



INSIDER TRADING POLICY

As of December 17, 2019

1. Introduction

CES Energy Solutions Corp. (the "**Corporation**") encourages all employees, officers and directors to become shareholders of the Corporation on a long-term investment basis. These individuals will from time to time become aware of developments or plans or other information that may affect the value of the Corporation's securities before these developments, plans or information are made public. Trading in securities of the Corporation while in possession of such information before it is generally disclosed to the public (known as "**insider trading**"), or disclosing such information to third parties before it is generally disclosed to the public (known as "**tipping**"), is against the law and may expose an individual to criminal prosecution, fines, penalties and other sanctions or civil lawsuits. Such actions will also result in a lack of confidence in the market for the Corporation's securities, harming both the Corporation and its shareholders. Accordingly, the Corporation has established this Policy to assist its employees, consultants, officers and directors in complying with the prohibitions against insider trading and tipping.

The procedures and restrictions set forth in this Policy are only a general framework to assist CES Personnel (as defined below) in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. CES Personnel have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.

The Corporation's Board of Directors will designate one or more individuals from time to time as Insider Trading Policy Administrators for the purpose of administering this Policy. At the date hereof, the designated Insider Trading Policy Administrators are the Chief Financial Officer and the Director of Finance. This Policy has been reviewed and approved by the Corporation's Board of Directors and may be reviewed and updated periodically by the Board of Directors. Any amendments to this Policy shall be subject to approval by the Board of Directors.

2. Application

(a) *Persons that are Subject to this Policy*

The following persons are required to observe and comply with this Policy:

- (a) all directors, officers and employees of the Corporation;

- (b) any other person retained by or engaged in business of professional activity with or on behalf of the Corporation (such as a consultant, independent contractor or advisor);
- (c) any family member, spouse or associate (as such term is defined under the *Securities Act (Alberta)* (“**ASA**”) of any of the individuals referred to in subsection 2(a) and (b) above; and
- (d) partnerships, trusts, corporations, registered accounts such as RRSP's, TFSA's, 401(k)'s IRA's and similar entities or accounts over which any of the above-mentioned individuals have any direct or indirect material beneficial interest or exercise any control or direction, including any affiliate (within the meaning ascribed to such term under the ASA) of any of the individuals referred to in subsection 2(a), (b) and (c) above.

For the purposes of this Policy, the persons listed above are collectively referred to as "**CES Personnel**". Paragraphs (c) and (d) should be carefully reviewed by CES Personnel; those paragraphs have the effect of making various family members, holding companies, trusts or other related persons or entities of the persons referred to in paragraphs (a) and (b) subject to the Policy.

(b) Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of the Corporation include (i) any sale or purchase of securities of the Corporation, including the exercise of incentive share rights under the Corporation's Share Rights Incentive Plan, the exercise of restricted share units under the Corporation's Restricted Share Unit Plan or similar exercises under other equity compensation plans maintained by the Corporation, and (ii) any derivatives-based or other transaction or arrangement that would be required to be reported by insiders in accordance with applicable securities laws or regulations relating to derivatives or equity monetization transactions.

3. Inside Information

"**Inside Information**" means:

- (a) a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation (which includes any decision to implement such a change by the Board of Directors or by senior management who believe that confirmation of the decision by the Board of Directors is probable);
- (b) a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation;
or
- (c) any information which is not generally available to the public that a reasonable investor would be likely to consider important in deciding whether to buy, hold or sell securities of the Corporation,

in each case, which has not been generally disclosed to the public. Examples of information that may constitute Inside Information are set out in Schedule A attached hereto. **It is the**

responsibility of any CES Personnel contemplating a trade in securities of the Corporation to determine prior to such trade whether he or she is aware of any information that constitutes Inside Information. If in doubt, the individual should consult with an Insider Trading Policy Administrator. In addition, section 6(a) of this Policy requires that certain CES Personnel pre-clear trades in securities of the Corporation.

4. Prohibition Against Trading on Inside Information

CES Personnel must not purchase, sell or otherwise trade securities of the Corporation with the knowledge of Inside Information until:

- (a) **two days** (after market close) following the disclosure to the public of the Inside Information, whether by way of press release or a filing made with securities regulatory authorities; or
- (b) the Inside Information ceases to be material (e.g. a potential transaction that was the subject of the information is abandoned, and either CES Personnel are so advised by an Insider Trading Policy Administrator or such abandonment has been generally disclosed to the public).

In addition, CES Personnel must not make any trades in securities of the Corporation during the periods described in subsections 6(b) and (c) of this Policy.

5. Prohibition Against Speculating, Short-Selling, Puts and Calls

Certain types of trades in securities of the Corporation by CES Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of the Corporation. CES Personnel are therefore prohibited at any time from, directly or indirectly, undertaking any of the following activities:

- (a) speculating in securities of the Corporation, which may include buying with the intention of quickly reselling such securities, or selling securities of the Corporation with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Corporation's Share Rights Incentive Plan, the Corporation's Restricted Share Unit Plan or under other equity compensation plans, benefit plans or arrangements maintained by the Corporation);
- (b) buying the Corporation's securities on margin in an amount exceeding \$25,000;
- (c) short selling a security of the Corporation or any other arrangement that results in a gain only if the value of the Corporation's securities declines in the future;
- (d) selling a "call option" giving the holder an option to purchase securities of the Corporation; and
- (e) buying a "put option" giving the holder an option to sell securities of the Corporation.

6. Restrictions on Trading of the Corporation's Securities

(a) *Trading Pre-Clearance*

To assist each of the CES Personnel specified below to avoid any trade in securities of the Corporation that may contravene or be perceived to contravene applicable securities laws, these individuals are required to notify an Insider Trading Policy Administrator of any proposed trade of securities of the Corporation **before effecting the trade** in order to confirm that there is no Inside Information that has not been generally disclosed:

- (a) a director of the Corporation;
- (b) the President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or any President of the Corporation;
- (c) an employee who reports directly to the President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or any President of the Corporation;
- (d) a member of the senior finance staff of the Corporation; and
- (e) an individual that is notified by an Insider Trading Policy Administrator that the individual's trades in securities of the Corporation will be subject to pre-clearance in accordance with this Policy.

(b) *Scheduled Black-out Periods*

No CES Personnel shall trade in securities of the Corporation during:

- (a) the period commencing on the fifteenth day of the first month of each fiscal quarter and ending after market close on the second business day following the date on which a press release has been issued in respect of the Corporation's interim or annual financial statements for the previous interim or annual financial period, as applicable;
- (b) any period in which an equity or debt financing of the Corporation has been publicly announced and is being marketed and ending on the second business day following the completion of such financing; or
- (c) any period in which a pending or proposed merger or other analogous transaction, material acquisition or disposition involving the Corporation has been publicly announced and ending on the second business day following the completion of such transaction,

(each of the foregoing periods shall be referred to herein as a "**black-out period**").

The trading restrictions described above also apply to the exercise of incentive share rights under the Corporation's Share Rights Incentive Plan, the exercise of restricted share units under the Corporation's Restricted Share Unit Plan or similar exercises under other equity compensation plans maintained by the Corporation.

(c) Extraordinary Black-out Periods

Additional black-out periods may be prescribed from time to time by an Insider Trading Policy Administrator at any time at which it is determined there may be undisclosed Inside Information concerning the Corporation that makes it inappropriate for either CES Personnel to be trading. In such circumstances, an Insider Trading Policy Administrator will issue a notice instructing these individuals not to trade in securities of the Corporation until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute inside information or information that may lead to rumours and must be kept confidential.

(d) Exemptions

Individuals subject to a black-out period who wish to trade the Corporation's securities may apply to an Insider Trading Policy Administrator for approval to trade securities of the Corporation during the black-out period. Any such request should describe the nature of and reasons for the proposed trade. An Insider Trading Policy Administrator will consider such requests and inform the requisitioning individual whether or not the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received the specific approval from an Insider Trading Policy Administrator.

7. Prohibition Against Tipping

CES Personnel are prohibited from communicating Inside Information to any person outside the Corporation, unless: (i) disclosure is in the necessary course of the Corporation's business and the disclosure is made pursuant to the proper performance by such CES Personnel of his or her duties on behalf of the Corporation and is done in accordance with the Corporation's Disclosure and Media Policy; (ii) the information is determined by an Insider Trading Policy Administrator not to be material information or to have been generally disclosed; (iii) disclosure is compelled by judicial process; or (iv) disclosure is expressly authorized by an Insider Trading Policy Administrator.

Subject to the above, Inside Information is to be kept strictly confidential by all CES Personnel until after it has been generally disclosed. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know such Inside Information is to be avoided at all times. CES Personnel with knowledge of Inside Information shall not encourage any other person or company to trade in the securities of the Corporation, regardless of whether the Inside Information is specifically communicated to such person or company.

If any CES Personnel has any doubt with respect to whether any information is Inside Information or whether disclosure of Inside Information is in the necessary course of business, the individual is required to contact an Insider Trading Policy Administrator.

8. Securities of Other Companies

In the course of the Corporation's business, CES Personnel may obtain information about another publicly traded entity that has not been generally disclosed. Securities laws generally prohibit such CES Personnel from trading in securities of that other entity while in possession of such information or communicating such information to another person. The restrictions set out in this Policy apply to all CES Personnel with respect to both trading in the securities of another entity while in possession of such information, and communicating such information.

9. Reporting Requirements

The directors and "senior officers" (as defined in applicable securities laws) of the Corporation are "Insiders" under applicable securities laws. Insiders are required to file reports with Canadian provincial securities regulators, pursuant to the electronic filing system known as SEDI, of any direct or indirect beneficial ownership of, or control or direction over, securities of the Corporation and of any change in such ownership, control or direction. In addition, Insiders must also include in their reports any monetization, non-recourse loan or similar arrangement, trade or transaction that changes the Insider's economic exposure to or interest in securities of the Corporation and which may not necessarily involve a sale, whether or not required under applicable law.

It is the responsibility of each Insider (and not the Corporation) to comply with these reporting requirements. The Corporation will assist any Insider in the preparation and filing of insider reports upon request.

A person that is uncertain as to whether he or she is an Insider or whether he or she may be eligible to be exempted from these requirements should contact an Insider Trading Policy Administrator. Insiders who are exempted from these requirements remain subject to all of the other provisions of applicable securities law and this Policy.

10. Penalties and Civil Liability

The applicable securities laws that impose insider trading and tipping prohibitions also impose substantial penalties and civil liability for any breach of those prohibitions, including:

- (a) fines of up to \$5,000,000; and
- (b) Prison sentence of up to five years less a day.

Where a company is found to have committed an offence, the directors, officers and supervisory CES Personnel of the company may be subject to the same or additional penalties.

11. Enforcement

All directors, officers, employees and consultants of the Corporation and its subsidiaries will be provided with a copy of this Policy, and shall execute the certification set out in Schedule "B" regarding acknowledgement of and compliance with the procedures and restrictions set forth in this Policy. It is a condition of their appointment, employment or engagement that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization to proceed otherwise is received from an Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment with or engagement by the Corporation without notice. The violation of this Policy may also violate certain securities laws. If it appears that a director, officer, employee or consultant may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

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Should you have any questions or wish information concerning the above, please contact an Insider Trading Policy Administrator.

SCHEDULE A

Common Examples of Inside Information

The following examples are not exhaustive.

- Proposed changes in capital structure including stock splits and special distributions
- Proposed or pending financings
- Material increases or decreases in the amount of outstanding securities or indebtedness
- Proposed changes in structure including reorganizations and arrangements
- Proposed acquisitions of other entities including take-over bids or mergers
- Material acquisitions or dispositions of assets
- Material changes or developments in products or contracts which would materially affect earnings upwards or downwards
- Material changes in the business of the Corporation
- Changes in senior management or control of the Corporation
- Bankruptcy or receivership
- Changes in the Corporation's auditors
- the financial condition and results of operations of the Corporation
- indicated changes in revenues or earnings upwards or downwards of more than recent average size
- material legal proceedings
- defaults in material obligations
- the results of the submission of matters to a vote of securityholders
- transactions with directors, officers or principal securityholders
- the granting of options or payment of other compensation to directors or officers

