

Independence Contract Drilling Executive & Director Stock Ownership Guidelines

(February 2018)

I. Purpose

The Executive & Director Stock Ownership Guidelines (the “Ownership Guidelines”) of Independence Contract Drilling, Inc. (the “Company”) are intended to align the interests of Directors and Executives with the interests of shareholders and to promote sound corporate governance.

II. Participation

The Company’s Ownership Guidelines apply only to the Company’s directors and “officers” as defined in Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934 (the “Exchange Act”).

III. Determination of Guidelines

The Ownership Guidelines are expressed as a multiple of the Director’s base annual cash retainer or the Executive’s base salary, as the case may be, the value of which must be held by the Director or Executive in the form of the Company’s common stock (or stock equivalents). Ownership Guidelines are established for each level as follows:

(The Director’s base annual retainer or Executive’s base salary is multiplied by the appropriate multiple)

- 3.0x for Directors
- 4.0x for Chief Executive Officer
- 2.0x for Executive Vice Presidents or Senior Vice Presidents
- 1.0x for all other Executives

IV. Counting Shares Owned

Stock that counts towards satisfaction of the Ownership Guidelines include:

- Shares owned outright by the Director or Executive or his or her immediate family members residing in the same household, or “beneficially owned” (as defined by the Exchange Act) by the Director or Executive;
- Restricted stock (or stock units) issued to a Director or Executive, whether or not vested, and in the case of unvested performance-based restricted stock (or stock units), the target share level of the award; and
- Shares acquired upon option exercise that the Executive continues to hold.

For purposes of calculating the value for determining compliance with Ownership Guidelines, shares and stock equivalents beneficially owned by the Director or Executive shall be valued at the **higher** of (x) the purchase price paid (which in the case of restricted shares or restricted stock units awarded under the Company’s equity plans, the closing price on the date of grant) and (y) the average closing price (as reported on the New York Stock Exchange or similar exchange) over the preceding 90 trading days. Compliance shall be measured on the last calendar day of each calendar quarter. The Company’s current

and anticipated future compensation policy is such that normal annual grants automatically create sufficient stock ownership to meet the Ownership Guidelines, assuming each Executive or Director retains stock awards granted to the Executive.

V. Compliance with the Guidelines

Directors and Executives are required to achieve their Ownership Guideline within five years from the date the individual was first appointed as a Director or Executive of the Company. If an Executive's Ownership Guideline increases because of a change in title or annual compensation, a five-year period to achieve the incremental guideline begins in January following the end of the year of the title or compensation change.

Once achieved, ownership of the guideline amount must be maintained for as long as the Executive is subject to the Ownership Guidelines. Certain exclusions apply to the retention requirement. The existence of exclusions does not, however, affect the requirement that the Executive must meet his or her Ownership Guideline within the five-year period. The exclusions are: estate planning, gifts to charity; education; and primary residence. Once the Ownership Guideline is achieved, the retention ratio no longer applies unless the Executive's ownership falls below the guideline, at which point the retention requirement will be reinstated.

The Nominating and Corporate Governance Committee of the Board of Directors will periodically review each Director's and Executive's compliance (or progress towards compliance) with these Ownership Guidelines from time to time.

VI. Hardship

There may be instances in which the Ownership Guidelines would place a severe hardship on the Director or Executive or prevent the Director or Executive from complying with a court order (such as in the case of a divorce settlement). It is expected that these instances will be rare. In these instances, the Executive must submit a request in writing to the Chairman of the Nominating and Corporate Governance Committee that summarizes the circumstances and describes the extent to which an exemption from the Ownership Guidelines is being requested. The Chairman of the Nominating and Committee, together with the Nominating and Corporate Governance Committee, will make the final decision.

VII. Administration

The Ownership Guidelines are administered and interpreted by the Nominating and Corporate Governance Compensation Committee of the Board of Directors.