



CODE OF BUSINESS CONDUCT

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1. Purpose

- 1.1. The purpose of this Code of Business Conduct (the “Code”) is to outline the fundamental principles to which all directors, officers, employees and contractors of Calfrac Well Services Ltd. and its subsidiaries (“Calfrac” or the “Company”) are expected to adhere in the conduct of the Company’s business. The fundamental principles of appropriate business conduct adopted in the Code are consistent with the core values and management philosophy of Calfrac and are to be pursued by all directors, officers, employees and contractors of the Company.
- 1.2. Individual directors, officers, employees and contractors each play an important part in shaping the Company’s corporate integrity as such individuals represent the Company in its dealings with others. The fundamental principles of the Code of Business Conduct are designed to deter unlawful activity and misconduct, and to promote the following:
 - 1.2.1. Compliance with applicable governmental laws, rules and regulations;
 - 1.2.2. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships and the confidentiality of information;
 - 1.2.3. Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, government authorities or stock exchanges, and in other public communications made by the Company;
 - 1.2.4. Commitment to the environment, and to the health and safety of the public and all employees and contractors of the Company; and
 - 1.2.5. Excellent employee relations, including the commitment of the Company to providing an environment that is without discrimination or harassment.
- 1.3. The procedures described herein are designed to encourage vigilance in monitoring compliance with the Code and to promote accountability through a formal certification process, as well as providing a structured process for dealing with exceptions to the Code. The Code also provides a framework for prompt internal reporting of violations of the Code to either senior management or the Chair of the Audit Committee.

2. Scope

- 2.1. The Code of Business Conduct covers each division (i.e. operating or administrative unit) of Calfrac Well Services Ltd. (“Calfrac” or the “Company”), including its subsidiaries.
- 2.2. All directors, officers, employees and contractors of Calfrac are expected to abide by the Code, as well as all other Controlled Documents of the Company, and to act in a manner that will uphold and enhance the Company’s reputation for honesty, integrity and reliability.
- 2.3. The Code is, by necessity, general in nature and directors, officers, employees and contractors are advised to read it in combination with Calfrac’s other Controlled Documents. The matters dealt



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with in the Code may not cover the full range of activities, although they are indicative of Calfrac's commitment to conducting its business in accordance with high ethical standards. Calfrac seeks to enforce not only the letter but also the intent and spirit of the Code, and directors, officers, employees and contractors are expected to exercise judgment in determining its application to each individual situation.

- 2.4. At the time of appointment or hire, as applicable, all directors, officers, employees and contractors of Calfrac are required to certify their compliance with the Code, and the Vice-President, Human Resources will be responsible for monitoring compliance with this requirement of the Code.
 - 2.5. The Chief Executive Officer ("CEO") shall periodically assess the adequacy of the Code and recommend any necessary changes to the Company's Board of Directors.
 - 2.6. All directors, officers, employees and contractors shall pursue and promote the following fundamental principles of appropriate business conduct and individual responsibility, as well as responsibility to other directors, officers, employees, contractors, the public and other stakeholders, in all respects in carrying out the business of the Company.
3. Compliance with Applicable Laws and Regulations
 - 3.1. Calfrac shall conduct its business in compliance with all laws, rules and regulations applicable to the Company in each jurisdiction in which the Company does business. The Company will also ensure, to the extent possible, that its agents, contractors, consultants, partners, and business associates comply with such laws, rules and regulations when they are working for the Company.
 - 3.2. All directors, officers, employees and contractors of the Company are expected to acquire sufficient knowledge of the applicable laws, rules and regulations that relate to their scope of accountabilities, responsibilities and duties, so that the Company may comply with such laws, rules and regulations. The Company's directors, officers, employees and contractors should avoid any situation that could be perceived as improper, unethical or indicate a casual attitude towards compliance with such laws, rules and regulations.
 - 3.3. All directors, officers, employees and contractors are prohibited from offering or accepting monetary or any other form of personal benefits in dealing with officials of government, suppliers or other agencies in any country, and are prohibited from using or directing corporate funds or property for any illegal purpose, including bribery or kickbacks, and are prohibited from disguising any such payments for the purpose of feigning compliance with the Code.
 - 3.4. The Company is subject to Canada's Corruption of Foreign Public Officials Act (S.C. 1998, c.34), and its operations conducted from locations in the United States are subject to the U.S. Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1, et seq.).
 4. Honest and Ethical Conduct and Confidentiality of Information



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- 4.1. Calfrac's directors, officers, employees and contractors must act with honesty and integrity at all times and shall promote the highest standards of ethical conduct that:
 - 4.1.1. Prohibit and eliminate the appearance or occurrence of conflicts between the best interests of the Company and the private or personal interests of any director, officer, employee or contractor of the Company;
 - 4.1.2. Protects and safeguards the Company's assets (including information assets), documents and records from unauthorized access, improper use and misappropriation; and
 - 4.1.3. Protects the confidentiality of information concerning the activities of the Company and the partners and companies that do business with Calfrac that may be privileged or of value to the Company or such partners and companies, or may be damaging if improperly disclosed.
- 4.2. All directors, officers, employees and contractors of the Company are expected to comply with the Company's Confidentiality and Insider Trading Policy (C-PY12.0-0011), including the provisions related to trading restrictions and blackout periods.
- 4.3. Each of the Company's directors, officers, employees and contractors is expected to avoid any outside activity, financial interest or relationship that may present a possible conflict of interest or the appearance of a conflict of interest, and to promptly disclose any such conflict of interest that can or has not been avoided to a representative of senior management.
- 4.4. The CEO and Chair of the Corporate Governance and Nominating Committee shall make any required determinations in respect of any possible conflict of interest involving directors, officers, employees and contractors, unless such matters involve the CEO, in which case the Chair of the Corporate Governance and Nominating Committee shall make any required determinations.
- 4.5. Appointments of officers and employees to outside boards shall be subject to the following requirements:
 - 4.5.1. There are to be no actual or perceived negative implications to any of the Company's stakeholders;
 - 4.5.2. Each officer and employee will be subject to a limit of two appointments to commercial public boards;
 - 4.5.3. No officer or employee may accept an appointment to the board of a supplier or competitor of the Company;
 - 4.5.4. The appointment will not give rise to a conflict of interest;
 - 4.5.5. The appointment will have no impact on the current responsibilities and duties of the appointee with the Company; and

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4.5.6. Appointees will not be covered by the Company's insurance or indemnity in respect of their services to outside boards.

5. Integrity of Financial Reporting and Disclosures

5.1. Calfrac's Board of Directors has adopted C-PY12.0-0010: Disclosure Policy that is designed to ensure that communication with the investing public about the Company is timely, factual, accurate and broadly disseminated in accordance with applicable legal and regulatory requirements.

5.2. Calfrac's business transactions are to be properly authorized, completed and accurately recorded in the Company's books and records in accordance with Canadian Generally Accepted Accounting Principles and established Calfrac finance policies and procedures (Section 5 of the Quality Management System).

5.3. All significant events or developments which have occurred, or which may occur, and which could have a material effect on the financial position of the Company or its results of operations will be promptly disclosed to a representative of senior management and the Disclosure Committee.

5.4. The retention or proper disposal of the Company's records shall be in accordance with established policies and procedures and applicable legal and regulatory requirements. Should any director, officer, employee or contractor have a cause to believe that this is not the case, they are required to bring this to the attention of a representative of senior management.

6. Commitment to the Environment, Health and Safety

6.1. Calfrac is committed to concern and respect for the environment and for the health and safety of the public and all employees and contractors of the Company. Directors, officers, employees and contractors are expected to contribute to this commitment by giving due regard to all applicable laws and regulatory requirements, safety standards, and industry codes of practice. Directors, officers, employees and contractors shall also endeavor, wherever possible, to improve operations to avoid injury, sickness or death to persons or damage to property.

7. Employee Relations

7.1. Calfrac believes that its staff is a valuable asset to be treated with due respect and honesty, to be hired, compensated and promoted without discrimination by reason of race, ethnic or national origin, religion, age, sex, sexual orientation, marital status, political belief, physical handicap or pardoned conviction.

7.2. The Company encourages and rewards integrity in all aspects of employee relations, and strives to eliminate inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal or alienation from the organization.

7.3. The Company is committed to providing an environment that enables all staff to pursue their careers free from any form of discrimination or harassment, and accordingly, all directors, officers,

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employees or contractors must strictly adhere to applicable anti-discrimination laws (refer to C-PY3.0-0001: Anti-Harassment and Workplace Violence Policy for further details).

8. Certification of Compliance with the Code of Business Conduct

8.1. To communicate the Code and to ensure that all directors, officers, employees and contractors understand and comply with its terms, all new directors, officers, employees and contractors (i.e. a contractor or agent engaged in performing services for the Company, but who is not an employee) of the Company will be requested to certify their review of and agreement to be bound by the Code as a condition of employment or contractual arrangement.

9. Waiver from Compliance with the Code of Business Conduct

9.1. Only the CEO of the Company may grant a waiver from compliance with the Code. The granting of any such a waiver must be promptly disclosed to the Company’s Board of Directors in writing, together with a description of the nature of the exception, the timing and form of notification, and the reason for granting the waiver.

9.2. “Implicit waivers” are included within the definition of “waivers” and are defined as the failure by the Company to take action within a reasonable period of time regarding a material departure from a provision of the Code that has been made known to senior management.

10. Reporting of Any Illegal or Unethical Behavior

10.1. Calfrac encourages its officers, employees and contractors to speak to a representative of senior management at any time if there is any doubt about the best course of action in a particular situation. Guidance on possible issues that officers, employees and contractors might potentially face has been provided as a supplement to the Code (refer to Appendix 1: Guidance on Application of the Code of Business Conduct), although no list can cover all aspects of interpretation.

10.2. The Company’s officers, employees and contractors are required to promptly report violations of law, rules, regulations or this Code to a representative of senior management or the Chair of the Audit Committee. Violations may be reported in confidence and every effort will be made to protect the confidentiality of those furnishing information (refer to C-PY12.0-0009:Whistleblower Policy for further details). The Company will not tolerate retaliation, in any form, against any person for complaints or reports made in good faith.

11. Compliance

11.1. Compliance with the Company’s Controlled Documents is considered mandatory. Any contravention of the Company’s Controlled Documents (including any controlled external document referred to therein) is considered a performance issue and may result in disciplinary action, up to and including termination with cause. Guidelines reflect the elements of Controlled Documents that allow for discretionary action. Enforcement of Controlled Documents is the responsibility of management.



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12. Exceptions

- 12.1. If a director, officer, employee or contractor contravenes or intends to contravene any Controlled Documents (including any controlled external document referred to therein), or has knowledge of any other individual who has contravened or intends to contravene any Controlled Documents, they shall report the contravention or intended contravention to the Vice-President, Human Resources immediately, in advance if possible, who will in turn communicate such contravention to the CEO.
- 12.2. In extreme circumstances, such as risk to health, safety, or financial loss, and when the Vice-President, Human Resources cannot be notified, individuals should exercise prudence and judgment in applying the intent of the Code. All exceptions must be documented in writing, including the timing and form of notification.

13. Uncontrolled if Printed

- 13.1. The approved versions of Controlled Documents are electronically stored and communicated on Calfrac's intranet. The reference to "Uncontrolled if printed" reflects the need to ensure that the effective date of any printed version is the same as the electronic version stored on the Company's network.

14. Appendix

14.1. Appendix 1: Guidance of Application of the Code of business Conduct

NOTE: The following is a supplement to the Code of Business Conduct and provides guidance on possible issues that some directors, officers, employees and contractors might potentially face in applying the fundamental principles of the Code. This list is not meant to be exhaustive.

Compliance with Laws and Regulations	<ul style="list-style-type: none"> -Violations of S.C. 1998, c.34:Corruption of Foreign Public Officials Act or 15 U.S.C. § 78dd-1, et seq.: Foreign Corrupt Practices Act. -Making inaccurate or misleading certifications, reports, statements of claims to government representatives or agencies. -The use, diversion or concealment of company assets, directly or indirectly, for illegal or improper purposes. -Use of vendors, suppliers or contractors who violate the law. -Not performing required inspections, tests or procedures as required by law, regulation, or standard industry practices.
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<p>Insider Trading</p>	<ul style="list-style-type: none"> -Buying and selling the securities of a corporation when you are aware of material information that has not been disclosed to the public that you have obtained in connection with your employment or business arrangements. -Giving stock tips to friends, relatives or spouses about a corporation based on information that has not been disclosed to the public that you have obtained in connection with your employment or business arrangements with that corporation.
<p>Conflicts of Interest or Unethical Practices</p>	<ul style="list-style-type: none"> -Using corporate resources in another business in which a director, officer, employee, contractor, or another party related to such persons, is involved. -Having a personal financial interest (or having a family with such an interest) in any organization supplying property, goods or services to Calfrac (with the exception of up to 5% ownership in publicly traded companies). -Offering, soliciting, or accepting payments, gifts or favors from companies or individuals doing business with the Company, other than the giving or receiving or gifts with nominal value, such as promotional items. -Hiring, supervising or evaluating the performance of relatives or spouses. -Using normal business hours to conduct personal business or outside activities unrelated to the business of the Company.
<p>Protection of Confidential Information</p>	<ul style="list-style-type: none"> -Disclosing confidential corporate information to anyone outside of the Company, and in particular, any representative of the media, anyone having business dealings with the Company, and other oil and gas well services companies. -Improper use or copying of information or software applications of third party vendors, suppliers, contractors, consultants or licensees. -Disclosing confidential information about companies or individuals having business dealings with the Company without the consent of such parties. -Disclosing personal information in a manner that is not in compliance with SBC 2003, c.63: Personal Information Protection Act (PIPA), or S.C. 200, c.5: Personal Information Protection and Electronic Document Act (PIPEDA).
<p>Protection of Property</p>	<ul style="list-style-type: none"> -Failure to comply with C-PY9.0-0001: Internet and Email Use policy when making use of the Company's computers, whether before, during or after regular working hours.



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Financial Reporting and Disclosure Controls	<ul style="list-style-type: none"> -Failing to respond adequately to identified weaknesses within internal controls to protect corporate assets from unauthorized access, improper use or misappropriation. -Entering into a commitment to spend the Company's funds, or executing a legally binding agreement, without proper authority in accordance with C-PY5.1-0001: Authorities and Spending Limits Policy. -Entering inaccurate, unreasonable or unsupported estimates into the financial records of the Company.
Health, Safety and Environment Commitment	<ul style="list-style-type: none"> -Failing to report environmental, health or safety hazards or incidents. -Failing to comply with environmental, health or safety laws and regulations, or internal practices (i.e. Section 14 of the Quality Management System). -Undertaking work activities in an unsafe manner or during unsafe conditions. -Failing to report or to follow-up on reports about possible environmental, health or safety concerns.
Employee Relations	<ul style="list-style-type: none"> -Any form of discriminatory or harassing behavior, including physical or psychological forms of harassment. -Providing employment references to a third party on behalf of a former employee or contractor in a manner contrary to the Company's policy. -Failing to perform an evaluation of an employee or contractor's performance in accordance with the Company's policy.

15. References

- 15.1. SC.1998,c.34:Corruption of Foreign Public Officials Act
- 15.2. 15 U.S.C. § 78dd-1, et seq.: Foreign Corrupt Practices Act
- 15.3. C-PY12.0-0011: Confidentiality and Insider Trading Policy
- 15.4. C-PY12.0-0010: Disclosure Policy
- 15.5. International Financial Reporting Standards (IFRS)
- 15.6. C-PY3.0-0001: Anti-Harassment and Workplace Violence Policy
- 15.7. C-PY12.0-0009: Whistleblower Policy



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15.8. SBC 2003, c.63: Personal Information Protection Act (PIPA)

15.9. S.C. 200, c.5: Personal Information Protection and Electronic Document Act (PIPEDA)

15.10.C-PY9.0-0001: Internet and Email Use Policy

15.11.C-PY5.1-0001: Authorities and Spending Limits Policy



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Revision History

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1.0	20130828-001	Prior Ref. # GOV-Po-001 Rev. 3 Approved by BOD 3/3/2010; See MOC for formatting & revisions.	08/20/2014	Andrea Thompson	Board of Directors
2.0	20150826-002	Update Document Template	09/10/2015	Andrea Houtkooper	Dirk Blaufuss