020
	12,753	December 31, 2020
David Brunnert	7,899	December 20, 2017
	7,899	December 31, 2017
	7,898	December 20, 2018
	7,898	December 31, 2018
	7,899	December 20, 2019
	7,899	December 31, 2019
	7,898	December 20, 2020
	7,898	December 31, 2020
Scott P. Miller	5,924	December 20, 2017
	5,924	December 31, 2017
	5,924	December 20, 2018
	5,924	December 31, 2018
	5,924	December 20, 2019
	5,924	December 31, 2019
	5,924	December 20, 2020
	5,924	December 31, 2020

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Number	Vesting Date
Name	
Shares	
Katherine	
I. 1,975	December 20, 2017
Hargis	
1,975	December 31, 2017
1,975	December 20, 2018
1,975	December 31, 2018
1,975	December 20, 2019
1,975	December 31, 2019
1,974	December 20, 2020
1,974	December 31, 2020
Jeffrey	
S. 2,398	December 20, 2017
Skelly	
2,398	December 31, 2017
2,398	December 20, 2018
2,398	December 31, 2018
2,398	December 20, 2019
2,398	December 31, 2019
2,397	December 20, 2020
2,397	December 31, 2020

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2016 Option Exercises and Stock Vested

The following table sets forth certain information regarding options and stock awards exercised and vested, respectively, during 2016 for the NEOs:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting (\$)(2)
Robert Drummond	—	—	2,621,124	\$364,002
J. Marshall Dodson	—	—	1,114,564	\$178,006
David Brunnert	—	—	—	\$—
Scott P. Miller	—	—	325,028	\$44,448
Katherine I. Hargis	—	—	163,520	\$21,909
Jeffrey S. Skelly	—	—	513,948	\$80,213
Richard J. Alario	—	—	513,512	\$183,051
Kim B. Clarke	—	—	311,528	\$109,175
Kimberly R. Frye	—	—	—	\$—

(1) Represents the number of shares of restricted stock that vested during 2016. No performance units vested in 2016.

(2) The value realized on vesting of restricted stock was calculated as the number of shares acquired on vesting (including shares withheld for tax withholding purposes) multiplied by the market value of our common stock on each respective vesting date. Market value is determined in accordance with the terms of the applicable incentive plan under which the restricted stock was granted, and, in the table above, was either (i) the closing price of our common stock on the NYSE for vesting dates that were trading days or (ii) the average of Friday and Monday

Explanation of Responses:

closing prices on the NYSE for vesting dates that were on a weekend.

Potential Payments Upon Termination or Change of Control

Key has entered into employment arrangements with each NEO that provide for certain payments upon a termination of employment, depending upon the circumstances of the NEO's separation from Key, as summarized below. Our rationale for maintaining certain severance and change in control benefits has been described above within the Compensation Discussion and Analysis. Each of the arrangements with our NEOs that was effective for the 2016 year is summarized below.

Robert Drummond, President and Chief Executive Officer

On June 22, 2015, the Company entered into an employment agreement with Mr. Drummond pursuant to which Mr. Drummond would serve as the Company's President and Chief Operating Officer. The Company amended and restated this employment agreement effective April 19, 2016 to reflect Mr. Drummond's promotion to President and Chief Executive Officer. The agreement provides for an initial term to expire on March 5, 2018. The term will be automatically renewed for an additional one-year period on that date (and on each subsequent anniversary of the effective date of the agreement) unless either party gives written notice of its intent not to extend the term. The agreement provides for an annual base salary of \$750,000, a bonus of \$1,000,000 to be paid only on the event Mr. Drummond is employed with the Company on June 22, 2016, and an annual incentive bonus opportunity based on the achievement of performance objectives established by the compensation committee with the target bonus based on a percentage of his base salary as determined by the compensation committee. Mr. Drummond is entitled to at least four weeks of vacation per year and to participate in the Company's Executive Health Reimbursement Plan, Director and Officer Liability Insurance, voluntary annual physicals and other benefit plans on terms consistent with those applicable to the Company's employees generally, including, without limitation, personal time off, group medical and dental, life, accident and disability insurance, retirement plans and supplemental and excess retirement benefits as the Company may from time-to-time provide to similarly situated employees. For the 2016 calendar year, the former compensation committee approved reimbursement of up to \$15,000 in financial advisory fees for Mr. Drummond. As a condition of employment, Mr. Drummond entered into a non-competition agreement pursuant to which Mr. Drummond has agreed not to compete with Key or to solicit customers or employees of Key for a period of one year after the termination of his employment.

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If Mr. Drummond's employment with the Company is terminated by the Company without Cause or by Mr. Drummond for Good Reason (as such terms are defined in the employment agreement), or due to non-renewal of the agreement, subject to Mr. Drummond's delivery of a release of claims in favor of the Company, Mr. Drummond will be entitled to a severance benefit equal to (i) two times his base salary in effect on the termination date payable in twenty-four equal monthly installments, (ii) full vesting of all equity-based incentive awards, and (iii) the cost of COBRA premiums for continued medical insurance coverage for Mr. Drummond and his dependents until the earlier of two years from the date of termination or the date on which he commences full-time employment with another employer. In the event Mr. Drummond terminates his employment for Good Reason or is terminated without Cause (including non-renewal of his agreement) within one year following a Change of Control (as such term is defined in his employment agreement), Mr. Drummond shall receive a severance benefit equal to (i) three times his base salary in effect on the termination date payable in twenty-four equal monthly installments plus three times his annual target cash bonus payable in a lump sum, (ii) full vesting of all equity-based incentive awards, and (iii) a lump sum payment in cash equal to the cost of COBRA premiums for continued medical insurance coverage for Mr. Drummond and his dependents for two years from the date of termination. If Mr. Drummond's employment with the Company is terminated by reason of Disability (as defined in his employment agreement), Mr. Drummond shall receive a severance benefit equal to (i) one times his base salary in effect on the termination date, payable in twelve equal monthly installments, reduced by the amount of any disability insurance proceeds actually paid to Mr. Drummond or for his benefit from the Company's disability plans and programs during such time period, (ii) full vesting of all equity-based incentive awards, and (iii) the cost of COBRA premiums for continued medical insurance coverage for Mr. Drummond and his dependents until the earlier of two years from the date of termination or the date on which he commences full-time employment with another employer. If Mr. Drummond's employment is terminated by reason of death, Mr. Drummond shall not receive any severance payments pursuant to his agreement; however, his spouse and his dependents shall be entitled to receive continued group health, dental and vision coverage under the Company's Welfare Plans and the Company shall pay all required COBRA premiums until the earlier of the second anniversary of his death or the date on which his spouse and his dependents receive replacement coverage that would terminated their COBRA termination rights.

J. Marshall Dodson, Senior Vice President, Chief Financial Officer and Treasurer

On March 25, 2013, the Company entered into an employment agreement with Mr. Dodson pursuant to which Mr. Dodson would serve as the Company's Senior Vice President, Chief Financial Officer and Treasurer. The employment agreement provides for an initial two-year term expiring on the second anniversary of the effective date of the agreement. The term will be automatically renewed for an additional one-year period on that date (and on each subsequent anniversary of the effective date of the agreement) unless either party gives written notice of its intent not to extend the term. The agreement provides for an annual base salary of \$350,000 which may be increased at the discretion of the Chief Executive Officer and the compensation committee and an annual incentive bonus opportunity based on the achievement of performance objectives established by the compensation committee. In January 2014, the compensation committee increased Mr. Dodson's base salary to \$375,000. Mr. Dodson is entitled to at least four weeks of vacation per year and to participate in the Company's Executive Health Reimbursement Plan, Director and Officer Liability Insurance, voluntary annual physicals and other benefit plans on terms consistent with those applicable to the Company's employees generally, including, without limitation, personal time off, group medical and dental, life, accident and disability insurance, retirement plans and supplemental and excess retirement benefits as the Company may from time-to-time provide to similarly situated employees. As a condition of employment, Mr. Dodson entered into a non-competition agreement pursuant to which Mr. Dodson has agreed not to compete with Key or to solicit customers or employees of Key after the termination of his employment for a period of time equal to which he receives severance compensation or for a period of three years following a severance received after a Change of

Control (as defined in his agreement).

If Mr. Dodson's employment with the Company is terminated by the Company without Cause or by Mr. Dodson for Good Reason (as such terms are defined in the employment agreement), or due to non-renewal of the agreement, subject to Mr. Dodson's delivery of a release of claims in favor of the Company, Mr. Dodson will be entitled to a severance benefit equal to (i) two times his base salary in effect on the termination date payable in twenty-four equal monthly installments, (ii) full vesting of all equity-based incentive awards, and (iii) the cost of COBRA premiums for continued medical insurance coverage for Mr. Dodson and his dependents until the earlier of two years from the date of termination or the date on which he commences full-time employment with another employer. In the event Mr. Dodson terminates his employment for Good Reason or is terminated without Cause (including non-renewal of his agreement) within one year following a Change of Control (as such term is defined in his employment agreement), Mr. Dodson shall receive a severance benefit equal to (i) three times his base salary in effect on the termination date payable in twenty-four equal monthly installments plus three times his annual target cash bonus payable in a lump sum, (ii) full vesting of all equity-based incentive awards, and (iii) a lump sum payment in cash equal to the cost of COBRA premiums for continued medical insurance coverage for Mr. Dodson and his dependents for two years from the date of termination. If Mr. Dodson's employment with the Company is terminated by reason of Disability (as defined in his employment agreement), Mr. Dodson shall receive a severance benefit equal to (i) one times his base salary in effect on the termination date, payable in twelve equal monthly installments, reduced by the amount of any disability insurance proceeds actually paid to Mr. Dodson or for his benefit from the Company's disability plans and programs during such time period, (ii) full vesting of all equity-based incentive

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awards, and (iii) the cost of COBRA premiums for continued medical insurance coverage for Mr. Dodson and his dependents until the earlier of two years from the date of termination or the date on which he commences full-time employment with another employer. If Mr. Dodson's employment is terminated by reason of death, Mr. Dodson shall not receive any severance payments pursuant to his agreement; however, his spouse and his dependents shall be entitled to receive continued group health, dental and vision coverage under the Company's Welfare Plans and the Company shall pay all required COBRA premiums until the earlier of the second anniversary of his death or the date on which his spouse and his dependents receive replacement coverage that would terminate their COBRA termination rights.

Scott P. Miller, Senior Vice President, Operations Services and Chief Administrative

On January 28, 2016, the Company entered into an employment agreement with Mr. Miller pursuant to which Mr. Miller would serve as the Company's Senior Vice President, Operations Services Officer and Chief Administrative Officer. The employment agreement provides for an initial term expiring on January 31, 2017. The term will be automatically renewed for an additional one-year period on that date (and on each subsequent anniversary of the effective date of the agreement) unless either party gives written notice of its intent not to extend the term. The agreement provides for an annual base salary of \$275,000. Mr. Miller is entitled to at least four weeks of vacation per year and to participate in other benefit plans on terms consistent with those applicable to the Company's employees generally, including, without limitation, personal time off, group medical and dental, life, accident and disability insurance, retirement plans and supplemental and excess retirement benefits as the Company may from time-to-time provide to similarly situated employees.

If Mr. Miller's employment with the Company is terminated by the Company for death, Disability or without Cause (as such terms are defined in his employment agreement) or due to non-renewal of the agreement, subject to Mr. Miller's delivery of a release of claims in favor of the Company, Mr. Miller will be entitled to a severance benefit equal to one times his annual base salary in effect at the time of his termination payable in a lump sum. In the event Mr. Miller terminates his employment for Good Reason or is terminated without Cause (including non-renewal of his agreement) within one year following a Change of Control (as such term is defined in his employment agreement), Mr. Miller shall receive the severance benefit stated above and in addition he will be entitled to continued coverage for himself and his dependents under the Company's medical and dental benefit plans for a period of twelve months at a cost equal to the cost of such coverage for similarly-situated employees of the Company. Accelerated vesting of Mr. Miller's equity awards is controlled by Mr. Miller's equity award agreements. In the event of a not for Cause termination, including a termination for Good Reason, within one year of a Change of Control (as such terms are defined in Mr. Miller's equity award agreements), Mr. Miller's outstanding time-vested equity awards will automatically vest and his performance-based equity awards will vest at the discretion of the Board.

Jeffrey S. Skelly, former Senior Vice President of Operations

On June 21, 2010, the Company entered into an employment agreement with Mr. Skelly pursuant to which Mr. Skelly would serve as the Company's Senior Vice President, Rig Services. The employment agreement provides for an initial two-year term expiring on the second anniversary of the effective date of the agreement. The term will be automatically renewed for an additional one-year period on that date (and on each subsequent anniversary of the effective date of the agreement) unless either party gives written notice of its intent not to extend the term. The agreement provides for an annual base salary of \$300,000 and an annual incentive bonus opportunity based on the achievement of performance objectives established by the compensation committee. In January 2013, the compensation committee increased Mr. Skelly's base salary to \$350,000. Mr. Skelly is entitled to at least four weeks of

vacation per year and to participate in the Company's benefit plans on terms consistent with those applicable to the Company's employees generally, including, without limitation, personal time off, group medical and dental, life, accident and disability insurance, retirement plans and supplemental and excess retirement benefits as the Company may from time-to-time provide to similarly situated employees. As a condition of employment, Mr. Skelly entered into a non-competition agreement pursuant to which he has agreed not to compete with Key or to solicit customers or employees of Key for a period of one year after the termination of his employment.

If Mr. Skelly's employment with the Company is terminated by the Company for death, Disability or without Cause (as such terms are defined in his employment agreement) or due to non-renewal of the agreement, subject to Mr. Skelly's delivery of a release of claims in favor of the Company, Mr. Skelly will be entitled to a severance benefit equal to two times his base salary in effect on the termination date payable a lump sum. In the event Mr. Skelly terminates his employment for Good Reason or is terminated without Cause (including non-renewal of his agreement) within one year following a Change of Control (as such term is defined in his employment agreement), Mr. Skelly shall receive the severance benefit stated above and in addition he will be entitled to continued coverage for himself and his dependents under the Company's medical and dental benefit plans for a period of twelve months at a cost equal to the cost of such coverage for similarly-situated employees of the Company. Accelerated vesting of Mr. Skelly's equity awards is controlled by Mr. Skelly's equity award agreements. In the event of a not for Cause termination, including a termination for Good Reason, within one year of a Change of Control (as such terms are defined in Mr. Skelly's equity

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award agreements), Mr. Skelly’s outstanding time-vested equity awards will automatically vest and his performance-based equity awards will vest at the discretion of the Board.

David Brunnert, Senior Vice President and Chief Operations Officer

On January 31, 2017, the Company entered into an amended and restated change of control agreement with Mr. Brunnert. The initial term of the agreement expires November 30, 2018. The term will be automatically renewed for an additional one-year period on that date (and on each subsequent anniversary of the effective date of the agreement) unless the Company gives written notice of its intent not to renew the agreement. If Mr. Brunnert’s employment with the Company is terminated in an Involuntary Termination (as such term is defined in the agreement) within one year following a Change of Control (as such term is defined in the agreement), subject to Mr. Brunnert’s delivery of a release of claims in favor of the Company, Mr. Brunnert will be entitled to a severance benefit equal to (i) one times his annual base salary in effect at the time of termination payable in twelve monthly installments, and (ii) monthly reimbursement payments in an amount equal to the difference between the COBRA premium and the monthly active-employee premium rate Mr. Brunnert was paying for medical coverage for himself and his dependents for a twelve month period following termination. In the event of a not for Cause termination, including a termination for Good Reason, within one year of a Change of Control (as such terms are defined in his equity award agreements), Mr. Brunnert’s outstanding time-based equity awards will automatically vest and his performance-based equity awards will vest at the discretion of the Board.

Katherine I. Hargis, Vice President, Chief Legal Officer & Secretary

On January 6, 2014, the Company entered into a change of control agreement with Ms. Hargis. The initial term of the agreement expires July 7, 2015. The term will be automatically renewed for an additional two-year period on that date (and on each subsequent anniversary of the effective date of the agreement) unless the Company gives written notice of its intent not to renew the agreement. If Ms. Hargis’s employment with the Company is terminated in an Involuntary Termination (as such term is defined in the agreement) within one year following a Change of Control (as such term is defined in the agreement), subject to Ms. Hargis’s delivery of a release of claims in favor of the Company, Ms. Hargis will be entitled to a severance benefit equal to (i) one times her annual base salary in effect at the time of termination payable in a lump sum, (ii) a lump sum cash payment in the amount equal to twelve times the monthly COBRA premium rate for medical coverage for Ms. Hargis and those of her dependents (including her spouse) who were covered under the Company’s medical benefit plan prior to her Involuntary Termination, and (iii) all outstanding equity awards previously granted to Ms. Hargis will become immediately exercisable, any applicable restricted periods will expire and any applicable performance periods will end.

The following tables reflect the potential payments to which our continuing NEOs would have been entitled upon termination of employment and/or a change in control event that occurred on December 31, 2016. The closing price of a share of our common stock on December 30, 2016, the last trading day of the year, was \$31.95. The actual amounts to be paid out to executives upon termination can only be determined at the time of each NEO’s separation from Key. All equity awards granted prior to the Company’s reorganization (whether vested or unvested) were converted into stock and warrants, or cash in lieu of such common stock and warrants, upon completion of the reorganization (the “Prior Equity”); therefore, the Prior Equity is excluded from the table below.

Name	Non-Renewal(1)	For Cause or Voluntary	Death(3)	Disability(4)	Without Cause or For	Change of Control (No	Change of Control and
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Explanation of Responses:

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	Resignation(2)	Good Reason(5)	Termination(6)	Termination(7)
Robert Drummond				
Cash Severance	\$ 1,500,000	\$ —	\$ 750,000	\$ 1,500,000
RSU(8)	\$ 6,417,158	\$ —	\$ 6,417,158	\$ 6,417,158
Stock Options(9)	\$ 1,265,342	\$ —	\$ 1,265,342	\$ 1,265,342
Health & Welfare(10)	\$ 85,306	\$ —	\$ 85,306	\$ 85,306
Retention Payment(11)	\$ 1,516,000	\$ —	\$ 1,516,000	\$ 1,516,000
Total Benefit	\$ 10,783,806	\$ —	\$ 10,033,806	\$ 10,783,806
				\$ 5,250,000
				\$ 6,417,158
				\$ 1,265,342
				\$ 85,306
				\$ 822,383
				\$ 13,840,189

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Name	Non-Renewal(1)	For Cause or Voluntary Resignation(2)	Death(3)	Disability(4)	Without Cause or For Good Reason(5)	Change of Control (No Termination)(6)	Change of Control and Termination(7)
J. Marshall Dodson							
Cash Severance	\$ 750,000	\$	— \$ —	\$ 375,000	\$ 750,000	\$	— \$ 2,025,000
RSUs(8)	\$ 3,259,667	\$	— \$ 3,259,667	\$ 3,259,667	\$ 3,259,667	\$	— \$ 3,259,667
Stock Options(9)	\$ 642,751	\$	— \$ 642,751	\$ 642,751	\$ 642,751	\$	— \$ 642,751
Health & Welfare(10)	\$ 45,946	\$	— \$ 58,814	\$ 61,262	\$ 45,946	\$	— \$ 61,262
Retention Payment(11)	\$ 283,333	\$	— \$ 283,333	\$ 283,333	\$ 283,333	\$	— \$ 283,333
Total Benefit	\$ 4,981,697	\$	— \$ 4,244,565	\$ 4,622,013	\$ 4,981,697	\$	— \$ 6,272,013

Name	Non-Renewal(1)	For Cause or Voluntary Resignation(2)	Death(3)	Disability(4)	Without Cause or For Good Reason(5)	Change of Control (No Termination)(6)	Change of Control and Termination(7)
David Brunnert							
Cash Severance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— \$ 350,000
RSUs(8)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— \$ 1,009,428
Stock Options(9)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— \$ 199,042
Health & Welfare(10)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— \$ 11,432
Retention Payment(11)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— \$ —
Total Benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— \$ 1,569,902

Name	Non-Renewal(1)	For Cause or Voluntary Resignation(2)	Death(3)	Disability(4)	Without Cause or For Good Reason(5)	Change of Control (No Termination)(6)	Change of Control and Termination(7)

Explanation of Responses:

Scott P. Miller						
Cash Severance	\$ 275,000	\$	— \$275,000	\$ 275,000	\$ 275,000	\$ — \$ 275,000
RSUs(8)	—	\$	— \$—	\$ —	\$ —	\$ 757,087
Stock Options(9)	—	\$	— \$—	\$ —	\$ —	\$ — \$ 149,285
Health & Welfare(10)	\$ —	\$	— \$—	\$ —	\$ —	\$ — \$ 18,998
Retention Payment(11)	\$ 100,000	\$	— \$100,000	\$ 100,000	\$ 100,000	\$ — \$ 100,000
Total Benefit	\$ 375,000	\$	— \$375,000	\$ 375,000	\$ 375,000	\$ — \$ 1,300,370

Name	Non-Renewal(1)	For Cause or Voluntary Resignation(2)	Death(3)	Disability(4)	Without Cause or For Good Reason(5)	Change of Control (No Termination)(6)	Change of Control and Termination(7)
Katherine I. Hargis							
Cash Severance	\$ —	\$	— \$—	\$ —	\$ —	\$ —	— \$ 275,000
RSUs(8)	—	\$	— \$—	\$ —	\$ —	\$ —	— \$ 504,746
Stock Options(9)	—	\$	— \$—	\$ —	\$ —	\$ —	— \$ 99,515
Health & Welfare(10)	\$ —	\$	— \$—	\$ —	\$ —	\$ —	— \$ 18,998
Retention Payment(11)	\$ 80,000	\$	— \$80,000	\$ 80,000	\$ 80,000	\$ —	— \$ 80,000
Total Benefit	\$ 80,000	\$	— \$80,000	\$ 80,000	\$ 80,000	\$ —	— \$ 978,259

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Name	Non-Renewal(1)	For Cause or Voluntary Resignation(2)	Death(3)	Disability(4)	Without Cause or For Good Reason(5)	Change of Control (No Termination)(6)	Change of Control and Termination(7)
Jeffrey S. Skelly							
Cash Severance	\$ 700,000	\$ —	\$ 700,000	\$ 700,000	\$ 700,000	\$ —	\$ 700,000
RSUs(8)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 306,432
Stock Options(9)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 60,430
Health & Welfare(10)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18,998
Retention Payment(11)	\$ 100,000	\$ —	\$ 100,000	\$ 100,000	\$ 100,000	\$ —	\$ 100,000
Total Benefit	\$ 800,000	\$ —	\$ 800,000	\$ 800,000	\$ 800,000	\$ —	\$ 1,185,860

(1) Represents compensation payable if Key does not renew the NEO's employment agreement after the initial term or any extension of the agreement.

(2) Represents compensation payable if Key terminates the NEO's employment for "Cause" or the NEO otherwise resigns without "Good Reason" as defined in the respective employment agreements.

(3) Represents compensation due to the NEO's estate upon his or her death.

(4) Represents compensation payable to the NEO upon termination following determination of NEO's permanent disability.

(5) Represents compensation due to the NEO if terminated by Key without "Cause" or if the NEO resigns for "Good Reason," as each such term is defined in the respective employment agreements.

(6) Represents payments due to the NEO in connection with a "Change of Control" (as defined in the respective employment agreements, change of control agreements and equity agreements) in which the NEO is not terminated.

(7) Represents payments due to the NEO if the NEO is terminated in connection with a "Change of Control" (as defined in the respective NEO employment agreements or NEO change of control agreements, as applicable).

(8) Represents the value of restricted stock units determined by multiplying the number of awards vesting by \$31.95, the closing price on December 31, 2016.

(9) Represents the value of stock options determined by multiplying the number of awards vesting by the spread as of December 31, 2016.

(10) Represents the value of health and welfare benefits at December 31, 2016 determined under each NEO's employment or change of control agreement.

(11) Represents the benefit of retention awards (and a promotion award for Mr. Drummond). A portion of the retention awards has already been paid to certain executives, but the executives may only retain these payments if they remain employed with the Company through a certain specified date or experience one of the triggering termination events noted in the tables above.

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The compensation received by our NEOs who terminated employment in 2016 is described below:

As of March 5, 2016, Mr. Alario, our former Chief Executive Officer, no longer worked for the Company. In connection with his departure and pursuant to his Letter Agreement and Employment agreement (the “Letter Agreement”), Mr. Alario was entitled to receive (i) \$3,067,100 payable over the 36 months beginning March 31, 2016, (ii) health and welfare benefits for up to 36 months beginning March 5, 2016, (iii) four weeks of unused vacation, (iv) financial advisory benefits not to exceed \$15,000 per year payable annually for up to 36 months, and (v) full vesting of his 255,172 shares of unvested restricted stock effective March 5, 2016. However, pursuant to Section 356(a) of Chapter 11 of the United States Bankruptcy Code, the Company rejected Mr. Alario’s Letter Agreement and as a result, Mr. Alario received approximately \$556,127 in a lump sum payment on February 3, 2017, and is entitled to receive an additional payment in the amount of \$500,000 in six equal installments to be paid on August 31, 2017, December 31, 2017, April 30, 2018, August 31, 2018, December 31, 2018 and March 31, 2019, each of which shall be subject to withholding taxes, as settlement in full for remaining payments due in connection with his Letter Agreement. In addition, until the earlier of October 24, 2017 and the date on which Mr. Alario commences full-time employment with another employer, the Company will maintain and continue to reimburse Mr. Alario for insurance and other benefits-related costs to which he would be entitled under the Letter Agreement, but for its rejection, including, but not limited to group medical, dental, vision, life, executive life, accident and disability insurance and other benefits.

Ms. Clarke, our former Senior Vice President, Administration and Chief People Officer, resigned from the Company effective March 31, 2016. In connection with her departure and pursuant to her Transition Agreement and her employment agreement (the “Employment Agreements”), Ms. Clarke was entitled to receive (i) \$720,300 payable over the 24 months beginning April 1, 2016, (ii) a \$175,000 retention bonus paid April 1, 2016, (iii) 4 weeks of unused vacation, (iv) health and welfare benefits for up to 24 months beginning April 1, 2016, and (v) full vesting of her 183,007 shares of unvested restricted stock effective March 31, 2016. However, pursuant to Section 356(a) of Chapter 11 of the United States Bankruptcy Code, the Company rejected Ms. Clarke’s Employment Agreements and as a result Ms. Clarke received approximately \$254,692 in a lump sum cash payment on January 11, 2017 as settlement in full for remaining payments due in connection with her Employment Agreements.

Director Compensation

Former Board of Directors

For 2016, the directors prior to the Company’s emergence from bankruptcy on the Effective Date (the “Former Directors”) received a fee equal to \$75,000, or a pro-rated amount for partial years of service. The former non-employee directors also received an annual award of restricted stock units having a fair market value of \$175,000, and were reimbursed for travel and other expenses directly associated with Key business. Additionally, the former chair of the NGC received an additional \$10,000 per year for his service, the former chair of the compensation committee received an additional \$12,500 per year for his service, the former chair of the audit committee received an additional \$20,000 per year for her service and the chair of the former special committee received an additional \$20,000 per year for her service. The chair of the former finance committee received an additional \$15,000 per year pro-rated for his service. It was established that the former non-employee Chairman of the Board was entitled to receive an additional \$50,000 per year pro-rated for his service; however, Mr. Rosenberg elected not to receive this fee for the calendar year 2016. All members of the former audit committee, excluding the chair received an additional \$10,000 per year for their service. All members of the former special committee, excluding the chair, received an additional \$10,000 for their service. All annual director fees were paid in quarterly installments.

Explanation of Responses:

Effective January 1, 2015, as part of the Company's cost cutting measures, the former compensation committee temporarily reduced the directors' base cash retainer by 10% (\$7,500) annually.

The table below discloses the cash and equity awards earned, paid or awarded, as applicable, to each of our Former Directors during the fiscal year ended December 31, 2016. As directors who were also employees, Messrs. Alario and Drummond received no additional compensation for their services as a director and thus are not included in the table below.

Current Board of Directors

Following the Company's reorganization on the Effective Date, our new compensation committee of our new board of directors adopted a new compensation program for independent directors. Pursuant to the new compensation program our independent directors receive an annual fee equal to \$125,000, or a pro-rated amount for partial years of service. The independent directors also received an annual award of restricted stock having a fair market value of \$125,000, and are reimbursed for travel and other expenses directly associated with Key business. Additionally, the chair of the audit committee received an additional \$20,000 per year for his service. All members of the audit committee, excluding the chair received an additional \$10,000 per year for their service. All annual director fees are paid in quarterly installments.

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The following table discloses the cash and equity awards earned, paid or awarded, as the case may be, to each of our independent directors during the fiscal year ended December 31, 2016. As a director who is also an employee, Mr. Drummond received no additional compensation for his service as a director and, as directors who are not considered independent for NYSE purposes, Messrs. Norment, Kotzubei and Kelln and Ms. Sigler received no additional compensation for their services as a director; thus these directors are not included in the following table:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Total (\$)
Lynn R.	\$77,500	\$0	\$77,500
Coleman Kevin P.	\$87,500	\$0	\$87,500
Collins William D.	\$82,500	\$0	\$82,500
Fertig W. Phillip	\$67,500	\$0	\$67,500
Marcum Ralph S. Michael	\$97,500	\$0	\$97,500
III William F.	\$87,500	\$0	\$87,500
Owens Robert K.	\$90,000	\$0	\$90,000
Reeves Mark H.	\$67,500	\$0	\$67,500
Rosenberg. Arlene M.	\$107,500	\$0	\$107,500
Yocum Scott D.	\$5,774	\$124,985	\$130,759
Vogel Sherman K. Edmiston	\$6,236	\$124,985	\$131,221
III H.H. Tripp Wommack,	\$6,698	\$124,985	\$131,683

Explanation of Responses:

III Steven H. Pruet	\$6,236	\$124,985	\$131,221
C. Christopher Gaut	\$6,236	\$124,985	\$131,221

(1) The Former Directors did not receive an annual equity award grant in 2016.

Represents the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to the 2016 annual equity awards granted to the non-employee directors under the 2016 Plan, which consisted of 3,907 shares of restricted stock units granted to each non-employee director on December 20, 2016 which are vested quarterly in equal installments as follows: March 31, 2017; June 30, 2017; September 30, 2017; and December 31, 2017.

(2) Although the annual equity awards are based on a number of shares having a fair market value of \$125,000, because fractional shares are not granted, the amount recognized is slightly different. The assumptions made in the valuation of the expense amounts included in this column are discussed in Note 21 in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Stock Ownership of Certain Beneficial Owners and Management

This section provides information about the beneficial ownership of our common stock by our directors and executive officers. The number of shares of our common stock beneficially owned by each person is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire within 60 days through the exercise of any stock options or other rights. Unless otherwise indicated, each person has sole investment and voting power, or shares such power with his or her spouse, with respect to the shares set forth in the following table. The inclusion in this table of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

The address for each person identified below is care of Key Energy Services, Inc., 1301 McKinney Street, Suite 1800, Houston, Texas 77010.

Throughout this Form 10-K, the individuals who served as our Principal Executive Officer and Principal Financial Officer

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during fiscal year 2016, and each of our other most highly compensated executive officers that are required to be in our executive compensation disclosures in fiscal year 2016 are referred to as the “Named Executive Officers” or “NEOs.”

Set forth below is certain information with respect to beneficial ownership of our common stock as of February 15, 2017 by each of our NEOs, each of our directors, as well as the directors and all executive officers as a group:

Name of Beneficial Owner	Total Beneficial Ownership (1)	Percent of Outstanding Shares (2)
Non-Management Directors:		
Scott D. Vogel (3)	3,907	*
Sherman K. Edmiston III (4)	3,907	*
H.H. Tripp Wommack III (5)	3,907	*
Steven H. Pruett (6)	3,907	*
C. Cristopher Gaut (7)	3,907	*
Bryan Kelln	—	*
Jacob Kotzubei	—	*
Philip Norment	—	*
Mary Ann Sigler	—	*
Named Executive Officers:		
Robert W. Drummond (8)	38,975	*
J. Marshall Dodson (9)	18,637	*
David Brunnert (10)	—	*
Scott P. Miller (11)	4,844	*
Katherine I. Hargis (12)	2,432	*
Jeffrey S. Skelly (14)	9,755	*
Eddie Picard (13)	—	*
Richard J. Alario	100	*
Kim B. Clarke	—	*
Current Directors and Officers as a group (16 Persons):	84,423	0.42%

*Less than 1%

(1) Includes all shares with respect to which each director or executive officer directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares the power to vote or to direct voting of such shares and/or the power to dispose or to direct the disposition of such shares. Includes shares that may be purchased under stock options that are exercisable currently or within 60 days after February 8, 2017.

(2) An individual’s percentage ownership of common stock outstanding is based on 20,096,462 shares of our common stock outstanding as of February 8, 2016. Shares of common stock subject to stock options currently exercisable or exercisable within 60 days, are deemed outstanding for purposes of the percentage ownership of the person holding such securities but are not deemed outstanding for computing the percentage ownership of any other person.

Explanation of Responses:

(3) Includes 3,907 unvested restricted stock shares.

(4) Includes 3,907 unvested restricted stock shares.

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(5) Includes 3,907 unvested restricted stock shares.

(6) Includes 3,907 unvested restricted stock shares.

(7) Includes 3,907 unvested restricted stock shares.

(8) Includes 29,212 shares of common stock issuable upon the exercise of warrants.

(9) Includes 13,786 shares of common stock issuable upon the exercise of warrants.

(10) Includes 3,632 shares of common stock issuable upon the exercise of warrants.

(11) Includes 1,818 shares of common stock issuable upon the exercise of warrants.

(12) Includes 7,160 shares of common stock issuable upon the exercise of warrants.

The following table sets forth, certain information regarding the beneficial ownership of common stock by each person, other than our directors or executive officers, who is known by us to beneficially own more than 5% of the outstanding shares of our common stock.

Name and Address of Beneficial Owner	Shares Beneficially Owned	
	Number	Percent
Soter Capital, LLC (1) 360 North Crescent Drive, South Building Beverly Hills, CA 90210	9,800,630	48.77 %
Contrarian Funds (2) 411 West Putnam Avenue, Suite 425 Greenwich, CT 06830	2,376,930	11.83 %
Quantum Partners LP (3) 250 West 55th Street, 38th Floor New York, NY 10019	1,827,134	9.09 %
Silver Point Funds (4) Two Greenwich Plaza Greenwich, CT 06830	1,344,497	6.69 %

(1) Number of shares beneficially owned is based solely on a Schedule 13D filed with the SEC on December 27, 2016 on behalf of each of: (i) Soter Capital, LLC, a Delaware limited liability company, (ii) Soter Capital Holdings, LLC, a Delaware limited liability company, (iii) PE Soter Holdings, LLC, a Delaware limited liability company, (iv) Platinum Equity Capital Soter Partners, L.P., a Delaware limited partnership, (v) Platinum Equity Partners III, LLC, a Delaware limited liability company, (vi) Platinum Equity Investment Holdings III, LLC, a Delaware limited liability company, (vii) Platinum Equity, LLC, a Delaware limited liability company, and (viii) Tom Gores,

an individual.

Number of shares beneficially owned is based on a Schedule 13G filed with the SEC on December 27, 2016 on (2) behalf of Contrarian Capital Management, L.L.C. and Contrarian Capital Fund I, L.P., as supplemented by information provided to the Company.

Includes 5,752 shares underlying warrants to purchase shares of Key common stock. Number of shares beneficially (3) owned is based on a Schedule 13G filed with the SEC on December 23, 2016 on behalf of Soros Fund Management LLC, George Soros and Robert Soros relating to shares held for the account

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of Quantum Partners LP, a Cayman Islands exempted limited partnership, as supplemented by information provided by the Company.

(4) Number of shares beneficially owned is based on a Schedule 13G filed jointly with the SEC on December 27, 2016 by Silver Point Capital, L.P., Mr. Edward A. Mule and Mr. Robert J. O’Shea with respect to ownership of the common stock of the Company by Silver Point Capital Fund., L.P. and Silver Point Capital Offshore Master Fund, as supplemented by information provided to the Company.

We have not made any independent determination as to the beneficial ownership of each stockholder, and are not restricted in any determination we may make by reason of inclusion of such stockholder or its shares in this table.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Party Transactions Related to Our Reorganization

On the Effective Date, pursuant to the Plan, the Company issued to former holders of the Predecessor Company’s 6.75% senior notes, in exchange for the cancellation and discharge of such notes, 7,500,000 shares of the Successor Company’s common stock. The Successor Company also issued 11,769,014 shares of the Successor Company’s common stock to certain participants in rights offerings conducted pursuant to the Plan. As a result of these issuances, on the Effective Date, a number of former holders of the Predecessor Company’s senior notes became beneficial owners of greater than 5% of the Successor Company’s common stock, including (i) Soter, (ii) certain funds managed by Contrarian Capital Management, L.L.C. (the “Contrarian Funds”), (iii) Quantum Partners LP (“Quantum”), and (iv) certain funds managed by Silver Point Capital, L.P. (the “Silver Point Funds,” and collectively with Soter, the Contrarian Funds and Quantum, the “5% Holders”).

Term Loan Facility

On the Effective Date, the Company entered into the Term Loan Facility among the Company, as borrower, certain subsidiaries of the Company named as guarantors therein, Cortland Capital Market Services LLC and Cortland Products Corp., as agents for the lenders, and certain financial institutions party thereto as lenders, including certain affiliates of the Contrarian Funds, the Silver Point Funds and QPB Holdings Ltd. Affiliates of the Silver Point Funds, Quantum and the Contrarian Funds own approximately \$69.39 million, \$26.41 million and \$1.25 million, respectively, of the \$250 million outstanding principal amount of the Term Loan Facility. Please refer to the disclosure in the “Liquidity and Capital Resources” section of “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a discussion of the material terms of the Term Loan Facility.

Registration Rights Agreement

On the Effective Date, the Company entered into the Registration Rights Agreement with certain stockholders of the Successor Company including the 5% Holders. Pursuant to the Registration Rights Agreement, Key committed to file a resale shelf registration statement covering all Registrable Securities (as defined in the Registration Rights Agreement) of each stockholder party to the Registration Rights Agreement (each such party, together with its permitted transferees, a “Rights Agreement Party”) by no later than March 6, 2017. Key will use commercially reasonable efforts to cause such shelf registration statement to be declared effective as promptly as practicable and in no event later than 60 days after filing the shelf registration statement and to keep such shelf registration statement effective (subject to customary blackout periods) for so long as any Rights Agreement Party holds Registrable Securities.

Explanation of Responses:

Beginning 120 days after the Effective Date, to the extent Key does not have available such an effective shelf registration statement, each Rights Agreement Party that holds Registrable Securities will have two demand registration rights per calendar year (subject to customary blackout periods); provided that any such demand must be for an offering of at least \$12.5 million of estimated gross proceeds (taking into account the requests of all requesting Rights Agreement Parties); provided, further, that in no event will Key be required to comply with more than one demand by any Rights Agreement Party (other than Soter, Platinum and its other affiliates) in any six-month period. Key will be required to effect underwritten offerings pursuant to shelf takedowns and demands by the Rights Agreement Parties beginning 180 days after the Effective Date. Key will not be required to facilitate an underwritten offering facilitated by marketing efforts on the part of Key (a “Marketed Underwritten Offering”) unless the proceeds to all requesting Rights Agreement Parties from such offering are at least \$12.5 million. Furthermore, Key will not be required to effect (i) more than two Marketed Underwritten Offerings in any calendar year or more than six Marketed Underwritten Offerings in the aggregate, or (ii) more than four underwritten offerings other than Marketed Underwritten Offerings in any calendar year or more than eight underwritten

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offerings that are not Marketed Underwritten Offerings in the aggregate, in each case of (i) and (ii), as requested by any Rights Agreement Party other than Soter, Platinum and its other affiliates.

The Rights Agreement Parties have certain piggyback registration rights, and the Registration Rights Agreement also includes customary indemnification provisions. The Registration Rights Agreement will terminate with respect to any Rights Agreement Party when such party ceases to hold or beneficially own Registrable Securities.

Corporate Advisory Services Agreement

On the Effective Date, the Company entered into the CASA with Platinum, an affiliate of Soter. Pursuant to the CASA, Platinum will provide certain business advisory services to Key, and Key, as consideration therefor, will pay Platinum an advisory fee of \$2.75 million per year (subject to certain limitations and adjustments). In addition, Key will reimburse Platinum for ordinary course, reasonable and documented out-of-pocket expenses of up to an aggregate amount of \$375,000, on an annual basis, subject to certain limitations.

The CASA has an initial term commencing on the Effective Date and ending on December 31, 2019. Thereafter, the independent members of the Board will have the option to renew the CASA for additional one-year terms, with each such extended term ending on December 31 of the subsequent year. The CASA may be terminated by Platinum upon 90-days' written notice, and automatically terminates 45 days after the date Platinum owns less than 33% of the outstanding shares of our common stock.

Relationships and Transactions with Other Related Persons

Mr. Robert K. Reeves joined our Board in October 2007 and was a member of our Board until December 15, 2016. During his tenure on our Board, Mr. Reeves served, and continues to serve, as an executive officer with Anadarko Petroleum Corporation ("Anadarko"), which is one of our customers. During the fiscal year ended December 31, 2016, Anadarko purchased services from us for approximately \$5.5 million. In addition, Mr. Reeves' son-in-law, West P. Gotcher, who had been an employee of Edge Oilfield Services, LLC, joined the Company as a non-officer employee upon our acquisition of Edge in August 2011. Mr. Gotcher's total compensation received from the Company in 2016 was approximately \$189,821.

A current member of our board of directors, C. Christopher Gaut, is the Chairman and Chief Executive Officer of Forum Energy Technologies, Inc., ("FET"), which is one of our equipment suppliers. Sales to Key from FET for the calendar year ended December 31, 2016 were \$76,467. FET continues to provide services to Key in 2017. In addition, FET owns approximately 50% of Global Tubing, LLC ("Global"). Sales to Key from Global were \$2,900,000 for the year ended December 31, 2016. Transactions with FET and Global for their equipment supplies are made on terms consistent with other equipment suppliers. The Board has determined that our relationships with such related parties did not affect the independence of Mr. Gaut and that Mr. Gaut qualifies as "independent" in accordance with NYSE listing standards.

Review and Approval Policies and Procedures for Related Party Transactions

Bylaw Provisions Regarding Related Party Transactions

Our bylaws, which were amended and restated on the Effective Date, require the approval of a Supermajority (as defined below) of the Board for the Company to enter into any transaction with related parties of Key, Platinum or any Related Advisor (as defined below), except for (i) compensation agreements with directors in the ordinary course of business, and (ii) arm's-length commercial transactions in the ordinary course of business between any Platinum portfolio company and the Company if the aggregate transaction does not exceed \$1 million per calendar year.

Explanation of Responses:

“Related Advisor” means (i) any affiliates, current employees and certain former employees of Platinum, (ii) any person or entity that earns more than 50% of its annual revenue from Platinum or its affiliates or (iii) Palm Tree Advisors LLC or any of its successors or affiliates.

During the Initial Board Term, if our CEO is currently serving on the Board, then “Supermajority” Board approval means at least nine of the thirteen director votes, including (i) at least seven votes cast by Soter Directors, (ii) at least two votes cast by directors who are not Soter Directors and (iii) at least one vote cast by an Other Director.

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Our Affiliate Transaction Policy

Our Affiliate Transaction Policy requires advance review and approval of any proposed transactions (other than employee or director compensation) between Key and an affiliate of Key. For this purpose, affiliates include major stockholders, directors and executive officers and members of their immediate family (including in-laws), nominees for director, and affiliates of the foregoing persons, as determined in accordance with SEC rules. In determining whether to approve an affiliate transaction, the Board will use such processes as it deems reasonable in light of the circumstances, such as the nature of the transaction and the affiliate involved, which may include an analysis of any auction process involved, an analysis of market comparables, use of an appraisal, obtaining an investment banking opinion or a review by independent counsel. The policy requires the Board to determine that, under all of the circumstances, the covered transaction is in, or not inconsistent with, the best interests of Key, and requires approval of covered transactions by a majority of the Board (excluding any interested directors). The Board, in its discretion, may delegate this authority to the NGC or another committee comprised solely of independent directors, as appropriate.

In addition, we require each of our directors and executive officers to complete an annual Directors and Officers Questionnaire to describe certain information and relationships (including those involving their immediate family members) that may be required to be disclosed in our Form 10-K, annual proxy statement and other filings with the SEC. Director nominees and newly appointed executive officers must complete the questionnaire at or before the time they are nominated or appointed. Directors and executive officers must immediately report to Key any changes to the information reported in their questionnaires arising throughout the year, including changes in relationships between immediate family members and Key, compensation paid from third parties for services rendered to Key not otherwise disclosed, interests in certain transactions and other facts that could affect director independence. Directors are required to disclose in the questionnaire, among other things, any transaction that the director or any immediate family member has entered into with Key or relationships that a director or an immediate family member has with Key, whether direct or indirect. This information is provided to our legal department for review and, if required, submitted to the Board for the process of determining independence.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Fees of Independent Registered Public Accounting Firm

Audit Fees

Effective December 1, 2006, Grant Thornton LLP was engaged as our independent registered public accounting firm. The following table sets forth the fees for the fiscal period to which the fees relate. The audit committee approved all such fees in accordance with the Audit and Non-Audit Services Pre-Approval Policy described below.

	2016 (1)	2015 (2)
Audit fees	\$1,243,440	\$1,783,767
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total	\$1,243,440	\$1,783,767

Includes estimated fees of \$4,950 for the 2016 statutory audit of our Colombian branch, fees of \$7,490 for the 2016 (1) statutory audit of our Dubai subsidiary, and fees of \$21,000 for the 2016 statutory audit of our Russian subsidiaries.

Explanation of Responses:

(2) Includes fees of \$84,610 for the 2015 statutory audit of our Mexican subsidiaries, fees of \$11,433 for the 2015 statutory audit of our Colombian branch, fees of \$4,813 for the 2015 statutory audit of our United Arab Emirates subsidiary, fees of \$10,689 for the 2015 statutory audit of our Bahraini subsidiaries, and fees of \$7,800 for the 2015 statutory audit of our Omani subsidiaries.

Audit fees consist of professional services rendered for the audit of our annual financial statements, the audit of the effectiveness of our internal control over financial reporting and the reviews of the quarterly financial statements. This category also includes fees for issuance of comfort letters, consents, assistance with and review of documents filed with the SEC, statutory audit fees, work done by tax professionals in connection with the audit and quarterly reviews and accounting consultations and research work necessary to comply with the standards of the Public Company Accounting Oversight Board. Fees are generally presented in the period to which they relate as opposed to the period in which they were billed. Other services performed include certain advisory services and do not include any fees for financial information systems design and implementation.

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Policy for Pre-Approval of Audit and Non-Audit Fees

The audit committee has an Audit and Non-Audit Services Pre-Approval Policy. The policy requires the audit committee to pre-approve the audit and non-audit services performed by our independent registered public accounting firm. Under the policy, the audit committee establishes the audit, audit related, tax and all other services that have the approval of the audit committee. The term of any such pre-approval is twelve months from the date of pre-approval, unless the audit committee adopts a shorter period and so states. The audit committee will periodically review the list of pre-approved services and will add to or subtract from the list of pre-approved services from time to time. The audit committee will also establish annually pre-approval fee levels or budgeted amounts for all services to be provided by the independent registered public accounting firm. Any proposed services exceeding these levels or amounts will require specific pre-approval by the audit committee.

The audit committee has delegated to its chair the authority to pre-approve services, not previously pre-approved by the audit committee, that involve aggregate payments (with respect to each such service or group of related services) of \$50,000 or less. The chair will report any such pre-approval to the audit committee at its next scheduled meeting.

The policy contains procedures for a determination by the CFO that proposed services are included within the list of services that have received pre-approval of the audit committee. Proposed services that require specific approval by the audit committee must be submitted jointly by the independent registered public accounting firm and the CFO and must include backup statements and documentation regarding the proposed services and whether the proposed services are consistent with SEC and NYSE rules on auditor independence.

Report of the Audit Committee

The audit committee has reviewed the Company's audited financial statements for the fiscal year ended December 31, 2016 and has discussed these financial statements with the Company's management and independent registered public accounting firm.

The audit committee has also received from, and discussed with, Grant Thornton LLP, the Company's independent registered public accounting firm, various communications that the Company's independent registered public accounting firm is required to provide to the audit committee, including the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Company's independent registered public accounting firm also provided the audit committee with the written disclosures required by Public Company Accounting Oversight Board Rule 3526 (Communication with Audit Committees Concerning Independence). The audit committee has discussed with the independent registered public accounting firm their independence from Key.

As set forth in the audit committee charter, it is not the responsibility of the audit committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable laws, rules and regulations. It is furthermore not the responsibility of the audit committee to maintain the accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations, or to plan and carry out the audit of the Company's internal control over financial reporting. These are the responsibilities of

management, the internal auditor and the independent registered public accounting firm.

Furthermore, the members of the audit committee are not full-time employees of the Company and are not performing the functions of auditors or accountants. As such, it is not the responsibility of the audit committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures or to set auditor independence standards. Members of the audit committee necessarily rely on the information provided to them by management and the independent registered public accounting firm. Accordingly, the audit committee’s considerations and discussions referred to above do not assure that the audits of the Company’s financial statements and internal control over financial reporting have been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with GAAP or that the Company’s auditors are in fact “independent.”

Based on the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the audit committee referred to above and in the audit committee charter, the audit committee recommended to the Board of

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Directors of the Company that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

By the Audit Committee of the Board of Directors

H.H. Tripp Wommack, III, Chair

Steven H. Pruett

C. Christopher Gaut

Sherman K. Edmiston, III

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following financial statements and exhibits are filed as part of this report:

1. Financial Statements — See "Index to Consolidated Financial Statements" at Page 50.
2. We have omitted all financial statement schedules because they are not required or are not applicable, or the required information is shown in the financial statements or the notes to the financial statements.
3. Exhibits

The Exhibit Index, which follows the signature pages to this report and is incorporated by reference herein, sets forth a list of exhibits to this report.

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ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KEY ENERGY SERVICES, INC.

By: /s/ J. MARSHALL DODSON

J. Marshall Dodson,

Senior Vice President and Chief Financial Officer

(As duly authorized officer and

Principal Financial Officer)

Date: March 2, 2017

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Robert Drummond and J. Marshall Dodson, and each of them, his true and lawful attorney-in-fact and agent, with full powers of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting to said attorneys-in-fact, and each of them, full power and authority to perform any other act on behalf of the undersigned required to be done in connection therewith.

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in their capacities and on March 2, 2017.

Signature	Title
/s/ PHILIP NORMENT Philip Norment	Chairman
/s/ ROBERT DRUMMOND Robert Drummond	Director President and Chief Executive Officer (Principal Executive Officer)
/s/ J. MARSHALL DODSON J. Marshall Dodson	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ EDDIE PICARD Eddie Picard	Vice President and Controller (Principal Accounting Officer)
/s/ SHERMAN K. EDMISTON, III Sherman K. Edmiston, III	Director
/s/ C. CHRISTOPHER GAUT C. Christopher Gaut	Director
/s/ BRYAN KELLN Bryan Kelln	Director
/s/ JACOB KOTZUBEI Jacob Kotzubei	Director
/s/ STEVEN H. PRUETT Steven H. Pruett	Director
/s/ MARY ANN SIGLER Mary Ann Sigler	Director
/s/ SCOTT D. VOGEL Scott D. Vogel	Director
/s/ H.H. TRIPP WOMMACK, III H.H. Tripp Wommack, III	Director

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EXHIBIT INDEX

Exhibit No. Description

- 2.1 Joint Prepackaged Plan of Reorganization of Key Energy Services, Inc. and its Debtor Affiliates, dated September 21, 2016 (Incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on December 7, 2016, File No. 001-08038.)
- 2.2 Confirmation Order, as entered by the Bankruptcy Court on December 6, 2016 (Incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K filed on December 7, 2016, File No. 001-08038.)
- 3.1 Certificate of Incorporation of Key Energy Services, Inc. (Incorporated by reference to Exhibit 3.1 to our registration statement on Form 8-A filed on December 15, 2016, File No. 001-08038.)
- 3.2* Amended and Restated Bylaws of Key Energy Services, Inc.
- 4.1.1 Warrant Agreement, dated as of December 15, 2016, among Key Energy Services, Inc. and American Stock Transfer & Trust Company, LLC (Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 4.1.2 Form of 4-Year Global Warrant (Included in Exhibit 4.1.1 and incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 4.1.3 Form of 4-Year Individual Warrant (Included in Exhibit 4.1.1 and incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 4.1.4 Form of 5-Year Global Warrant (Included in Exhibit 4.1.1 and incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 4.1.5 Form of 5-Year Individual Warrant (Included in Exhibit 4.1.1 and incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 4.2 Registration Rights Agreement, dated December 15, 2016, by and between Key Energy Services, Inc. and each Investor party thereto (Incorporated by reference to Exhibit 10.1 to our registration statement on Form 8-A filed on December 15, 2016, File No. 001-08038.)
- 4.3 Platinum Letter Agreement, dated as of December 15, 2016, among Key Energy Services, Inc. and Platinum Equity Advisors, LLC (Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 10.1 Backstop Commitment Agreement, dated September 21, 2016, among Key Energy Services, Inc. and the backstop participants party thereto (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on September 22, 2016, File No. 001-08038.)

10.2 Plan Support Agreement, dated August 24, 2016, by and among Key Energy Services, Inc., Key Energy Services, LLC, Key Energy Mexico, LLC, MISR Key Energy Investments, LLC, MISR Key Energy Services, LLC and each supporting creditor party thereto (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on August 25, 2015, File No. 001-08038.)

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Exhibit No. Description

- 10.3.1 Loan and Security Agreement, dated as of June 1, 2015, among Key Energy Services, Inc. and Key Energy Services, LLC as the borrowers, certain subsidiaries of the borrowers named as guarantors therein, the financial institutions party thereto from time to time as lenders, Bank of America, N.A., as administrative agent for the lenders, and Bank of America, N.A. and Wells Fargo Bank, national Association, as co-collateral agents for the lenders. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 2, 2015, File No. 001-08038.)
- 10.3.2 Term Loan and Security Agreement, dated as of June 1, 2015, among Key Energy Services, Inc., as borrower, certain subsidiaries of the borrower named as guarantors therein, the financial institutions party thereto from time to time as lenders, Cortland Capital Market Services LLC, as agent for the lenders, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as sole lead arranger and sole bookrunner. (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on June 2, 2015, File No. 001-08038.)
- 10.3.3 First Amendment to Loan Agreement dated November 20, 2015 among Key Energy Services, Inc., each of the lenders from time to time party thereto, Bank of America, N.A., as administrative agent (Incorporated by reference to Exhibit 10.17 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, File No. 001-08038.)
- 10.3.4 Forbearance Agreement dated as of May 11, 2016, among Key Energy Services, Inc., each of the guarantors party thereto, each of the Lenders party thereto and Cortland Capital Market Services LLC, as administrative agent for the Lenders (Incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q filed on May 13, 2016, File No. 001-08038.)
- 10.3.5 Limited Consent to Loan Agreement and Forbearance Agreement, Dated May 11, 2016, among Key Energy Services, Inc., Key Energy Services, LLC, certain subsidiaries of the Borrowers as Guarantors, Lenders and Co-Collateral Agents party thereto and Bank of America, N.A., as administrative agent for the Lenders (Incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q filed on May 13, 2016, File No. 001-08038.)
- 10.3.6 Amendment No. 1 dated June 6, 2016 to that certain Forbearance Agreement dated as of May 11, 2016, among Key Energy Services, Inc., each of the guarantors party thereto, each of the Lenders party thereto and Cortland Capital Market Services LLC, as administrative agent for the Lenders (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 6, 2016, File No. 001-08038.)
- 10.3.7 Amendment No. 1 dated June 6, 2016 to that certain Limited Consent to Loan Agreement and Forbearance Agreement, dated May 11, 2016, among Key Energy Services, Inc., Key Energy Services, LLC, certain subsidiaries of the Borrowers as Guarantors, Lenders and Co-Collateral Agents party thereto and Bank of America, N.A., as administrative agent for the Lenders (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on June 6, 2016, File No. 001-08038.)
- 10.3.8 Amendment No. 2 dated June 17, 2016 to that certain Forbearance Agreement dated as of May 11, 2016, as amended by Amendment No. 1 dated June 6, 2016, among Key Energy Services, Inc., each of the guarantors party thereto, each of the Lenders party thereto and Cortland Capital Market Services LLC, as

administrative agent for the Lenders (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 20, 2016, File No. 001-08038.)

10.3.9 Amendment No. 2 dated June 17, 2016 to that certain Limited Consent to Loan Agreement and Forbearance Agreement, dated May 11, 2016, as amended by Amendment No. 1 dated June 6, 2016, among Key Energy Services, Inc., Key Energy Services, LLC, certain subsidiaries of the Borrowers as Guarantors, Lenders and Co-Collateral Agents party thereto and Bank of America, N.A., as administrative agent for the Lenders (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on June 20, 2016, File No. 001-08038.)

10.3.10 Limited Consent and Second Amendment to Loan Agreement, dated August 24, 2016 (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on August 25, 2016, File No. 001-08038.)

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Exhibit No. Description

- 10.3.11 Loan and Security Agreement, dated as of December 15, 2016, among Key Energy Services, Inc. and Key Energy Services, LLC, as the borrowers, the financial institutions party thereto from time to time as lenders, Bank of America, N.A., as administrative agent for the lenders, and Bank of America, N.A. and Wells Fargo Bank, National Association, as co-collateral agents for the lenders (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 10.3.12 Term Loan and Security Agreement, dated as of December 15, 2016, among Key Energy Services, Inc., as borrower, certain subsidiaries of the borrower named as guarantors therein, the financial institutions party thereto from time to time as lenders and Cortland Capital Market Services LLC and Cortland Products Corp., as agent for the lenders (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on December 15, 2016, File No. 001-08038.)
- 10.4.1† Key Energy Services, Inc. 2013 Performance Unit Plan. (Incorporated by reference to Exhibit 10.5 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-08038.)
- 10.4.2† Employment Agreement dated June 22, 2015 by and between Robert Drummond, Key Energy Services, Inc. and Key Energy Services, LLC (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 22, 2015, File No. 001-08038.)
- 10.4.3† Employment Agreement, dated effective as of March 25, 2013, among J. Marshall Dodson and Key Energy Services, LLC (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated March 28, 2013, File No. 001-08038.)
- 10.4.4† Form of Amendment to Employment Agreement, in the form executed on March 29, 2010, by and between Key Energy Services, Inc., Key Energy Shared Services, LLC, and each of Richard J. Alario, Kim B. Clarke and Kim R. Frye. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated April 1, 2010, File No. 001-08038.)
- 10.4.5† Key Energy Services, Inc. 2014 Equity and Cash Incentive Plan. (Incorporated by reference to Appendix A to our Proxy Statement on Schedule 14A filed on May 7, 2014, File No. 001-08038.)
- 10.4.6† Form of Restricted Stock Award Agreement under 2014 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.16.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-08038.)
- 10.4.7† Form of Performance Unit Award Agreement under 2014 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.16.3 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-08038.)
- 10.4.8† Form of Director Restricted Stock Unit Agreement under 2014 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.16.4 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-08038.)

10.4.9† Form of Cash Retention Award Agreement (Incorporated by reference to Exhibit 99.1 to our current report on Form 8-K file February 3, 2016, File No. 001-08038.)

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Exhibit No.	Description
10.4.10	Letter Agreement Regarding Continued Employment Terms, effective as of August 21, 2015, between Key Energy Services, Inc., Key Energy Services, LLC and Richard J. Alario (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on August 24, 2015, File No. 001-08038.)
10.4.11†	Transition Agreement between Key Energy Services, Inc. and Kim B. Clarke dated September 30, 2015. (Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on October 3, 2015, File No. 001-08038.)
10.4.12†	Revised Promotion Bonus Agreement between Key Energy Services, Inc. and Robert Drummond, dated April 6, 2016. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on April 12, 2016, File No. 001-08038.)
10.4.13†	Form of Amended and Restated Cash Retention Award Agreement, amended as of October 17, 2016. (Incorporated by reference to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, File No. 001-08038.)
10.4.14†*	Amended and Restated Change of Control Agreement between Key Energy Services, Inc. and David Brunnert, dated January 31, 2017.
10.4.15†*	Amended and Restated Change of Control Agreement between Key Energy Services, Inc. and Eddie Picard, dated January 31, 2017.
10.4.16†	Key Energy Services, Inc. 2016 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.1 to our registration statement on Form S-8 filed on December 19, 2016, File No. 001-08038.)
10.4.17†*	Form of Amended and Restated Performance-Based/Time-Vested Option Award Agreement under 2016 Equity and Cash Incentive Plan.
10.4.18†*	Form of Amended and Restated Performance-Based/Time-Vested Restricted Stock Unit Award Agreement under 2016 Equity and Cash Incentive Plan.
10.4.19†*	Form of Amended and Restated Performance-Based/Time-Vested Restricted Stock Award Agreement under 2016 Equity and Cash Incentive Plan.
10.5.1	Twenty-First Amendment to Office Lease, dated May 15, 2014, between Crescent 1301 McKinney, L.P. and Key Energy Services, Inc. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on May 16, 2014 File No. 001-08038.)
10.5.2	Twenty-Second Amendment to Office Lease, dated May 12, 2015, between Crescent 1301 McKinney, L.P. and Key Energy Services, Inc. (Incorporated by reference to Exhibit 10.18 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, File No. 001-08038.)

- 10.5.3 Twenty-Third Amendment to Office Lease, dated November 20, 2015, between Crescent 1301 McKinney, L.P. and Key Energy Services, Inc. (Incorporated by reference to Exhibit 10.19 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, File No. 001-08038.)
- 10.5.4 Twenty-Fourth Amendment to Office Lease, as confirmed by the Bankruptcy Court on December 6, 2016, between Crescent 1301 McKinney, L.P. and Key Energy Services, Inc. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on December 7, 2016, File No. 001-08038.)
- 10.6†* Form of Indemnification Agreement.
- 21* Significant Subsidiaries of the Company.
- 23* Consent of Independent Registered Public Accounting Firm.

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Exhibit No. Description

31.1*	Certification of CEO pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act. of 2002.
31.2*	Certification of CFO pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	Interactive Data File.
†	Indicates a management contract or compensatory plan, contract or arrangement in which any Director or any Executive Officer participates.
*	Filed herewith.