



Xtraction Services Holdings Corp.

DISCLOSURE AND CONFIDENTIALITY

Dated: March 2020

INTRODUCTION

Xtraction Services Holdings Corp. (the "Company"), is a public company; its common shares trade on the Canadian Securities Exchange. The purpose of this Policy is to provide directors, management, employees and others considered to have a special relationship¹ with Xtraction direction on: (a) the process and restrictions for public disclosure made by Xtraction, , and (b) on the use and handling of confidential information of Xtraction.

Any person who violates this Policy may face disciplinary action up to and including termination of his or her employment with the Company without notice. The violation of this Policy may also violate certain securities laws. If it appears that a person may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties.

DEFINITIONS USED IN THIS POLICY

"Blackout Period" means the period during which Restricted Persons are prohibited from trading in the Company's securities;

"Employees" includes all permanent, contracted, seconded and temporary agency employees who are on assignments with the Company;

"Information Officer" means the individual whom Restricted Persons may contact to determine whether or not they may execute trades in the market or reveal Undisclosed Material Information in the necessary course of business;

"Material Change" means a change in the business, operations, assets or ownership of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement the change made by the board of directors of the Company or by senior management of the Company who believe that confirmation of the decision by the board is probable;

¹ Persons in a special relationship with Xtraction include insiders, outside advisors and persons who become aware of material information on Xtraction before it becomes generally disclosed. If you have any doubt on your status, please contact the CFO of Xtraction. A "person or company in a special relationship with a reporting issuer" is fully defined in Section 76(5) of the *Securities Act* (Ontario).



“Material Fact” means a fact that significantly affects or could reasonably be expected to significantly affect the market price or value of the Company's securities;

“Material Information” means any information (Material Fact or Material Change) relating to the business, operations, assets or ownership of the Company that results in or could reasonably be expected to result in a significant change in the market price or value of any of the Company's securities;

“Pending Material Developments” means a proposed transaction of the Company, information with respect to which would constitute Material Information, however, a decision to proceed with the transaction has not been made by the board of directors or by senior management with the expectation of concurrence from the board;

“Restricted Persons” means:

1. directors and officers and employees of the Company; and
2. contractors and or consultants of the Company who are routinely in possession of Undisclosed Material Information; and

“Tipping” means

“Undisclosed Material Information” means Material Information pertaining to the Company that has not been publicly disclosed or information that has been publicly disclosed, but a reasonable period of time for its dissemination has not passed.

DISCLOSURE MATTERS

Generally, Material Information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Company's listed securities.

- Material Information includes both material facts and material changes.
- A Material Fact is a fact that would reasonably be expected to have a significant effect on the market price or value of issued or proposed to be issued securities of the Company.
- A Material Change is a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company.
- A Material Change also includes any decision to implement such a change: (i) made by board of directors; or (ii) by senior management of the Company who believes that confirmation of such decision by the board of directors is probable.

In complying with the requirement to disclose forthwith all Material Information under applicable laws and stock exchange rules, the Company will adhere to the following basic disclosure principles:



1. Material Information will be publicly disclosed immediately via a broadly disseminated news release and filed on SEDAR and with the applicable securities authorities.
2. Disclosure must include any information, the omission of which would make the rest of the disclosure misleading (i.e. partial disclosure may be misleading).
3. Material Information must be disclosed regardless of whether such information is favourable or unfavourable.
4. There can be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to any person who is not bound by an express confidentiality obligation, such information must be broadly disclosed immediately via news release.
5. Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure contained a material error at the time it was given or has become misleading due to subsequent events.

DESIGNATED SPOKESPERSONS

Spokespersons for the Company will be (a) the President and/or Chief Executive Officer; and (b) the Chief Financial Officer, and (c) Antony Radbod, SVP of Sales and Marketing, (d) anyone designated by the CEO to speak on behalf of the Company. Spokespersons will ensure they are properly briefed before speaking to the media, analysts or institutional investors on what information is considered material and be cognizant of Material Information that has not been disclosed.

NEWS RELEASES

Once the Board of Directors determines that a development is required by applicable law and stock exchange rules to be disclosed, it will authorize the issuance of a news release and any applicable filings with securities regulators. Should material information inadvertently be disclosed in a selective forum, the Company will immediately issue a news release in order to fully disclose that information.

News releases will be disseminated through a news wire service that provides broad distribution in Canada. News releases will be posted on the Company's website immediately after release over the news wire.

CONFERENCE CALLS

Conference calls may be held for quarterly and annual earnings and major corporate developments. The Company may invite analysts, institutional investors, the media and other interested parties to participate. The Company will provide advance notice of any such conference call or webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast.



At the beginning of the call, a spokesperson of the Company will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

If the Company discloses material non-public information during any such conference calls, the Company will immediately issue a news release in order to fully disclose that information.

RUMOURS

The Company shall not comment, affirmatively or negatively, on rumours, including those rumours disseminated on the Internet. Spokespersons will respond consistently to those rumours, saying “It is our policy not to comment on market rumours or speculation.”

If a securities regulatory authority requests that the Company make a statement in response to a market rumour, the appointed Spokesperson(s) will consider the matter and make a recommendation to the CEO as to the nature and context of any response. If the rumour is true in whole or in part, this may be evidence of a leak, and the Company will first determine whether a leak of information has occurred, and immediately thereafter, issue a news release disclosing the relevant Material Information.

CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA

The Company recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Company will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this policy.

Any Material Information provided by the Company in individual and group meetings, must have been previously publicly disclosed. Recognizing that an analyst or investor may aggregate information in such a way that could result in Material Information, the Company cannot alter the materiality of undisclosed information by breaking down the information into smaller, non-material components.

Any supplemental information provided to participants of meetings and press conferences must also be posted to the Company’s website and, if material, must be immediately disclosed by a news release. If the Company discloses material non-public information at any such meeting or press conference, the Company will immediately issue a news release in order to fully disclose that information.

REVIEWING ANALYST DRAFT REPORTS AND MODELS

Simply confirming or attempting to influence an analyst’s opinions may amount to disclosure of Material Information. Accordingly, the Company will not review analysts’ reports except to correct concrete factual errors. The Company will advise the analyst that this was the extent of its review and will expressly disclaim any responsibility for the soft information, analysis, conclusions and recommendations. The Company will establish fixed answers to typical questions of analysts and circulate such answers to all Spokespersons.

ANALYST REVENUES, EARNINGS AND OTHER ESTIMATES



The Company's Spokespersons responding to inquiries by analysts regarding the Company's rate of expenditures, cash forecasts, revenues and earnings, and other estimates will be limited to: company forecasts and guidance already publicly disclosed and the range and average of estimates made by other analysts. The Company must not guide analysts with respect to financial estimates.

Should management determine that future results likely will be materially out of range of any previously issued guidance by the Company, the Company will disclose such information in a news release, and take any other steps the Disclosure Team deem appropriate, including a conference call to explain the change.

DISTRIBUTING ANALYST REPORTS

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report may be viewed as an endorsement by the Company of the report. For these reasons, the Company will not provide analyst reports through any means to persons outside the Company or to employees of the Company, including posting such information on its website.

The Company may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company.

INDUSTRY CONFERENCES

The Company may participate in various industry conferences in the United States, Canada and elsewhere. In general, conversations with interested parties should be limited to explorations or clarifications of publicly disclosed Material Information or other non-Material Information or non-confidential information. The Disclosure Team should approve brochures or other material prior to dissemination to the public. If unintentional selective disclosure of non-public material occurs, the Disclosure Team should be notified immediately, and the Company will immediately disclose such information in a news release, and take any other steps the Disclosure Team deem appropriate.

DEALING WITH THE MEDIA

In communicating with the media, the following procedures will be followed:

- a) The Company will not provide any Material Information or related documents to a reporter on an exclusive basis.
- b) Spokespersons should promptly respond to all media inquiries. Although the CEO will be the initial media contact, and filter all media requests as appropriate, senior management or subject matter experts should be utilized in key announcements, as appropriate, to build credibility and provide more informed disclosure.
- c) If media news conferences are conducted in separate forums from investor conferences, access to information disclosed should be similar in all material respects.



ELECTRONIC COMMUNICATIONS

This Policy also applies to electronic communications. Accordingly, personnel responsible for written and oral public disclosure are also responsible for electronic communications.

a) Websites

The Disclosure Team will be responsible for creating and maintaining the Company's website, and that of any subsidiaries to ensure it is maintained in accordance with the following:

- (ii) the following information must be included on the website:
 - all Material Information that has previously been generally disclosed, including, without limitation, all documents filed on SEDAR or a link to those documents on SEDAR;
 - all non-Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences); and
 - all news releases or a link to those news releases.
- (iii) the website must contain an e-mail link to a contact for the Company to facilitate communication with investors;
- (iv) the website must include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;
- (v) inaccurate information must be promptly removed from the website and a correction must be posted;
- (vi) all information posted on the website must be dated when it is posted or modified;
- (vii) no links will be created from the Company's website to chat rooms, newsgroups or bulletin boards;
- (viii) all information on the Company's website will be retained for a period of two years from the date of issue; and
- (ix) if the Company is considering a distribution of its securities, the content of the website must be reviewed before and during the offering to ensure compliance with applicable securities laws.

b) Internet Chat Rooms, Electronic Bulletin Boards and Social Media

Directors, officers, employees and consultants must not discuss, or post any information relating to the Company, its subsidiaries, or the securities of the Company or its subsidiaries



in an Internet chat room, on a newsgroup discussion, or any other form of social media without the prior consent of a Disclosure Team.

c) **Email**

All email addresses of the Company are corporate property, and all correspondence sent or received via such email addresses is considered correspondence on behalf of the Company and is subject to the provisions of the Policy.

FORWARD-LOOKING INFORMATION

Should the Company elect to disclose forward-looking information (“FLI”) in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

1. The information, if deemed material, will be broadly disseminated via news release, in accordance with this policy.
2. The information will be clearly identified as FLI.
3. The Company will identify all material factors or assumptions used in the preparation of the FLI.
4. The information will be accompanied by a caution that actual results may vary from the FLI with identification, in very specific terms, of the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.
5. The information will be accompanied by a statement that disclaims the intention or obligation by the Company to update or revise the FLI, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.²

SECURITIES TRADING AND CONFIDENTIALITY MATTERS

It is illegal to purchase or sell (“trade”) securities of the Company with knowledge of Material Information affecting the Company that has not been publicly disclosed. Except in the necessary course of business, it is also illegal to inform any other person of material non-public information about the Company (for greater detail refer to the *Insider Trading Policy*).

MAINTAINING CONFIDENTIALITY

Any employee privy to material non-public information concerning the Company is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Outside parties’ privy to material non-public information concerning the Company will be advised that they must not divulge such information to anyone else, other than in the necessary course of business,



and that they may not trade in the securities of the Company until the information is publicly disclosed. Prior to the communication of the material non-public information in question, the Company will, where circumstances require and permit, obtain from any such outside parties an undertaking not to disclose or trade on the relevant information.

In order to prevent the misuse or inadvertent disclosure of Material Information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the necessary course of business and code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard and confidential documents should not be read, displayed or discarded in public places where others can retrieve them.
3. Directors should be mindful of the manner in which board materials are discarded. Board materials should not be discarded where others can retrieve them and wherever possible should be shredded or otherwise destroyed.
4. Employees must ensure they maintain the confidentiality of information concerning the Company in their possession outside of the office as well as inside the office.
5. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
6. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
7. Access to confidential electronic data should be restricted through the use of passwords.

BLACKOUT PERIODS

Blackout Periods apply to all directors and officers of the Company as well as those employees responsible for financial reporting during periods when financial statements are being prepared, but results have not yet been publicly disclosed. The quarterly blackout period commences 14 days prior to the date of the normal quarterly earnings announcements (and 20 days prior to year-end results) and ends 24 hours after disclosing quarterly results or annual financial results.

Additional blackout periods may be prescribed from time to time by the Company as a result of special circumstances relating to the Company pursuant to which insiders and employees of the Company would be precluded from trading in securities of the Company. All parties with knowledge of such special

² For example, Xtraction must update previously disclosed material FOPI either through a news release or through its management’s discussion and analysis filed with the applicable securities authorities.



circumstances should be covered by the Blackout Period. In such instances, relevant insiders and employees of the Company will receive notice that they are not to trade until further notice.

While trading during a Blackout Period is, in and of itself, a violation of this policy, it is still possible for a director, officer or employee to violate this policy even if trading outside a blackout period where such individual has access to Material Information which has not been publicly disclosed (for greater details refer to the *Insider Trading Policy*).

