



CODE OF BUSINESS CONDUCT

**As adopted by the Board of Directors
of CES Energy Solutions Corp.**

(December 17, 2019)

CES ENERGY SOLUTIONS CORP. CODE OF BUSINESS CONDUCT

Introduction

CES Energy Solutions Corp. (the "**Corporation**") is committed to conducting their collective business activities in a legal and ethical manner. Continued business success for the Corporation will be based on honesty, integrity and ethical conduct.

This code of business conduct (the "**Code**") outlines the Corporation's expectations and guidelines in the conduct of its business. It applies to all employees, officers, consultants, service providers (collectively referred to as "**staff**") and directors. Also, our business partners and suppliers are expected to conduct their business activities with the Corporation in accordance with applicable laws, rules and regulations and this Code.

Violation of this Code may result in disciplinary actions up to and including termination in the case of a director, officer, employee or other service provider or termination of the consulting contract in the case of a consultant.

Compliance with Laws and Regulations

The Corporation will conduct its business in compliance with all applicable laws, regulations and other legal requirements. Violations or potential violations of laws, rules and regulations must be reported immediately to the President and Chief Executive Officer.

Conflict of Interest

A conflict of interest occurs when an individual's private interest interferes, or may appear to interfere, in any way with the interests of the Corporation. A conflict of interest may occur where involvement in an activity prevents or could be perceived to prevent the proper performance of staff or director duties for the Corporation. Conflicts of interest also arise when staff or a director, or a member of his or her family, receives improper personal benefits as a result of his or her position at the Corporation. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which staff or directors and their families have a material interest.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Audit and Governance Committee. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest must be reported immediately to a senior officer or the Chair of the Audit and Governance Committee.

The Corporation is engaged in the drilling fluid systems and production chemical business. In general, the private investment activities of staff and directors are not prohibited, however, should an existing investment pose a conflict of interest, the conflict should be disclosed to either the President and Chief Executive Officer or in the case of directors, to the Chair of the Audit Committee. Any other activities of staff or directors which pose a conflict of interest should be disclosed to either the President and Chief Executive Officer or the Chair of the Audit Committee.

It is acknowledged that staff and directors may be directors or officers of other entities engaged in the drilling fluid and production chemical business or competing businesses and that such entities may compete directly or indirectly with the Corporation. Passive investments in public or private entities of less than one per cent of the outstanding shares will not be viewed as "competing" with the Corporation. Any staff member or director of the Corporation who is actively engaged in the management of, or who owns an investment of one percent or more of the outstanding securities in public or private entities shall disclose such holding to the President and Chief Executive Officer (in the case of staff members) or Board of Directors (in the case of directors). In the event that any circumstance should arise as a result of such positions or investments being held which in the opinion of the President and Chief Executive Officer or Board of Directors constitutes a conflict of interest which reasonably affects such person's ability to act with a view to the best interests of the Corporation, the President and Chief Executive Officer or Board of Directors will take such actions as are reasonably required to resolve such matters with a view to the best interests of the Corporation. Such actions, without limitation, may include excluding such staff or directors from certain information or activities of the Corporation.

Corporate Opportunities

Staff and directors are prohibited from taking for themselves personally opportunities that arise through the use of the Corporation's property, information or position and from using the Corporation's property, information or position for personal gain.

Privacy

In conducting our business, the Corporation needs to maintain records and information about its staff, contractors, vendors, shareholders and other business associates. We value and respect the rights of these individuals to personal privacy. We collect and use only information that is necessary for us to administer our business effectively, efficiently, safely and reliably. This information is only for the appropriate internal use of the Corporation and will not be shared or used for other purposes unless permitted or required by law.

Protection and Proper use of Assets

The Corporation's assets such as information, data, office equipment, tools, vehicles, supplies, facilities and services must only be used for legitimate business purposes. The Corporation's assets may never be used for illegal purposes.

Expense Policy

The Corporation expects employees to act responsibly and professionally when incurring and submitting expenses. CES will reimburse employees for reasonable expenses relating to legitimate business purposes. Reimbursement is permitted only when reimbursement has not been, and will not be, received from other sources. This includes travel and accommodation costs for business trips, business development activities, and purchases made on behalf of the Corporation.

Expenses should be submitted through the Corporation's online expense reporting application with accompanying itemized receipts and a brief summary outlining the nature of the expense, the name and titles of the individuals involved and the business purpose for the expense. Expenses should be submitted within 30 days of the date of the expense when practicable.

Accuracy of the Corporation's Records and Reporting

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions and to fulfill our responsibility as stewards of the Corporation's assets. The Corporation's accounting records are relied upon to produce reports for management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

All transactions must be:

- (a) Executed in compliance with documented controls and policies,
- (b) Recorded in accordance with International Financial Reporting Standards (IFRS). Where IFRS is not fully developed, transactions should be recorded with the goal of accurate and complete disclosure, which is reasonable and fair.

All staff and directors have a duty to submit in good faith questions and concerns regarding questionable accounting, auditing or disclosure matters or controls. Submissions about these or similar matters must be reported in accordance with the Corporation's Whistleblower Policy and Procedures.

No information may be concealed from the Corporation's external auditors, Board of Directors, the Audit Committee or the Compensation, Corporate Governance and Nominating Committee. It is illegal to fraudulently influence, coerce, manipulate or mislead an external auditor who is auditing the Corporation's financial statements.

Fair Dealing

All staff and directors should endeavor to deal fairly with the Corporation's customers, contractors, suppliers, competitors and employees, and must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Political Activities and Contributions

We respect the right of our staff and directors to become involved in political activities as long as these activities are on their own behalf. However, these activities should not involve the use of the Corporation's resources. Staff and directors will not be reimbursed for personal political contributions.

The Corporation will not participate in any improper intervention in political process. The Corporation may express views on issues that affect its operations and in that case,

funds and resources may be used, but only when permitted by law and with the authorization of the President and Chief Executive Officer.

Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to develop and foster goodwill among business partners. However, accepting gifts and entertainment can cause problems when they compromise, or appear to compromise, the ability to make fair and objective business decisions. Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided.

The value of gifts, given and received, should be nominal with respect to frequency and amount. Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. If you are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, ask yourself these guiding questions:

- Is it legal?
- Is it clearly business related?
- Is it moderate, reasonable, and in good taste?
- Would public disclosure embarrass the Corporation?
- Is there any pressure to reciprocate or grant special favors?

If you are still unsure about the appropriateness of a specific gift or entertainment item, please consult with a senior officer of the Corporation.

Strict rules apply when we do business or have contact with governmental agencies and officials, whether in Canada or in other countries. Under Canadian and US law, the Corporation and/or an individual may be prosecuted for providing or offering to provide a loan, reward, advantage or benefit of any kind as consideration for an act or omission by a government official or to induce that governmental official to use his or her position to influence any acts or decisions of the state or organization for which the official performs duties or functions. Accordingly, all staff and management are prohibited from giving or receiving gifts, bribes or facilitation payments to any government officials, whether they be federal, state/provincial, or local officials in Canada, the US or any other foreign country. Furthermore, certain hospitality expenses may be considered gifts or bribes under anti-corruption and bribery legislation. As such, any hospitality extended to any government official must be approved in advance by the President and Chief Executive Officer.

Discrimination, Harassment and Human Rights

The Corporation is committed to providing a working environment which supports human rights and is free from harassment, discrimination, and bullying. We are committed to providing a safe and healthy workplace, equal opportunity, fair compensation and other fundamental principles of human rights in all aspects of employment and our operations. This commitment applies to the Corporation as a whole, and applies equally irrespective of gender, race, ethnicity, nationality, sexual orientation, gender identity or expression, or disability.

Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on gender, racial, or ethnic characteristics, unwelcome sexual advances, bullying, and intimidation. Staff are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report discrimination, harassment, human rights violations, and suspected violations of applicable laws, policies and regulations. Retaliation for raising such concerns in good faith is prohibited.

If staff wish to report such matters, they may do so with their manager, directly to the Director of Legal, the Director of Human Resources, the President and Chief Executive Officer, or confidentially to the Corporation's 24-hour reporting hotline service ConfidenceLine™ at 1-800-661-9675.

Environment, Safety and Health

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Corporation is committed to keeping its workplace free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. If at any time a staff member feels that there is a safety risk, that person has a right and the obligation to stop work and report the safety risk.

In order to protect the safety of all staff, staff must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

The Corporation will strictly comply with all environmental legislation in all aspects of our work. The Corporation will monitor its environmental performance and will look for ways to reduce and prevent waste, emissions, spills and other releases from our operations so as to reasonably minimize, wherever possible, our impact on the environment.

Staff and directors should refer to the Corporation's Health, Safety and Environmental Policy as well as their divisional Health, Safety and Environment Program for further guidance related to health, safety and environmental matters.

Use of Computers, Mobile Phones and Other Electronic Devices

Computers, mobile phones and other electronic devices including related e-mail and internet access are provided to assist staff in doing their work. Incidental and occasional personal use is permitted, but never for personal gain or improper use. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. The Corporation reserves the right, within applicable law, to monitor e-mail, internet and mobile phone usage, including text messages and other communications sent via mobile phone applications.

Any data stored on corporate computers, mobile phones or other electronic devices, such as messages (including voice mail, e-mail and text messages), photos, videos, documents and other information are considered The Corporation's property and you

should not have any expectation of privacy. Unless prohibited by law, The Corporation reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

Staff are required to safeguard computers, mobile phones and other electronic devices provided by the Corporation. This includes taking precautions to protect these devices from physical damage, theft, as well as security breaches and unauthorized access. Staff are expected to:

- use robust passwords to protect their computer and mobile phone,
- not leave electronic devices unlocked and unattended;
- not share their password with other staff or third parties including family;
- not attempt to access data they are not authorized to use or access;
- use caution when opening emails or messages and alert the IT Department of any suspicious electronic messages received;
- be aware of potential phishing attacks and not share usernames or passwords if requested via electronic messages or over the phone;
- not download any software from the internet without prior approval from the IT Department;
- not jailbreak or attempt to unlock mobile phones or remove or disable any anti-virus software installed on computers;
- not download any copyrighted material or infringe on any copyright or intellectual property of third parties; and
- avoid excessive data and roaming in respect of non-work related usage.

Computers, mobile phones and other electronic devices provided during the course of your employment are the property of the Corporation. The Corporation reserves the right to restrict or remove access to computers, mobile phones and other electronic devices if an individual fails to safeguard these devices or comply with this policy. If you have any questions regarding the use of electronic devices or the Corporation's systems and networks, please contact your division's IT Department.

Reporting of Violations

Violations or potential violations of laws, rules, regulations and this policy must be reported to the President and Chief Executive Officer.

Waivers and Amendments

Waivers and amendments of this Code for staff and directors will be made only by the Board of Directors and will be publicly disclosed to the extent required by law, rule or securities exchange requirements.

Confidentiality

In connection with your employment with the Corporation, you may receive or become aware of certain confidential information of the Corporation or information entrusted to us by our suppliers, customers or partners. This confidential information includes all non-public information that may be of use to competitors, or could be harmful to the

Corporation or its customers if disclosed such as: information relating to the business, affairs, technical know-how, formulas, property, products, materials or other matters concerning the Corporation or its suppliers, customers or partners.

Staff and directors must maintain the confidentiality of information entrusted to them by the Corporation or that otherwise comes into their possession in the course of their duties, except when disclosure is authorized or legally mandated. This obligation continues in effect even beyond termination of employment, contracts or Board of Director appointments with the Corporation. **Unauthorized disclosure of confidential information will result in disciplinary action being taken which may include termination of employment, contract or Board of Directors' appointment.**

Taking advantage of, or benefiting from, information obtained at work that is not available to the public is not permitted. Friends, relatives or associates must not benefit from such information. Acquiring or disposing of any business interest, including publicly traded securities, whether directly or through another person, where "insider" information relating to that interest is known and not yet publicly disclosed is prohibited.

Staff and directors should refer to the Corporation's Disclosure and Media Policy and the Insider Trading Policy for further guidance related to the process of disclosure and insider trading guidelines.

Questions or Concerns

Staff who have questions or concerns about the Code or their obligations under the Code may contact their manager, the Director of Human Resources or the Director of Legal. If staff believe that a violation of the Code or of applicable governmental laws or regulations has occurred, Staff are encouraged to raise such matters with their manager, the Director of Human Resources, the Director of Legal, the President and Chief Executive Officer, or confidentially to the Corporation's 24-hour reporting hotline service ConfidenceLine™ at 1-800-661-9675.