Code of CONDUCT
Our

COMMITMENT

This Code of Conduct contains Ulterra’s expectations, goals and guidelines for conducting its business. It applies to the entire Ulterra enterprise, including all of the Board of Directors, employees, and representatives that make up and support this organization.

The materials in this Code are organized around the principles of our commitment to getting it right, making it right, and doing it right. We believe that these principles along with challenging, empowering, and supporting our employees results in incredible products with unprecedented value added service.

In addition, to following the Code, we are all required to

• know and follow all policies, laws, and regulations that apply to our jobs,
• conduct our business according to the highest ethical and legal standards,
• complete our required compliance training on time,
• ask for help from management, Legal or Human Resources when questions come up.

This code is not a contract with anyone or a promise that Ulterra will continue to do business with or employ any firm or individual. None of the Code can be waived unless the Board of Directors or the Audit Committee decides it is appropriate. They will make sure the waiver is accompanied by controls designed to protect Ulterra.

Managers at Ulterra must also

• make sure employees understand what is expected of them,
• create a positive work environment where employees are comfortable to ask questions and share concerns,
• oversee the business conduct of employees, and
• make sure that employees complete their compliance training on time.

Managers must report any known or suspected misconduct. Managers must never retaliate or ignore acts of retaliation against others. If managers do not report a violation they know about—or should have known about—they may be disciplined, including possible termination.
Dear Colleagues:

Ulterra’s phenomenal success is attributed to our dedication to winning for our customers by providing highly innovative products and an un-paralleled value added service, both generated from our people whom we challenge, empower and support to achieve our goals together. Our strong ethical culture and drive to get it right, do it right and make it right, demonstrates that our employees are equally committed to our mission. A cornerstone of this culture is our commitment to the highest level of ethical conduct and within the legal framework in the U.S. and in every country where we operate around the globe. For Ulterra, every person counts!

Ulterra’s Code of Conduct does not cover every company policy and procedure but is intended to be a resource and guide for employees to use in times of question or when encountering new or uncertain circumstances. At any time that you have questions or concerns or you don’t know what to do in a specific situation, we encourage you to contact any member of our executive team, immediate manager, human resource representative, or you can call our Compliance Hotline at 844-348-5828, or online at www.ulterra.ethicspoint.com. Ulterra’s policy is that there will be no retaliation for reports made in good faith. Our commitment to you is that we will review and investigate all issues of concern and communicate back to you as to the findings.

As a rapidly growing company, our mission will remain the same: To be the most trusted employer and supplier in the Oil and Gas drilling industry and to reward that trust with industry leading consistency, performance and relentless, rapid improvement. By that, we express our commitment to continuing this pursuit in a safe, legal and ethical manner in every country in which we conduct business.

John Clunan
President and Chief Executive Officer
INNOVATION + VALUE ADDED SERVICE

We are committed to getting it right, making it right, and doing it right, wherever we are.

OUR GUIDING PRINCIPLES

Compliance with Laws, Rules, and Regulations
Ulterra, like any other business, is subject to many federal, state, provincial, local and international laws and regulations. Obeying the law is the foundation on which this Company's ethical standards are built. All employees and officers must respect and obey the laws, rules and regulations of the cities, states, and countries in which we operate. Although employees and officers are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

Conflicts of Interest
No employee, officer, or director should put himself or herself in a position where his or her personal interests or relationships conflict (or appear to conflict) with the best interests of the Company.

Adherence to Ethical Standards
Ulterra Drilling Technologies, the Company's subsidiaries and our employees must adhere to the highest ethical standards of conduct in all of our business activities and must act in a manner that enhances the Company's reputation in the business community. Integrity is, and must continue to be, the basis of all of our corporate relationships.
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GET IT RIGHT

We are committed to the highest level of ethical conduct where we operate - in the U.S. and around the globe.

Fair Dealing

At Ulterra, we believe in fair dealing with everyone we come in contact with. This includes our customers, suppliers, competitors and each other. None of us should take unfair advantage of anyone through manipulation, concealment, abused or privileged information, misrepresentation of material facts, or any other unfair dealing practice.
SAFETY AND HEALTH IN THE WORKPLACE

A safe and healthy workplace is the responsibility of every employee at Ulterra. This means we must follow all safety laws and regulations; comply with company safety instructions, policies, and programs; and use appropriate safety equipment. We should work to correct or report any unsafe activities or conditions that we observe immediately.

Ulterra actively promotes a safe and healthy workplace. This means, in part, that threats and acts of violence are not tolerated. Any threatening statements or behavior must be reported immediately. If you believe that you or anyone else is in immediate danger, call local law enforcement before reporting the incident through Ulterra channels.

The effects of drugs and alcohol in the workplace put everyone’s safety at risk. We must come to work free of the influence of alcohol, drugs, intoxicants, or other controlled substances. Talk to a Human Resources representative about any concerns regarding Ulterra Drug and Alcohol Policy.

Q: My supervisor asked me to change a procedure to save time, but it might be unsafe. What should I do?
A: You should talk to your supervisor about your concerns. If your supervisor continues to insist that you do something dangerous, report it to another supervisor. You can also talk to your HR or HSSE Director.

Q: I was given a prescription medication by my doctor. Can I have my medication at work?
A: Most prescription medications are allowed at work. Some are not. To see if the medication is not allowed, read our “Drug-Free Workplace Policy” or contact HR.
Support for Equal Opportunity and Diversity

We support and obey laws against discrimination. We provide opportunities for all employees to develop their full potential. We do not allow discrimination or harassment based on race, color, religion, age, sexual orientation, gender identity, marital status, national origin, disability, veteran’s status, or other protected status.

We provide a working environment where intimidation and harassment, including sexual harassment, are not allowed. Unwelcome sexual advances and demands or other unwelcome conduct of a sexual nature are not tolerated.

Q&A

Q: My department has a job opening for a position that interacts closely with a major customer. Our customer prefers to work with men. Can we exclude all women for this position?
A: No. We do not discriminate, and gender discrimination, along with other forms of discrimination, is prohibited.
Conflicts of Interest

It is a conflict of interest when our personal interests interfere or appear to interfere with Ulterra’s business interests. Relationships, including personal relationships with other Ulterra employees and employees of suppliers, customers and competitors, which make it difficult to do our work responsibilities at Ulterra, must be avoided. Anything that presents a conflict for Ulterra employees would likely also present a conflict for a relative.

Because the appearance of a conflict can be as damaging as a real one, we must avoid situations that could create conflicts for us or our family members. When in doubt, you should always let a manager know if you think you or others have or might have a conflict of interest.

DISCLOSURE OF CONFLICTS

If you think you might have a conflict of interest, or that others might believe your actions or relationships create a conflict of interest, you must immediately tell your supervisor. Many conflicts of interest can be solved in an acceptable way, but they must be dealt with. Failure to disclose a conflict can lead to disciplinary action.

Q&A

Q: My work line just hired the son of another employee. Is this allowed?
A: Yes, sometimes Ulterra family members work in the same department. However, when this happens we make sure relatives do not hire, supervise, affect terms and conditions of employment, or influence the management of the employee.

Q: Is there an issue with me holding stock in a company that is one of our competitors? What if I own a company that supplies materials or services to Ulterra?
A: A minimal ownership interest in one of our competitors or suppliers that is publicly traded should not create a conflict of interest. A substantial ownership interest of any competitor or supplier could create a conflict of interest for you and you must inform your supervisor.

EXAMPLE: It would likely be a conflict of interest if an Ulterra employee also owned a company that did work for Ulterra.

“The appearance of a conflict can be as damaging as a real one”
Corporate Opportunities or Personal Gain

It is our duty to protect Ulterra’s interests. Company resources—including work time, information, tools, machinery, computers, and other property—cannot be used to do work for another business or for personal gain. We cannot pursue any opportunities for personal gain that we find with Ulterra resources or while at work.

Q&A

Q: In my off hours, I manage a small business that does welding repair. May I use a company phone or email during my lunch break to schedule appointments for the weekend?
A: No. Company resources, such as company phones or email, may not be used for personal gain or profit, regardless of when the employee wishes to use the assets.
Anti-Corruption and Bribes;
Gifts and Hospitality

Ulterra will not make or offer to make a bribe, payment, gift, or business transaction that is wrong or illegal. We must obey the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and similar anti-corruption laws worldwide, wherever we are doing business. These laws make it illegal for a person acting on behalf of Ulterra to pay bribes and unlawful payments to both government representatives and private citizens.

It is sometimes appropriate to give or receive gifts to create good will and promote Ulterra’s business interests. However, no gift should be given or received to gain an unfair advantage or benefit. Any employee who works with customers and suppliers needs to know the details of the Anti-Corruption Policy and the Gifts & Hospitality Policy. They must follow the policies carefully.

Q: We have invited important customers to a grand opening event. We’re planning to pay for their plane tickets, hotel, and food. Can we pay for their spouses, too? A: No, although you can sometimes purchase plane tickets for the customer, it is against Ulterra policy to provide anything for spouses. Before purchasing anything for a customer, check the Ulterra Anti-Corruption Policy and with the Legal Department.

Q: Ulterra sends me to many places around the world. What is common in one country can be seen as a bribe in another. What should I do? A: You must not promise or give anything of value to gain an unfair business advantage. Ulterra’s Anti-Corruption Policy has guidelines on how to behave. Contact the Legal Department if you don’t know what actions are allowed.

Q: In some countries where I do business, not taking a gift could be considered an insult or embarrass the giver. What should I do when a gift is more expensive than the amount allowed by Ulterra’s policy? A: If you think not taking the gift will harm the business relationship you can accept it on behalf of Ulterra. As soon as you can, tell your supervisor about the gift and notify the Legal Department. You might have to bring the gift to Ulterra or return it with an explanation to the provider.

Q: I see that we perform due diligence on many of our business partners. What do we look for? A: We check the qualifications, certifications, reputation, and other things of most of our brokers, agents, and dealers around the world. If you are going to be selling Ulterra’s products through an outside group, please notify the Compliance Department as early as possible, so they can begin the due diligence process and lower the risk that it interferes with your business opportunity.
Antitrust/Competition Law

Ulterra believes in fair competition. We obey antitrust and competition laws. We cannot fix or control prices with other companies, boycott specific suppliers or customers, divide products, territories, or markets, or limit or reduce production in order to increase prices. Employees must not break competition laws.

All employees who work with customers and suppliers need to know and follow the Competitive Conduct and Antitrust Compliance policy. Obeying competition laws is very important.
Q: At a recent expo I met a competitor who shares my territory. He suggested that we divide the territory in half and not sell to customers in the other person’s section. This will make my work easier and almost guarantee some sales for Ulterra. Is there anything wrong with this idea?

A: Yes, what the competitor is suggesting is illegal. We cannot divide sales opportunities with customers or geographical selling areas between us and our competition.

Q: One of our rivals approached me outside of a customer's office a couple of weeks ago. He suggested that since there is enough business for both his company and Ulterra, we should agree to not sell our products in the region below certain prices and we’d both end up ahead. His reasoning makes sense. Should I agree?

A: No. What our rival is suggesting is price-fixing. You should not discuss prices with competitors. If a competitor brings up price with you, you should immediately leave the conversation and report it to the Legal Department.

Q: I am very frustrated because some of our competitors require customers to use their proprietary bit with their products only and if they use ours, they have to pay more. Is this legal?

A: It depends. This is called "tying". Competition law is very complex, so it is difficult to distill it to a general rule, as not all tying is illegal. In the example above, it depends on whether the competitor is the market leader for the tied product and whether the customer ultimately benefits from the ties.

Avoiding Situations:

Expos, trade association meetings, and other business gatherings are useful. However, when competitors are together there are often chances to break competition laws in seemingly harmless ways. Do not talk about inappropriate topics like marketing or pricing plans with competitors. If a conversation becomes inappropriate, firmly and clearly tell those present that you will not participate and leave. You must report it to the Legal Department immediately.
International Trade

There are many laws controlling purchases, sales, imports, and exports by companies and their representatives that we must obey. These laws focus on the classification of the products being shipped and is concerned with products that could have a dual use that includes a military use. We cannot ship these items without a license issued by the U.S. Department of State or U.S. Department of Commerce.

Other laws, such as those regulated by the U.S. Treasury Department’s Office of Foreign Asset Controls, limit trade with specific people, groups, and countries. These laws have a long list of people including terrorists, drug traffickers, and representatives of the forbidden countries. The list changes often. For example, it is currently illegal for U.S. companies and its subsidiaries to buy or sell anything with anyone in Crimea, Cuba and Iran, or with their government employees anywhere in the world. We also cannot ask someone else to trade with forbidden people, companies, or countries for us.

The export control laws are generally very complicated. They include prohibitions for sharing technology with a foreign citizen who is not a permanent resident of the United States, even if they are in the United States at the time. If you conduct business with or export to a non-US company, person, or country, make sure you have received the correct training for your job. If you have not, talk to your supervisor or the Legal Department to receive that training. Also, know the International Trade Compliance Policy. If you have specific questions or concerns, contact the Legal Department.

**EXAMPLE:** In 2011, When Ulterra was a part of ESCO it was required to pay a 2 million dollar fine after it was discovered that ESCO was inadvertently purchasing nickel that had originated in Cuba from a second-tier Canadian supplier. While the purchase and use of Cuban nickel is not illegal in Canada, the U.S. government prohibits all U.S. based companies from conducting business with Cuba. This situation demonstrates the complexity of global trade laws. If you have any questions or concerns regarding trade compliance, contact Legal, or HR.
Anti-Boycott

Anti-boycott laws are meant to stop companies from supporting a boycott by one non-US country against another country that is a friend to the United States. We must tell Ulterra’s legal department if we are asked to support a boycott. This could include any request for a guarantee about the ownership, nationality, or transactions of anyone doing business with Ulterra. Requests might be in a contract, RFP, letter of credit, or any other document, so please be sure to keep an eye out for a request of this sort. We have always been able to negotiate the term out of contracts with customers, so it doesn’t necessarily mean that we can’t do business with the customer. We will simply have to report the request to the U.S. government that the request was made and explain how we dealt with it.

Q: A business partner sent us a new sales contract that includes a request for a certificate of origin that says the goods are “not of Israeli origin, do not contain any Israeli material, and are not shipped from any Israeli port.” We would not be making the parts in Israel or shipping it through any Israeli ports, so we could make the requested certification. Would that be alright?

A: No, regardless of whether the sale has anything to do with Israel or not, what the business partner asked for is a boycott of Israeli goods. When Ulterra employees are asked not to do business with a specific country or company we must report this. The steps to follow are: (1) report the boycott request to the Legal Department, (2) do not do anything with the contract until the Legal Department responds, and (3) give the Legal Department information they ask for about the boycott request.
Sustainability and Human Rights

As a part of our commitment, we are responsible corporate citizens. We know that the environmental, social, and economic parts of business are connected. We believe in safety for all workers, following all human rights standards, and ethical behavior.

Natural resources and the communities where we live and work are important to us. We try not to harm the environment. We produce as little waste as possible. We respect our employees and community members. We believe they are important to our success. We are always working towards our commitments of getting it right, doing it right, and making it right.
DO IT RIGHT

Our commitment is to do it right, which means we do not waste our time, materials, talents, and skills.
Safeguarding and Proper Use of Assets

At Ulterra we responsibly use and take care of our resources. Ulterra property and tools should be used only for company purposes. Theft, carelessness, waste, and fraud all harm Ulterra and should be reported immediately.

Our intangible property includes financial information, records, brands, trade secrets, patents, technology, customer and supplier information, and intellectual capital. Unauthorized use or sharing of this property is not allowed. It could also be against the law and lead to civil or criminal punishment. Confidentiality agreements and discreet communication in and out of the company are the best way to protect our property. Likewise, people who are not Ulterra employees are not allowed access to our buildings and equipment without permission.

Q: In my free time I work for an electrical contractor. Can I also use some of the tools that are on my company truck for this work?

A: No. Ulterra’s tools are only intended to be used by employees for legitimate Ulterra business.

Q: What are some examples of how we protect our intellectual property, like engineering drawings?

A: Ulterra uses a variety of controls including securing our IT system and limiting access to records and property. No security is perfect, so we rely on your attention and help too.

“Ulterra property and tools should be used only for company purposes.”
Information Technology, Email & Social Media

Access to the internet, intranet, email, telephone, voicemail, and fax machines is important for our success. These systems belong to Ulterra and must always be used responsibly.

Most of the computer programs we use have a license agreement with the software provider. We follow copyright laws and license agreements. Copying or using the software inappropriately violates those agreements and copyright law. The IT Department can answer questions about proper software use.

At Ulterra we know that some people will use email and social media for company and personal reasons. Because social media can be a distraction and lead to mistakes or disputes, we must use business and personal communication responsibly. We must make it clear that our opinions are our own and only speak for Ulterra when given permission to do so.
Investigations

Internal and external investigations are valuable tools. Therefore, it is important for us to cooperate with investigations and audits. We must answer questions honestly, keep documents, and never change or destroy records. If law enforcement or government officials contact you for an investigation tell the Legal Department immediately.

Q: I got an email saying I need to keep all of my emails for an investigation, but I know that I didn’t do anything wrong. Can I ignore the email and clear out my old emails?

A: No. If you are asked by the Legal Department to hold on to emails for a pending investigation or litigation you must do so. Failure to do so could result in penalties, or even criminal charges. If the notification comes from an outside source, please check with the Legal Department before responding.

Data Privacy

Our employees, customers, and business partners trust us to use personal data properly. We follow the laws when handling data gathered through business dealings and from visitors to Ulterra’s websites. We treat personal information about our business partners and employees as confidential.

We understand that data protection is important to business partners and employees. We implement extensive measures to protect personal data. We protect information on secure systems with restricted access and security controls. If appropriate for someone’s job, we will make sure they receive adequate training on data privacy requirements, best practices, and local laws.
MAKE IT RIGHT

Our commitment is to make it right, which includes the satisfaction of our employees, customers, suppliers, investors, and neighbors.
Customers and Suppliers

Ulterra works with many other companies. We look for customers, suppliers, distributors, and business associates who have strong values and know quality is important. We deal fairly with everyone and we expect our business partners to follow the same standards we do. This might require asking questions and checking information and references.

Financial Reports and Accounting Records

Our financial and accounting information is important to Ulterra’s shareholders, board members, employees, and lenders. We must always put correct and complete information into the accounting books. Every entry needs supporting information such as receipts, invoices, or supporting calculations. Employees are responsible for the integrity of all financial reporting. All records, statements, and related documents are kept for as long as the company rules require.

Q: I am reviewing a transaction that was approved by senior officials, but I cannot find any supporting documents. Is it okay for me to also approve it since the senior officials did?

A: No. Employees must make sure transactions are documented and supported appropriately.

The Environment

Ulterra cares about the health of our employees, customers, and our communities. We take environmental laws, regulations, and standards very seriously and we actively work to try to reduce waste to conserve energy and natural resources. We work cooperatively with government agencies, our customers, and our communities.

Failure to follow the laws can have serious civil and criminal consequences. It could affect Ulterra’s reputation and ability to do business. All employees must follow Ulterra’s environmental rules and standards. We must tell management about violations of environmental laws if we see them.
Public Communications

If you or someone you work with is contacted by a member of the media—be it online, television, news or radio—do not respond to any questions, but direct them to a member of the Corporate Communications department. You should not talk to reporters about the company without the involvement and support of the Communications team. The company will set up a press release if information needs to be shared publicly.

Q: A reporter called me and wants a comment about Ulterra for a news story. What should I do? What if they need it right away to meet a deadline?

A: You should not provide a comment, but contact your supervisor for further instructions. Do not answer their questions or tell them anything else as information provided to them may be used and re-used by them in any number of contexts.
Political Activities and Community Relations

Ulterra encourages employees to participate in politics if they desire. However, you cannot personally give company money or assets to a political candidate.

Our personal communication needs to be labeled as our own beliefs and not the company’s. For example, company letterhead should not be used for personal reasons. Questions about the company’s opinions can be sent to your supervisor.

Ulterra proudly supports many groups that help communities. We focus on charitable areas that are important to employees by participating in volunteer opportunities and corporate giving. We encourage all Ulterra employees to volunteer in community and educational activities that do not conflict with their job. Like political contributions, we should not personally make charitable donations under Ulterra’s name.
Reporting and Enforcement

As an Ulterra employee, you must report anything that violates, or seems to violate, the Code, other rules, or any law. You should feel free to talk to your supervisor, manager, or any executive through our open door policy. You are also encouraged to talk to someone in the Human Resources or Legal departments, as they are there to help with many of the types of issues that might arise.

Our hotline is operated by an outside company called EthicsPoint. If you are in the United States or Canada, you can call the 24-hour confidential HOTLINE (844) 348-5828

EthicsPoint uses telephony. If you are in a country that does not permit telephony, you may report your issue confidentially at http://www.ulterra.ethicspoint.com/

Where permitted by law, employees can remain anonymous when they report if they want. Employees will not be punished for reporting in good faith when they think actions might violate the law or company policy.

You may also send your report to the Corporate Compliance Committee at:
Corporate Compliance Committee c/o General Counsel Ulterra Drilling Technologies 201 Main St. Suite 1660 Fort Worth, TX 76102

Q&A

Q: I want to use the hotline, but I’m afraid my supervisor will find out and make my job harder for me. What should I do?

A: Employees who seek advice, bring up a concern, or report suspicious behavior are helping to keep their workplace safe and ethical. The hotline is confidential; furthermore, employees who report with good intentions will not be punished. If you think that you are being punished for a report, tell the HR or Legal department immediately.

CORPORATE COMPLIANCE COMMITTEE MEMBERS

President & CEO CFO
Vice President of HR General Counsel
No Retaliation

We are very serious about living up to the principles and policies set out in this Code and Ulterra’s employees should always feel confident that they can raise a concern with managers or through the hotline. The following principles apply:

- No employee will be considered guilty until proven otherwise.
- No employee who files a complaint in good faith will be punished.
- All reasonable steps are taken to control reported information, including protecting the identity of the reporter and employees who are complained about.
- Employees filing a complaint are encouraged to use their names if they are comfortable doing so, as it is often necessary to obtain additional information to conduct a proper investigation. That said, where the law permits, if you only feel comfortable reporting anonymously, please do so as we would rather have the anonymous report of a problem so that steps can be taken to address the situation, than none at all.
- Retaliation and harassment will be met with disciplinary action, up to and including termination.
- Employees that make false or malicious complaints may be disciplined. However, using the hotline in good faith, even when a report is not true, will not lead to any further action.