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## **Code of Business Conduct and Ethics**

### **PURPOSE AND APPLICATION**

Source Energy Services Ltd. and its subsidiaries (collectively, “Source” or the “Company”) is committed to conducting the business of the Company ethically and legally. This code of business conduct and ethics (the “Code”) and the specific related policies and practices, and any guidelines approved and implemented by the Board of Directors (the “Board”) or management of the Company, will be used in identifying and managing ethical situations and in making ethical business decisions which adhere to these commitments.

The Code reflects the commitment of the Company to conduct its business affairs in accordance with not only the law but also the Company’s values and standards. The Code will maintain and foster the Company’s reputation for integrity in all business dealings.

The Code applies to all employees, officers, contractors, consultants, employees and directors of the Company (collectively referred to as “Representatives”). Execution of the Form of Acknowledgment attached as Appendix A hereto or receipt of the latest version of this Code will be deemed to constitute the Representative’s acceptance and agreement to be bound by its terms.

For each director, officer and employee, the Code constitutes conditions of employment. For each consultant and contractor, the Code constitutes conditions of providing services to the Company. Those Representatives who violate the standards detailed in this Code may be subject to disciplinary action, up to, and including, termination.

The Code sets forth the general policies and guidance on how a Representative should conduct Company business. The Code does not catalog every law or policy applicable to the Company and its Representatives but rather focuses on the broad policies and principles to guide the personal conduct of Representatives. It is important for all Representatives to understand the Code in both letter and spirit. If you have a question concerning a situation that may violate the guidelines of the code, you are encouraged to contact your Manager, Human Resources, or an executive officer of the Company (“**Executive Officer**”) or you can use the Anonymous Whistleblower line at **1-800-610-4052**.

### **COMMUNICATION OF THE CODE**

Copies of the Code are made available to Representatives, either directly or accessible through the Company’s website or SEDAR at [www.sedar.com](http://www.sedar.com). Representatives shall be informed whenever significant changes are made. New Representatives shall be provided with a copy of the Code.

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### **ANNUAL CERTIFICATE REGARDING COMPLIANCE**

All directors and officers of the Company, together with any employees, consultants and contractors specified by the Board, shall provide annual certification of compliance with the Code (by March 30) in the form attached hereto as Appendix B, confirming compliance with all laws, rules and regulations in the jurisdictions where they carry out their duties and where the Company is conducting its business activities, as well as compliance with all of the Company's policies.

The Chief Executive Officer shall be responsible for ensuring that annual certifications are obtained on or before the end of the first fiscal quarter of each year for all directors, officers, specified employees, specified consultants and specified contractors and for providing written confirmation to the Board that such certifications have been obtained and summarizing the results thereof.

### **REPRESENTATIVES RESPONSIBILITIES**

- As a Representative you are accountable for your actions and decision-making. It is your responsibility to read, understand, and comply with the Code in both letter and spirit. Failure to inform yourself about this Code or other company policies is unacceptable.
- The Company has zero tolerance for fraudulent or illegal acts. Representatives are prohibited from engaging, or giving the appearance of being engaged, in anything illegal. In addition, each manager/supervisor/Executive Officers is responsible for knowing the potential types of improprieties that could occur in his or her area and has a duty to establish and maintain a system of internal controls to reasonably assure that such improprieties are prevented and detected.
- Representatives must be aware of and comply with all applicable laws, rules and regulations in all jurisdictions in which the Company conducts business and that apply to the Company's business operations. Representatives have a duty to be sufficiently familiar with all laws, rules and regulations that are relevant to the performance of the Company's duties in all applicable jurisdictions so that they are able to recognize potential liabilities and to know when to seek legal advice.
- Business partners and suppliers are expected to conduct their business with the Company in accordance with applicable laws, rules and regulations.
- "Everyone does it" or "No one will ever know" are unacceptable excuses for violating the Code, company policies, or the law.
- Certain situations may appear ambiguous. If you have any hesitations or concerns, use your best judgment, trust your instincts and seek advice of your Manager, Human Resources or an Executive Officer.
- Representatives are obligated to report all violations and suspected violations of the Code. This includes but is not limited to situations involving a manager or colleague that asks you to violate the Code. If a manager is aware of a circumstance where a Representative is contemplating a prohibited action and does not act or report the circumstance, the manager will be held responsible in addition to the Representative. You can report violations of the Code to your

direct Manager, any executive level of management, Human Resources, the confidential toll-free reporting hotline **1-800-610-4052**, or via email [whistleblower@sourceenergyservices.com](mailto:whistleblower@sourceenergyservices.com). Reported incidents will be investigated thoroughly and your identity and confidentiality will be held in the highest regard.

- Representatives are obligated to cooperate with investigations or suspected violations of the Code and are required to be forthcoming in their participation and demonstrate truthfulness.
- There is zero tolerance for discrimination, retaliation or harassment, directly, or indirectly, against a Representative that is involved in reporting or assisting in the investigation of a suspected violation of the Code, company policies, or applicable laws and regulations. No Representative may discriminate, retaliate or harass, directly or indirectly, a Representative for reporting a suspected violation of this Code, company policies or applicable laws and regulations or assisting an investigation of a suspected violation.

## **POLICY**

### **Ethical Conduct**

The Company intends that its good reputation shall be maintained and, accordingly, all of its activities shall be carried out ethically and with honesty, integrity and in the expectation that these activities will become a matter of public knowledge. Anything less is unacceptable and shall be treated as a serious breach of duty.

Representative conduct must in all situations and matters be honest, lawful and in accordance with high ethical and professional standards. In performing their duties on behalf of the Company Representatives must at all times be respectful of the rights of others and representative of acting in the best interests of the Company.

Guidelines for conduct include:

- You must not violate any applicable laws, rules and regulations in any jurisdictions in which the Company conducts business and that apply to the Company's business operations.
- You may not engage in or conduct business practices that are intended to mislead, manipulate, or take unfair advantage of a partner, vendor, customer, or other third party. Additionally, you may not knowingly misrepresent the Company or its products or services.
- You may not destroy, alter or falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation.
- You may not falsify records or reports, or any unauthorized alteration of a Company document.
- You must comply with all antitrust laws and regulations when communicating with competitors, partners, vendors and any other third parties.
- You may not engage in any other behavior in your relations with competitors, partners, customers or vendors that unlawfully restrains competition.

### Fair Dealing

Representatives must accept responsibility for maintaining and enhancing the Company's reputation for integrity and fairness in its business dealings. In its everyday business transactions the Company must be seen dealing even-handedly and honestly with all its securityholders, consumers, customers, suppliers, employees, contractors, governments and regulators and others with whom the Company has a relationship. To this end, Representatives must not offer or accept any financial inducements or make facilitation payments (directly or indirectly) where such payments would be in breach of any applicable law.

### Conflicts of Interest

Representatives must conduct themselves in a manner that avoids actual or apparent conflicts of interests. A "conflict of interest" exists when a person's personal or private interest improperly interferes with the interests of the Company. A conflict situation can arise when a Representative acts or has interests that may make it difficult to perform his or her work for the Company objectively and effectively.

Conflicts of interest may also arise when a Representative, or any member of his or her family, improperly receives personal benefits as a result of his or her position in the Company. Representatives must exhibit a duty to the Company and its' stakeholders to advance its legitimate interests when the opportunity to do so arises. Our reputation for ethical business practices is critical to our growth and success. It is very important that all of us avoid any conflict between our private interests and the interests of the Company. It is very important to avoid the appearance of such conflicts as this can be as damaging to the Company's reputation as actual conflicts.

Directors must refrain from voting on matters in which such director has a conflict of interest and must excuse himself or herself from any discussion or decision pertaining to such matter.

In particular, Representatives must not:

- Pursue personal gain or advantage from their employment activities.
- Misuse Company resources, information or systems.
- Compromise the confidentiality of Company information.
- Permit any actual or perceived conflict of interest between their personal interests and those of the Company. Representatives must not enter into outside activities, including business interests or other employment that may interfere or be perceived to interfere with their performance or commitment to the Company's objectives.
- Any Representative who wishes to serve on a board of directors of a for-profit business outside of the Company must obtain the approval of the Chief Executive Officer.

### Corporate Opportunities

Representatives are prohibited from taking opportunities discovered through the use of corporate property, information or position, using corporate property, information or position for personal gain, and competing with the Company.

### Confidentiality

It is the obligation of all Representatives to safeguard the Company's confidential information. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, if disclosed. Confidential information includes information such as financial or technical data, plans for acquisitions or divestitures, new partners or technology, the personal information of customers, and any other agreements, financing transactions, major management changes and corporate development. Confidential information must not be disclosed unless specific authorization is given to do so or such disclosure is legally mandated. Knowledge of confidential information about another company or person gained in the course of work duties must be protected in the same manner as confidential information about the Company. Representatives must not speak on behalf of the Company unless authorized to do so.

You may use confidential information to perform your duties for the Company and disclose this confidential information to other Representatives who require it to assist you or perform their respective duties for the Company to assist you. You may not disclose confidential information to anyone outside of the Company unless approved in advance by an Executive Officer. The disclosing of confidential information to others, including family and friends, is a violation of the Code, our Company policy, and potentially the law.

These confidentiality obligations remain in effect even beyond termination of employment, service contracts or Board appointments with the Company or its affiliates.

### Dishonesty and Fraud

Dishonesty and fraud can occur in many forms and result in immense harm to the reputation of the Company. The Company is committed to the deterrence, detection and correction of such misconduct and to maintaining a culture that does not tolerate any form of dishonesty and fraud. Representatives are prohibited from engaging in any dishonest or fraudulent activities or practices.

Dishonesty and fraud can involve many forms such as:

- Theft or other misappropriation of assets, including assets of the Company, our partners, competitors, customers and suppliers;
- Questionable payments to agents, consultants or professionals who:
  - Have not been properly retained by the Company;
  - have over billed the Company; or
  - have underperformed or not performed services;

- Misstatements and other irregularities in the Company’s books, records, financial and disclosure statements or any other Company information;
- Forgery or other alteration of documents;
- Transfers or deposits into the bank account of an individual rather than into the designated account of the Source entity doing the business;
- Billings adjusted to a higher or lower than fair value, at a customer’s request;
- Payments made for any purpose other than as described in supporting documents;
- Payments made to employees of customers or agencies through intermediary persons or organizations, or that appear to deviate from normal business transactions;
- Bid rigging;
- Embezzlement;
- Fraud and other unlawful acts; and
- Bribery, incentives, and kickbacks.
  - Examples of bribes, incentives, or kickbacks that would not be tolerated by the Company include:
    - Giving something of value to an individual in return for a favorable exercise of that individual’s discretion; and
    - A payment secretly made to a Representative by a vendor or customer seeking the Company’s business with the purpose of influencing the Representative to award business to the vendor, or to secure terms that are more favorable.

### Financial Reporting

The Company requires full, fair, accurate, timely, and understandable disclosure in its public reporting and communications. All of the Company’s books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company’s transactions, and must conform both to the applicable legal requirements and to the Company’s system of internal controls. Any information categorized as unrecorded or “off-the-books” funds or assets should not be maintained unless permitted by applicable law or regulation and must be brought to the attention of the Chief Financial Officer. All business transactions that Representatives have participated in must be properly authorized, properly recorded and supported by accurate documentation in reasonable detail.

All Representatives responsible for the preparation of public disclosure, or who provide information as part of the process, must ensure that disclosures are prepared and information is provided honestly, accurately and in compliance with the various disclosure controls and procedures, including the Company’ Disclosure, Trading and Confidentiality Policy.

All Representatives have a duty to submit any good faith questions and concerns regarding questionable accounting, auditing or disclosure matters or controls. No information may be concealed from external auditors, internal auditors, the Board, the Audit Committee of the Board or other Committees of the

Board. Fraudulently influencing, coercing, manipulating or misleading an external auditor who is auditing financial statements is prohibited.

Any Representative who learns of any information noted below must in accordance with the Code and the Whistleblower Policy bring the issue immediately to the attention of Source:

- Significant deficiencies or material weaknesses in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data accurately; or
- Any form of fraud, material or in other forms, that involves Representatives who possess a significant role in the Company's financial reporting, disclosures or internal controls.

#### Insider Tipping and Trading

Representatives may have access to or knowledge of undisclosed material information about the Company or a publicly traded company that does business with the Company. Taking advantage of, or benefiting from, information obtained at work that is not available to the public is not permitted. Friends, relatives or associates of Representatives 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 is known and not yet publicly disclosed must be avoided. Representatives must abide by this Code and by the Company' Disclosure, Trading and Confidentiality Policy.

#### Use of Company Property or Resources

All Representatives should only use Company property and resources (including software, information systems) solely for Company purposes, unless you obtain prior approval from an officer of the Company. In addition, personal property shall not be regularly used for business purposes unless approval is received from an officer of the Company. You are not permitted to use Company property or resources for improper personal gain. In addition, all Representatives must act in a manner to protect such assets from loss, damage, misuse, theft and waste and ensure that such assets are used only for legitimate business purposes.

Representatives are prohibited from taking or keeping Company property or resources including intangible property and copies of corporate communications, following a termination of employment or affiliation with the Company, unless approved in advance by an Executive Officer or the Board. Additionally, Representatives are prohibited from making or authorizing bribes, payments for illegal acts, or any other use of company property or resources in a manner that violates applicable law.

#### Inducements and Gifts

Unlawful or unethical behavior in the workforce of the Company is not tolerated, including soliciting, accepting, or paying bribes or other illicit payments for any purpose. Situations where judgment might

be influenced or may appear to be influenced by improper considerations must be avoided. Payment or acceptance of any “kickbacks” from a contractor or other external party is prohibited.

The Company does not allow the acceptance or giving of gifts, favours, personal advantages, services payments, loans, or benefits of any kind, other than those of nominal value that can be made as a generally accepted business practice. If there is any doubt in specific cases, written approval from the Chief Executive Officer or Chief Financial Officer should be requested.

### Intellectual Property

Intellectual property, including those of proprietary trade secrets, patents, and copyrighted works, are created through significant Company investment. Examples of intellectual property include logos, trademarks, copyrights, patents, software, and inventions. You should exercise care in protecting the Company’s (owned and licensed) intellectual property and not infringe on the intellectual property rights of others. You should exercise the highest level of integrity and pre-cautions in managing or accessing information that is available to you electronically.

In particular:

- You may not use the Company’s electronic information facilities to acquire a competitor’s trade secrets or other proprietary or confidential information through unlawful means such as theft, trespassing, solicitation of leaks, or breach a competitor’s non-disclosure agreement.
- Copyright and trademark laws, as well as contracts, may prohibit the duplication or distribution of other’s intellectual property (such as articles, pictures, etc.). You may not use the Company’s facilities to reproduce or distribute other’s intellectual property without their authorization, or beyond the extent otherwise permitted by a license or law.
- Unless properly authorized, you should not attempt to gain access to the e-mail, voicemail, or other electronic files of other users.

As per agreement between the Company and its employees, all material and intellectual property (including but not limited to, all titles, trade names, trademarks, service marks, and formats) of any nature whatsoever created, written, composed, prepared, submitted or interpolated by employees for the Company during the employees employment with the Company, automatically shall become the sole and exclusive property of the Company (the “Material”). The Company shall have the sole and exclusive right during an employee’s employment, in its sole discretion, to sell, use, license and otherwise exploit any Material and/or the results and proceeds of employees services, or any portion or element thereof, throughout the universe, in and by any and all media and means, now known or hereafter devised. If, and to the extent that, this section does not operate to vest fully and effectively in the Company all or any of the rights described herein, employee hereby absolutely, irrevocably and unconditionally assigns to the Company all rights not so vested (and so far as may be appropriate, by way of immediate assignment of future rights) throughout the universe, in and by any and all means and media, now known or hereafter devised, free from all restrictions and limitations.

### Political Activities

Representatives may choose to become involved in political activities as long as they undertake these activities on their own behalf but not on behalf of the Company without prior approval of the Chief Executive Officer. Representatives may, on a personal level, give to any political party or candidate, but reimbursement by the Company is prohibited.

### Interacting with the Media and Other Outside Parties

Communications made by Representatives on behalf of the Company must be approved by the Chief Executive Officer or an Executive Officer. The public expression of a Representative's personal view must be kept separate from the Company mandated views and responses to outside interest unless the Representative has been specifically authorized to speak on behalf of the Company.

### Guidelines for conduct:

- Representatives may not speak publicly for the Company, unless specifically authorized by the Chief Executive Officer or an Executive Officer. Additionally, external communications to investors such as speeches or presentation must be reviewed and approved by the Chief Executive Officer or an Executive Officer.
- All inquiries from the media, financial analysts or stakeholders regarding the Company must be referred to the Chief Executive Officer or an Executive Officer.
- You may not use Company stationary or titles in communications involving non-company business. You may occasionally use Company stationary for routine correspondence in connection with appropriate outside civic, public service, or charitable activities when approved by an Executive Officer.
- You should not associate the Company with or imply a Company endorsement of your personal opinions when speaking, writing or otherwise engaging in personal affairs, unless authorized to do so by the Chief Executive Officer or an Executive Officer.
- All matters involving a state, regional or federal governmental body or agency must be coordinated with the Chief Executive Officer or an Executive Officer. You are instructed to notify an Executive Officer or the Chief Executive Officer immediately if you are contacted by a governmental body or agency.
- You should not associate the Company with or imply a Company endorsement of personal political or religious activity, any political candidate, or issue.
- You should not make any contribution of Company funds in connection with any candidate, ballot initiative, referendum or other question, without prior approval from the Chief Executive Officer or an Executive Officer.
- Representatives are free to engage in personal volunteer political or religious activity and contribute personal resources to candidates and political parties in any manner consistent with federal, regional, state, and local laws. Representatives may not use Company resources or coercive solicitations to further their personal activities.

- The Company does not contribute to federal, regional, provincial or state candidates, national political party committees or to other political committees (including state party committees). The Company may contribute directly to state/ provincial candidates in those states / provinces where permitted by local law, or use Company facilities in support of the Company’s political activities, only following approval of the Chief Executive Officer of the Company.

### Work Environment

All Representatives are entitled to be treated with respect and dignity in a reasonably safe and healthy work environment. We are committed to creating a workplace where Representatives’ needs and their contributions are matched to what the Company promises and delivers to them. We are further committed to:

- Ensuring employment decisions are based only on an applicant’s qualifications, demonstrated skills and achievements, without regard to race, color, sex, national origin, religion, age disability, veteran status, citizenship, sexual orientation, gender identity or marital status.
- Protecting Representatives from all forms of harassment.
- Providing fair and competitive compensation and opportunity.
- Providing each Representative with a safe and healthy workplace that is free from alcohol and drug abuse.
- Educating all Representatives on the responsibility and processes required to maintain a safe and healthy workplace by following the Company safety and health rules and policies contained in the Health, Safety and Environmental Program materials, and exercising judgment and common sense.
  - Please report injuries and unsafe equipment, practices or conditions in a timely manner to your Manager.
- Protecting the privacy and confidentiality of personal information.

### **ADMINISTRATION OF THE CODE**

#### Seek Help from Company Resources

The most fundamental element of implementing the Code is to provide a mechanism to help Representatives handle difficult situations and make appropriate decisions where it is difficult to establish right from wrong, or those “gray areas”. None of us should avoid tackling ethical questions, but none of us should feel isolated in doing so. When the answer is not clear, seek advice. Our guiding principle is simple: When in doubt, or the answer is not clear, seek advice from your Manager, Human Resources or an Executive Officer.

All Managers and Executive Officers must maintain an “open door” policy and make themselves readily available to all Representatives with regard to questions of ethics. Representatives are reminded that the best time to raise a question of ethical behavior is before a scenario occurs instead of after. Never hesitate to talk to managers about a question regarding proper business conduct, even if the question does not appear to be relevant at the time.

### Reporting Concerns

We must all work to ensure prompt and consistent action against violations of this Code. In some situations, it is difficult to know if a violation has indeed occurred. As we are unable to anticipate every situation that will arise, it is important that we have a way to approach each new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?
- Discuss the problem/ concern / issue with your Manager.
- Seek help and assistance from other company resources including Human Resources, your Manager or an Executive Officer.
- Report an ethical violation in confidence and without fear of retaliation.

You have several options available to you for seeking guidance from the Company. You may discuss concerns with your Manager or higher levels of management, Human Resources, through the confidential toll-free reporting hotline (1-800-610-4052), or via email [whistleblower@sourceenergyservices.com](mailto:whistleblower@sourceenergyservices.com).

No Representative may retaliate, directly or indirectly, against a Representative for reporting a suspected violation of this Code, applicable laws and regulations, or assisting an investigation or a suspected violation.

### Breaches of the Code

Senior management expects Representatives to behave in a manner consistent with the Code. Breaches of the Code will be taken very seriously and handled in a prompt manner. Disciplinary measures will depend on the seriousness of the offence. In some cases of serious misconduct, senior management may determine that the appropriate action is termination. As well, some cases of misconduct may result in legal actions and could result in fines or imprisonment based on legislative and regulatory requirements in a given jurisdiction.

Failure to comply with the Code may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. Violations of the Code may also violate certain Canadian, United States and/or other laws and if it appears that a Representative may have violated such laws, then Source may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment

### Waivers of the Code

Waivers of this Code for employees, contractors and consultants may be granted only by the Chief Executive Officer or Chief Financial Officer. Any waiver of this Code for officers or directors may only be made by resolution of the Board.

Amendment of the Code

This Code may be amended by the Board at any time and from time to time. Any such amendments will be disclosed as required by applicable laws, regulations and listing standards.

Review of the Code

The Board shall review and evaluate the Code from time to time and generally on an annual basis to determine whether the Code is effective in ensuring that Source's business and affairs are conducted with honesty, integrity and in accordance with the highest ethical and legal standards.

Publication of the Code

This Code shall be posted on:

- Source's website at [www.sourceenergyservices.com](http://www.sourceenergyservices.com); and
- SEDAR at [www.sedar.com](http://www.sedar.com).

The Company is committed to full, prompt, and fair enforcement of the provisions of this Code.

Dated: Effective March 31, 2015, as amended and restated on  
February 10, 2017

Approved by: The Board of Directors

**Appendix A**  
**Form of Acknowledgment**

I acknowledge that I have received and read the Source Energy Services Ltd. Code of Business Conduct and Ethics (the “**Code**”) and understand my obligations to comply with the principles and policies outlined in the Code.

**Name (Print):**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Company/ Location:**

\_\_\_\_\_

**Appendix B**  
**Annual Certification Form**

This will certify that I have received, recently read and understand the following policies provided by Source Energy Services Ltd. (“Source”), including, without limitations:

- Code of Business Conduct and Ethics, effective ● as amended and restated ●; and
- Disclosure, Trading and Confidentiality Policy, dated as of ●,

(together, the “Policies”).

I hereby declare that I am responsible for understanding, complying with and implementing the Policies as they apply to my position and area of responsibility. I understand that I must also comply with the policies and rules governing my individual workplace or job function.

I hereby accept and assume such liability as a continuing condition of my employment (in the case of employees and consultants) and acknowledge that any breach of the Policies may result in the termination of my employment or consulting arrangement with Source.

I confirm that for the period from \_\_\_\_\_ to \_\_\_\_\_ I have been and am currently in compliance with the Policies, as well as the laws, regulation and rules of the jurisdiction where I carry out my business duties to Source and all jurisdictions where Source conducts its business activities, except as noted below or as has been already properly reported to Source representatives.

(Use the back of this sheet to describe any existing circumstances that may conflict with the Policies. Please include as much detail as possible.)

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NAME (PRINT)

SIGNATURE

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DATE