

	DIRECTORS' MANUAL		
	CODE OF CONDUCT		Revision No. 1
Document Owner: Employees and Contractors	Approved by: Board of Directors	Previous Revision Date: August 2014	Current Revision Date: February 28, 2017

1. Policy

Strad Energy Services Ltd. and its affiliates, which include but are not limited to Strad Oilfield Rentals Ltd., Strad Manufacturing Inc., Strad Energy Services USA Ltd., Strad Oilfield Services Inc., Strad U.S. Finco Inc., Redneck Oilfield Services Ltd., and Raptor Oilfield Services Ltd. (herein collectively referred to as “**Strad**”) holds all of its employees and contractors to the highest standards of business conduct and integrity. The purpose of this Code of Conduct (“**Code**”) and related policies, practices and guidelines is to provide employees and contractors with guidance in identifying business situations that create or have the potential to create legal and ethical problems (or the appearance of such), and to provide direction in addressing these situations.

Strad shall operate in full compliance with all applicable laws, by-laws, rules, regulations, ordinances, codes, orders, decrees, judgments, rulings, awards or directives of or made by any and all legislative, regulatory, administrative, judicial or other public authorities or agencies of competent jurisdiction whatsoever, including all applicable principals of common law and equity (“**Applicable Laws**”).

Compliance with Applicable Laws does not eliminate the necessity to consider the business ethics of activities. By ethics, this Code attaches the meaning: conforming to a standard of principles of what is right, fair, proper and good. Employees and contractors must be aware that a legal business practice can still present an ethical problem. It is critical to avoid even the appearance of any illegal or unethical behavior, and behave in a fashion that retains the trust of Strad’s customers, other stakeholders, shareholders, and the public.

The topics covered by this Code are of the utmost importance to Strad, its shareholders and business partners and are essential to Strad’s ability to conduct business in accordance with its values.

2. Accountability

Every Strad employee and contractor is bound by the Code, and is accountable for performing his or her work in accordance with the specific terms and conditions of the Code, as well as its intent.

All management is accountable for ensuring their subordinate employees and contractors comply with the specific terms and conditions of the Code, as well as its intent.

3. Outside Employment

All Canadian employees and all U.S. at-will employees are expected to devote their full professional efforts to Strad’s business. Outside employment should not be accepted if it interferes with job requirements or performance in any way.

An employee must notify his or her manager prior to accepting any such outside employment, and the manager shall advise the employee of any possible conflict with his or her Strad employment.

4. Gifts, Entertainment, Loans and Other Favours

- a) All transactions between Strad and customers, suppliers and vendors must be based solely on an evaluation of the merits of the transaction. All transactions must be performed in accordance with Strad's and the customer's, supplier's and vendor's Codes of Conduct.
- b) Employees and associates shall not accept from or provide gifts, entertainment, loans or other favours to any business, enterprise, organization, or person that is (i) doing business or seeking to do business with Strad, (ii) a competitor of Strad, or (iii) a party with whom Strad is considering investing. Strad can be audited by third parties, and where contractually obligated may be required to provide details regarding expenses incurred for gifts, entertainment, loans and other favours for customers, suppliers and vendors.
- c) The prohibition against loans does not apply to loans made in the ordinary course of business from established banking or financial institutions.
- d) The prohibition against the giving and receiving of gifts and other favours does not apply if the gift, entertainment, or other favour that can be regarded as a customary courtesy or is of such nominal value and infrequency that it could not be reasonably regarded as placing on the recipient any obligation to the donor.
- e) The prohibition against the giving and receiving of entertainment does not apply if it reflects normal business practices, is of nominal value, is legal under applicable law, meets generally accepted ethical standards and would not embarrass Strad if disclosed. When in doubt, an employee shall discuss the situation with his or her manager prior to proceeding.

5. Confidential and Proprietary Information

5.1 Confidential Information

"Confidential Information" is confidential and proprietary information, in whatever form, including, but not limited to:

- information that is personal or identifies a Strad employee or third party;
- copyrights, trademarks, patents;
- proprietary information, including but not limited to reports, trade secrets, intellectual property, client lists, any information related to potential sales or contracts, and software prepared by Strad employees or contractors in connection with their work;
- assembled components, business methods and practices; and
- disclosure of which to third parties could cause irreparable and substantial damage to Strad.

The term "Confidential Information" shall not include such information which:

- is or becomes generally available to Employee or the public other than as a result of a disclosure by Employee in violation of this Policy;
- is or becomes available to Employee on a non-confidential basis from a source (other than Strad or its representatives) which is not to Employee's knowledge legally prohibited from disclosing such information to Employee; or
- is developed by Employee, independently of the Confidential Information and is not related to any of Strad's businesses.

5.2 Use and Disclosure

- An employee shall use Confidential Information for the sole purpose of performing his or her employment related duties as authorized and as required for Strad's business purposes.

- Confidential Information may be disclosed only to those persons within Strad who reasonably require the information to perform their work. If it is unclear whether the Confidential Information should be disclosed, the employee must discuss disclosure with Strad's Human Resource Department.
- Employees shall not use information obtained through the course of business for personal gain.
- An employee shall not disclose any Confidential Information, directly or indirectly, in whole or in part, or in summary form, any of the Confidential Information, including but not limited to any information regarding the Confidential Information, and any other information obtained by or through his/her relationship with Strad without prior written consent of Strad, which consent may be granted, or withheld, in Strad's sole and absolute discretion.
- Employees shall not copy, transmit, reproduce, summarize, quote and/or make any commercial or other use whatsoever of Confidential Information, without the prior written consent of Strad, which consent may be granted, or withheld, in Strad's sole and absolute discretion.
- In the event that an employee is required to disclose such information in any legal or other governmental proceeding, the employee will give Strad prior written notice of such disclosure requirement.
- Upon written demand by Strad, an employee shall promptly destroy or return to Strad any and all of the Confidential Information, including any copies thereof, in whatever form that Employee may have in his/her possession or control. (The reference herein to "copies" does not authorize Employee to make copies of the Confidential Information.)
- Employees shall notify Strad's Human Resource Department immediately upon discovery of any unauthorized use or disclosure of Confidential Information, and will cooperate with Strad in every reasonable way to help Strad regain possession of the Confidential Information and prevent its further unauthorized use.

5.3 Business Dealings

An employee shall not make contact with, attempt to deal with or enter into any contract or transaction with any party connected in any way with Confidential Information, or any business enterprise or interests of Strad, without the prior written consent of Strad, which consent may be granted, or withheld, in Strad's sole and absolute discretion.

6. **Conflicts of Interest**

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with Strad's interests. An employee will avoid conflicts of interest in his/her employment with Strad. Without full disclosure to, and prior written approval from, Strad's President, the employee will not enter into a contract with or perform services for a competitor of Strad, or accept from any competitor any pay, salary, retainer, commission, consulting fee or any other fee arrangement of remuneration for services. In the event of such approval by Strad, the employee will not use any of Strad's Confidential Information, facilities, equipment, labour, supplies, assembled components, or business methods and practices, for any competitor, outside business or communicate to any third party that any such work is associated with Strad.

7. **Accuracy of Records and Reporting**

Strad is committed to full, fair, accurate, timely and understandable disclosure in the reports they generate on behalf of their investors. This is not possible if Strad does not have complete and accurate records, information and data. The books, records and accounts of Strad will be maintained in reasonable detail to accurately and fairly reflect transactions and dispositions of assets of Strad and will be kept in accordance with applicable laws and accounting practices. No fund, asset, liability, revenue or expense of Strad shall be concealed or

incompletely or incorrectly recorded. Each employee shall cooperate with the accountants and internal and independent auditors of Strad to ensure that they have all relevant information necessary to record transactions appropriately on the books and records of Strad. No employee shall make any materially false or misleading statement or omission to the accountants or internal or independent auditors of Strad in connection with the audit or review of the financial statements or the preparation of any document or report to be filed with its investors. No employee or contractor shall take any action to coerce, manipulate, mislead, or fraudulently influence the independent auditors of Strad in the performance of an audit or review of the financial statements of Strad.

Employees should use common sense and observe standards of good taste regarding content and language in all records and documents. Business records and communications often become public, and all Canadian and US at will employees should avoid exaggeration, derogatory remarks, guesswork and inappropriate characterizations of people and entities that can be misunderstood. This applies equally to e-mail, internal memos and formal communications. Employees should keep in mind that in the future, Strad or a third party may rely on or interpret a document or communication with the benefit of hindsight or the disadvantage of imperfect recollections. Records should always be retained or destroyed according to Strad Policy.

8. Antitrust Laws

It is the intention of Strad to conduct operations in strict compliance with all applicable Federal, state and provincial antitrust laws. The antitrust laws, which are sometimes known as monopoly, fair trade, competition or cartel laws, are designed to ensure a fair and competitive market system and protect consumers from unfair business arrangements and practices. These laws generally prohibit business activities that constitute unreasonable restraints of trade. Among other things, these laws also prohibit certain conduct between competitors, such as price fixing agreements. Severe criminal and civil penalties, both corporate and individual, exist for violations of the antitrust laws.

9. Insider Trading

It is both illegal and against Strad's Share Trading Policy to purchase or sell Strad securities if you have material non-public information concerning Strad. If an employee or contractor is unsure whether information has been publicly disclosed or uncertain about the legal rules governing his or her purchase or sales of Strad securities (including the exercise of employee stock options) contact the Corporate Controller.

10. International Trade Control

Many countries regulate international trade transactions, such as imports, exports, and international financial transactions. In addition, the United States prohibits any cooperation with boycotts against countries friendly to the United States or against certain firms which may be "blacklisted" by certain groups or countries. Foreign Affairs, Trade and Development Canada regulate Canadian trade and exports and applicable laws must be followed.

Exports of commodities and technical data are regulated under U.S. federal law. These laws may impose licensing and reporting requirements, or in some cases prohibitions, relating to exports. For example, in the case of many countries these restrictions prevent the export or re-export of U.S. origin goods or technical data that have the potential to be used in a manner detrimental to the United States. Violations of export control regulations can result in criminal penalties to Strad and to individuals.

11. Fair Dealing

Each employee should endeavor to deal fairly with Strad's customers, suppliers, competitors and employees. In the course of their employment or duties with Strad, no employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or

any other unfair dealing practice. This Code and related policies with respect to fair dealing do not, however, alter existing legal rights and obligations of Strad and their employees, such as "at-will" employment arrangements.

12. Government Contracts

The Canadian and U.S. federal government imposes additional obligations on companies with which it does business. Failure to comply with these requirements may be a criminal offense in many instances. Strad and its employees shall observe all laws, rules and regulations which govern the acquisition of goods and services by the government. Further information on this subject is available for employees dealing in this area by consulting Strad's Human Resource Department.

13. Corruption Prevention

Unlawful or unethical behavior in Strad's workforce, including soliciting, accepting or paying bribes or any other illicit payments for any purpose, will not be tolerated. All interactions involving foreign governments and foreign government officials, including officials representing state-owned enterprises, must be conducted in compliance with Strad's Corruption Prevention Policy. Situations where judgement might be influenced by or appear to be influenced by, such unlawful or unethical behavior must be avoided. Payment or acceptance of any "kickback" from or to a contractor or other external party is prohibited.

14. Product Quality and Safety

Federal, State and Provincial laws require the reporting of suspected chemical hazards and/or defects in consumer products to the proper authorities. Failure to report can result in substantial civil and criminal penalties for Strad and for individuals aware of the hazard.

15. Protection of Assets

Strad has a large variety of assets, including extremely valuable proprietary information and physical assets. Proprietary information includes the intellectual property of Strad, such as trade secrets, patents, trademarks and copyrights, as well as business and marketing plans, engineering ideas, designs, databases, computer programs, records, salary information, and unpublished financial information and reports, and also the confidential data entrusted to employees in connection with their jobs. All employees should endeavor to protect the assets of Strad and ensure their efficient use. Theft or misappropriation of Strad funds or property will not be tolerated. Carelessness or waste with respect to the assets of Strad has a direct impact on Strad's profitability. Protection of Strad and third party confidential information properly in possession of Strad is the personal responsibility of each employee.

Strad property or equipment may not be removed from the premises without advance authorization from the employee's supervisor. Personal use of Strad tools or equipment is prohibited except in case of prior supervisory approval.

The telephone, e-mail, voicemail and other computer or communications systems are primarily for Strad business purposes. Refer to Strad's Information Technology (IT) policies for further details. Employees may not use these systems in a manner that could be harmful or embarrassing to Strad. Personal communications using these systems should be kept to a minimum. Strad reserves the right to monitor any and all aspects of the computer, network, telephone and communications systems, including e-mail. Similarly, Strad security systems are capable of recording (for each and every user) each world wide web site visit, each chat, newsgroup or e-mail message and each file transfer into or out of Strad internal networks, and Strad reserves the right to do so at any time. Strad reserves the right to inspect all files stored in private areas of its networks to ensure compliance with Strad's policies. Users of Strad systems have no expectation of privacy with respect to anything they create, send, receive or store on their computer or Strad's other systems and networks.

16. Standards of Personal Conduct

Strad's policies protect employees from harassment and from discrimination. No employee shall act in a way that is contrary to this intent, either in the workplace or while representing Strad in other situations. For the full anti-harassment and discrimination policies refer to the Canadian Harassment and Discrimination Policy and the US Employee Handbook.

Each employee shall deal fairly with Strad's customers, suppliers, competitors and employees. No employee shall take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse or misuse of privileged information, harassment, misrepresentation of material facts, or any other unfair practice.

17. Whistle-Blower Protection

Any employee who is aware of violations of law, rules, regulations or this Code, or concerns regarding accounting, internal accounting controls or auditing matters, as required under National Instrument 52-110 *Audit Committees*, performed by Strad or any of its officers or employees is encouraged to bring it to Senior Management's attention. In the event that this is not possible, Strad has implemented a third-party whistleblower program (EthicsPoint) with Navex Global. Employees with an ethical complaint can call the Strad EthicsPoint hotline at 1-855-595-9579 or visit the website at www.StradEnergy.EthicsPoint.com to file a report. All complaints will remain anonymous and will be treated with confidence to the extent practicable. Any employee who brings forth a concern in good faith shall not be subjected to any adverse employment consequences, including but not limited to harassment or retaliation.

Complaints are usually forwarded to the Audit Committee Chair, who will investigate each matter reported and take corrective and disciplinary action, if appropriate may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus or stock options, suspension without pay, or termination of employment.

The Audit Committee Chair may enlist other officers or employees of the Corporation, Audit Committee members, the Board of Directors, or outside legal, accounting or other advisers, as appropriate, to conduct any investigation of complaints made under this Policy. In conducting any investigation, all persons involved shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.

The Audit Committee Chair shall retain records of any such complaints or concerns for a period of not less than six years; and will report Whistleblower complaints and concerns, if any, at each Audit Committee meeting.

18. Modifications to the Code

The need may arise to change the guidelines in this Code. Strad reserves the right to interpret this Policy or change, modify, alter, or delete any of the Code guidelines contained herein at any time, with or without prior notice, at its sole discretion.

19. Miscellaneous U.S. Provisions (applicable to at-will US employees only)

It is the intention that this Policy, performance under this Policy, and all suits and special proceedings under this Policy, be construed in accordance with, under, pursuant to, and by application of the laws of the State of Colorado. In any legal action filed by either Strad or the Employee, venue for commencement of such litigation shall solely be brought in the Denver District Court, State of Colorado or the U.S. District Court, Denver, Colorado. In any action, including all applicable appeals, to enforce the terms and conditions of this Agreement, the prevailing party in said Policy shall be entitled to its reasonable attorney's fees. The parties agree that if there is a showing of breach of this Policy, that in addition to any and all remedies provided in law or equity,

Strad shall be entitled to specific performance of the terms and conditions herein, including but not limited to the immediate issuance of a temporary restraining order and/or preliminary injunction enforcing this Policy.

20. Breach of Code

An alleged breach of this Code and related policies will result in an immediate investigation, to be conducted by Strad's Human Resource Department in cooperation with the parties involved and Senior Management. The findings of the investigation may result in disciplinary action, up to and including termination of employment, and other remedies as permitted under law.

21. Questions, Interpretations and Waivers

Any questions regarding whether a specific behavior is governed by this Code should be presented to Strad's Human Resource Department, which will have the question reviewed by the appropriate parties (generally a senior manager and Strad's general counsel) and shall provide a response to the employee. Any request for a waiver of any portion of this Code must be reviewed and approved by the appropriate Strad management personnel.

