



Corporate Policy

CP1 – Code of Business Conduct

Precision Drilling Corporation
April 2017

POLICY OWNER: Veronica Foley

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Message from the President and CEO

We have worked hard over many years to earn our reputation as a responsible oilfield services company and a good corporate citizen, without compromising our integrity or standards. I am extremely proud of this, and believe that everyone at Precision shares in that pride.

Achieving our business goals is critical to our success, but how we achieve them is just as important.

Our stakeholders trust us to make ethical decisions and always do what is right. Any lapse in judgment can quickly destroy that confidence and have significant consequences.

This Code of Business Conduct and Ethics (“the Code”) sets out our high standards of integrity and professionalism, and lays the foundation upon which we conduct ourselves and business every day.

The Code applies to every employee, executive officer, director and contractor. We each have the responsibility to read, understand, and strictly adhere to the principles contained in the Code. Compliance is mandatory, and failure to do so can put Precision and our employees at risk.

If you have questions, please speak to your manager, your Human Resources representative, the Chief Compliance Officer or a representative from Precision’s Compliance Department.

Thank you for your continued commitment to maintaining our reputation for high ethical standard.

Sincerely

A handwritten signature in black ink, appearing to read 'K. Neveu', with a long horizontal line extending to the right.

Kevin A. Neveu
President and Chief Executive Officer
Precision Drilling Corporation

In This Policy

- **We, Us, Our** and **Precision** mean Precision Drilling Corporation and its subsidiaries and affiliates
- **You, Your** and **Precision Persons** mean our employees, officers and contractors
- **Board** means our Board of Directors
- **Policy** means this Code of Conduct policy

About This Policy

You have responsibilities to Precision, your colleagues, our business partners and our shareholders to act responsibly and with careful consideration in situations that may pose ethical or legal dilemmas. The decisions and actions you take every day have a direct impact on your personal reputation, and on our reputation and standing in the community.

Before you make a decision, ask yourself these fundamental questions: Is it legal? Is it ethical? Is it fair? Is it in line with Precision's Core Values? How would it impact me and Precision? Does it feel right? This applies at all levels of Precision, from major board decisions, to business transactions and other day-to-day activities you may be involved in.

While no single document can list or anticipate every possible question or situation, this Code will outline the behaviors we must follow to maintain Precision's reputation and ethical standards. It also provides contact information and additional resources to use when in doubt.

Scope

The Code applies to every employee, executive officer, member of our Board of directors and contractor. Complying with it is a condition of working with the Company.

Annually, Precision requires all persons covered by this policy to submit a statement of compliance.

Consequences

Violating the Code can have serious consequences, including disciplinary action up to and including termination, and possibly civil and criminal liability regardless of your position at Precision. Such penalties also apply to those employees who obstruct or interfere with any investigation, which may be undertaken pursuant to this policy.

If you are aware of any unethical or unlawful behavior or suspect someone has breached the Code, or any law, rule or regulation that applies to us, you have an obligation to report it through the channels described herein. For more information about how to report concerns and our investigation process, see the [Reporting Concerns](#) section in this Code.

Waivers

The Board can use its discretion to waive aspects of the Code, as long as it discloses it to shareholders as required by law and according to the rules of the relevant Stock Exchange.

The Chief Compliance Officer ("CCO") reviews employee requests, and any exception or waiver must be confirmed in writing by the President and CEO.

The Governance, Nominating and Risk Committee (“GNRC”) reviews requests for exceptions made by an executive officer or director, and any exception or waiver must be confirmed in writing by the Chairman of the Board. It also reviews any issues of material non-compliance and makes a recommendation to the Board for its review and approval.

Questions?

If you are not sure about something and need advice, speak to your manager. You can also get more information and assistance from the Human Resources, Compliance and Legal departments.

What We Expect

We expect you to carry out your responsibilities and always act with our high standard of ethics, integrity and professionalism.

This means:

- obeying the law, including employment and safety laws;
- respecting our policies and procedures;
- being honest;
- acting in our best interests;
- avoiding conflicts of interest;
- protecting our property and other assets; and
- reporting any suspected breach of the Code.

Relationship with the Company

Work Environment

All employees and executives are responsible for making sure the work environment is safe, orderly and tolerant.

Harassment and Discrimination

At Precision, we treat everyone with respect and dignity. We do not condone any behavior that could be construed as harassment or discrimination of any kind, whether it is related to race, national origin, religion, age, gender (including pregnancy and childbirth), marital status, family status, sexual orientation, mental or physical disability, veteran status or any other characteristic protected under human or civil rights law.

Precision does not tolerate any form of harassment or behavior that creates a hostile work environment and intimidates or offends our employees, customers, suppliers, or other business partners.

Refer to the *Discrimination and Harassment* policy applicable to your work country for more information.

Diversity

We respect the rights and differences of others and each of us plays a critical role in creating a fair and diverse workforce. As a company with operations around the world and a highly diverse customer base, we encourage the ideas, perspectives, skills, knowledge and cultures of our employees. Precision strives to provide an inclusive workplace with equal employment and advancement opportunities for all individuals.

Alcohol and Substance Abuse

Our goal is to protect the safety, health, and well-being of our employees, our customers, and all people who come into contact with our employees and/or who use our services. The Company is committed to ensuring a substance-abuse free working environment for all our employees.

You cannot:

- Consume alcohol while working or while operating a Company-provided vehicle;
- Drink, provide or serve alcohol at any Precision location, unless the function has been approved by a member of senior management or the head of Human Resources;
- Give alcohol to anyone who is impaired or under the legal drinking age; or
- Consume, possess, sell or distribute illegal substances.

You are responsible for taking steps to prevent anyone—a colleague, customer, supplier or other guest – from driving while impaired. If someone is impaired or using illegal substances, it is your responsibility to report it to the senior manager responsible for the event, or business location. If alcohol is available at a Precision event or business location, the senior manager responsible must put procedures in place to comply with our guidelines. Refer to the *Substance Abuse* policy applicable to your work country for more information.

Criminal Record

If you are charged with a criminal offense during your employment with Precision, you must tell your manager, who in turn will inform the area Vice President, and Human Resources. You must also report it to the appropriate regulator if you are licensed for a particular skill or qualification as required by the Licensing Body. You must advise your manager how you will plead, and if you are found guilty.

Workplace Safety

We comply with all safety laws, policies and procedures to help ensure our workplace is safe. You are responsible for understanding our [Core Values](#) and [Target Zero Rules](#) and [Key Beliefs](#) and taking the necessary precautions to ensure you and others around you are safe. See specific *Health and Safety* policies and procedures if you have questions.

Expense Claims

Both corporate card and out of pocket expenses are monitored, and must comply with our [Business Expenses and Travel Policy](#) (HR32), as well as the Code and our [Anti-Bribery Anti-Corruption Policy](#) (CP6).

Purchasing Practices

Purchase of goods and services must be based on the value Precision will realize considering price, quality and service, consistent with our business standards and goals.

All purchases must follow adequate process and guidelines as outlined in our [Authority Levels Policy](#) (CP2).

Discounts

You cannot receive discounts, rebates, or any personal advantages from a supplier, for your personal purchases, unless these advantages are available to all other Precision employees.

Communications Materials

Personal use of our communication devices must not interfere with your job, and must be consistent with our [Information Systems Policies](#) and [Standard Practices](#).

Other Inappropriate Behavior

Do not compromise another person's values, such as knowingly inducing an employee of another organization to breach their own code of conduct.

Relationships in the Workplace

Make all human resources decisions based on sound management practices. Do not give any special employment considerations to a friend, relative, or someone you have a close personal relationship with, or receive any special treatment from them.

If you have a supervisory or subordinate relationship with a relative or someone you have a close personal relationship with, you must immediately report it to your manager and a Human Resources representative. A subordinate is anyone with a direct or indirect reporting relationship. We may relocate one of you or re-assign job duties if there is an actual or perceived conflict of interest.

Conflicts of Interest

A conflict of interest occurs when a personal or family interest interferes with our ability to conduct business objectively, effectively, and without bias.

You can find yourself in a conflict of interest if a personal decision or interest makes it difficult to perform your duties objectively, or it interferes or conflicts with our corporate interests.

Avoid situations that compromise or appear to compromise your ability to act in our best interests, including:

- Using our property or information, or your position, for a personal or family benefit;
- Conducting a transaction between Precision and any organization that you or a family member has an interest in;
- Influencing a decision relating to a material contract or transaction that we have or may potentially have an interest in; or

- Competing with Precision directly or indirectly, including controlling a significant interest in, serving as a director or consultant for an entity that does business with us or is a direct competitor or owning or controlling a significant interest in an entity that does business with us or is a direct competitor.

Disclose all real, potential, and perceived conflicts of interest to your manager or the Chief Compliance Officer ('CCO') or call *Ethics Point*, our confidential, anonymous hotline at 1.866.292.8632 (US, Canada, Middle East), 1.800.840.7907 (Mexico). You may also go to www.precisiondrilling.com and click the secure Ethics Point link at the bottom of the home page.

We ask all employees to disclose any actual or potential conflicts of interest when reviewing the Code and to certify your compliance each year. You have the obligation to inform your supervisor and/or a Human Resources representative as soon as you become aware of such situation.

Theft, Fraud, and Misuse

We are all obligated to protect the company's assets and ensure their careful and legitimate use. Theft, wasteful use of resources, and fraudulent activities are detrimental to Precision's goals and objectives and are prohibited. Do not steal, embezzle, or misappropriate funds or property belonging to Precision.

Non-Retaliation

Employees are encouraged to seek advice or raise concerns without fear of retaliation.

We commend employees that have the courage to raise a flag, which allows us to identify and correct problems as soon and quickly as possible. Precision is firmly committed to a policy that encourages timely disclosure of such concerns and prohibits retribution or retaliation against any employee who, in good faith, report such concerns, even if the allegation ultimately is not substantiated.

However, no individual subject to this policy will be exempt from the consequences of misconduct or inadequate performance by reporting his or her own misconduct or inadequate performance.

If you believe you or others are subject to retaliation for raising a concern, you should notify a Human Resources representative, the Legal department, the Chief Compliance Officer, or use the EthicsPoint hotline.

Audits and Investigations

Internal groups like Audit Services, Compliance, Legal, Health, Safety and Environment ('HSE'), and Human Resources may conduct investigations from time to time. You are required to cooperate with them, attend meetings as requested, and answer all questions completely and accurately. Do not obstruct or delay an investigation.

Tell the truth if you are asked questions in an investigation or legal proceeding involving us, any of our employees, or our customers. Never make untrue or misleading statements or encourage anyone else to do so. Notify Legal if you are contacted by an outside investigator, attorney, or authority.

Consistent with the law, we keep all investigations confidential.

Protecting our Assets

We believe in using Company assets for Company business, and safeguarding them from theft, loss, damage, abuse, waste, fraud, or misuse. Assets can be (a) physical such as facilities, equipment, office supplies, hardware, vehicles; (b) electronic such as software, email, voicemail, information technology; (c) information such as data, product drawings or designs, customer lists, costs, contracts; and (d) intellectual such as patents, trademarks, trade secrets, copyrights.

You are responsible for protecting our property and other assets from harm, loss or misuse. This includes company cash, time, materials, supplies, premises, equipment, records, employee information, computer resources, and information systems.

Managers have specific responsibilities for establishing and maintaining appropriate internal controls to safeguard our assets from loss and unauthorized or improper use or disposition. If you are aware of any actual or potential harm, loss or misuse of our property, report it immediately to your manager or a member of senior management.

Information Technology

Our computer networks and information resources (electronic mail, messaging systems, intranet and public website) are for company-related business.

You cannot use our computers to view, retrieve or send sexually related or pornographic material, violent or hate-related material, or bigoted, racist or other offensive messages or any other material related to illegal activities.

Be aware that information on your computer, or any of our other computer or systems, is not private. We have the right to monitor access and the content of our systems and network to protect our resources. Refer to our [Information Technology Policies](#) and [Standard Practices](#) if you have any questions.

Data and Privacy Security

During your employment at Precision, you may have access to confidential, personal or proprietary information that requires safeguarding. Data and privacy security laws safeguard information about individuals, and we respect the basic right of individuals to privacy. You must protect private information provided to us by our employees, customers, and that acquired from other third parties through our work. Do not disclose information to unauthorized persons unless it is required by law and as outlined in our [Disclosure Policy](#) (CP8).

Social Media

We recognize that the internet provides unique opportunities to listen, learn, and engage with others using Social Media (e.g. Facebook, Twitter, blogs, etc.). Keep in mind that the internet is a public place. Do not post comments on social media about our business, customers, or business partners. Refer to our [Social Media Policy](#) (CP4) for additional information.

Disclosure

You can only disclose confidential information if it is authorized under our [Disclosure Policy](#) (CP8) or [Insider Trading Policy](#) (CP11), or required by law. You must keep our information confidential even after you leave Precision or no longer have an association with us.

We issue timely, fair, and accurate disclosure of all material information to keep shareholders and the public informed of our affairs. We are required by law and the rules of the stock exchanges our shares are traded on to disclose all material information about Precision promptly – whether it is favorable or not.

If you are responsible for preparing or reviewing material information, we expect you to devote the time and attention necessary to make sure all information we disclose is accurate and complete.

Complete and Accurate Records

We must ensure transactions are recorded in accordance with the generally accepted accounting principles, and if applicable, other local or statutory principles.

You are responsible for the integrity of any reports, records and communications you work on. All entries must be true and accurate and not altered in any way, and able to withstand public scrutiny. You must not set up or operate an invalid account on our books or manipulate any internal accounts, or allow someone else to do so. This applies to any of our financial reports, sales reports, expense reports, time sheets and other reports.

Our documents and records must be maintained as described in our [Records Retention Policy](#) (CP12).

Relationship with Others

Anti-Competitive Behavior

Precision is committed to competing fairly and winning business in an ethical and legal manner by delivering High Performance High Value services. To this extent, we do not work with competitors to set prices, rig bids, or reduce competition in any way. Any kind of agreement or understanding with our competitors to restrict full and fair competition is prohibited. It is important to avoid creating even the perception that we are colluding with our competitors.

Competition laws are very complex and vary by jurisdiction. Speak to the Legal Department for advice about any situation you think could be perceived as anti-competitive.

Fair Dealing

We must not take unfair advantage of a business situation through abuse of confidential information or misrepresentation of facts. Employees and our business partners must deal fairly with our customers, suppliers, competitors, employees, and other stakeholders. Do not act dishonestly or outside reasonable commercial standards of fair dealing.

Bribery and Corruption

Precision prohibits bribes, kickbacks, and facilitation payments, whether done directly or through third parties like agents and joint venture partners. We must not offer, pay, seek, or accept a personal payment, gift or favor to gain any business advantage.

A bribe is anything of value given in exchange for an improper business advantage or to influence a business outcome. Any act of bribery or corruption, even if unintentional, is against the law and can have serious legal consequences, including enforcement proceedings and criminal charges.

Interaction with government officials, including foreign government officials, presents risks and challenges. Our policies governing dealing with government officials apply to all our employees and business partners, regardless of your/their personal location, place of business, or national origin.

Follow these rules when dealing with public officials and their spouses, family members and friends, as well as any entities that can influence government decisions or offer a business advantage:

- *Do* deal fairly and openly with public officials, regardless of their rank or position or level of government,
- *Do not* accept a bribe or inducement of any kind,
- *Do not* offer or promise bribes, gifts, excessive travel or entertainment, loans or any other form of inducement, directly or indirectly; and
- *Do not* offer or give members of the police or military special treatment.

See our [Anti-Bribery and Anti-Corruption Policy](#) (CP6) for more details. It forms part of the Code and compliance is mandatory. The Anti-Bribery and Anti-Corruption Policy is more relevant to some business units and employees depending on their roles and responsibilities, and the Compliance department runs additional training every year on ethical issues, including anti-bribery and anti-corruption, for certain groups of employees. Executive officers and directors must receive this training as part of our governance practices.

Contact the accounting manager, who is also the Compliance Steward, the CCO, the Legal or Compliance if you are not sure about something.

Gifts, Entertainment, and Travel

You can give or receive gifts that are promotional and minimal value, as long as they could not be considered a bribe or influence the outcome of a business transaction. A gift cannot be cash or readily convertible to cash (such as securities, checks or money orders).

Do not provide excessive or lavish entertainment or hospitality to a public official or third party, like an existing or potential customer, supplier, employee or others we may do business with.

Gifts of cash or cash equivalents such as gift cards, checks, or money orders are never appropriate and strictly prohibited.

Precision sponsored travel must be for the purpose of marketing our goods and services, or similar purposes. Similar to gifts and entertainment, travel must be appropriate and reasonable, approved by the appropriate level of management, and recorded accurately in our books and records.

If you are not sure whether something is acceptable, ask yourself:

- Is it consistent with accepted business standards?

- Would it be embarrassing to either party if it became public?
- Is it legal and ethically acceptable?
- Is it bona fide and considered reasonable?

Complying with Sanctions

We comply with Canadian and U.S. Department of Treasury economic sanction laws and regulations. These prohibit almost all trade and economic commercial transactions with persons or entities in certain countries as defined by the relevant authorities. These country sanction programs also impose restrictions on doing business with specific individuals or entities. See our [Sanctions Policy](#) (CP7) for more information.

Import and Export Controls

As a company operating in many international markets, we frequently move products, supplies, equipment, etc. used in our business between countries. We must comply with all import and export control laws and trade rules regulations and rules of each country with respect to these movements. See our [Trade Compliance Policy](#) (CP13) for more information.

Political Activities

Precision is politically neutral and does not engage in political activities or make political contributions. We may not use company funds or assets for political purposes. We allow lobbying on behalf of Precision's interests, but political lobbying is highly regulated.

The President and CEO must approve all requests for financial support for political organizations.

Make sure the CCO is aware of any company communication you have with government officials, including elected officials and bureaucratic staff. This does not, however, include dealings with regulators on ordinary matters (Alberta's Energy and Resources Conservation Board, Occupational Health & Safety officials and other regulators in Canada and the U.S. that interact with us in the ordinary course of business), unless their actions raise questions under this policy.

If you are involved in any personal political activities, you must do so in your own right and not on behalf of Precision.

Charitable Contributions

Precision engages in charitable giving as part of our company's outreach program in the communities where we do business, and we are proud to support and give back. However, donations cannot benefit a government official or his or her family.

Charitable contributions on behalf of Precision made outside US and Canada must all be pre-approved by Chief Compliance Officer and Senior Vice-President, Global Operations Support. Charitable contributions on behalf of Precision made in North America must all be pre-approved by Senior Vice-President, Corporate Services. If you are unsure about a charitable contribution and before making donations, seek guidance by contacting Precision's Chief Compliance Officer.

Corporate Opportunities

You have a duty to advance our business interests whenever an opportunity arises. Do not get involved in a business that may become a competitor, or acquire an interest in a business or other assets that we might reasonably be expected to have an interest in without first offering the opportunity to us.

You and your family (including your spouse, partner, or children) should not own, control or have a material financial interest in any of our suppliers, contractors or competitors, or in any business enterprise that does business with or seeks to do business with us. If there is a possibility of us having a business relationship with a relative, contact the Compliance or Legal department so they can assess the facts and judge whether it is a perceived, potential, or actual conflict of interest.

Insider Trading

Depending on your role and responsibilities, sometimes you may have access to material information about Precision that we haven't yet made available to the public.

Material information means important information a reasonable investor would want to know before buying or selling a security. Sharing this information with family members, friends or anyone inside or outside the organization unless they have a valid business reason to know is strictly prohibited. Insider trading or tipping is illegal and can result in severe consequences for you and for Precision.

See our [Insider Trading Policy](#) (CP11) to help you understand your responsibilities as an insider.

Copyrighted Material

Copyright laws provide legal protection for literary, artistic, dramatic and musical works and we can only use and reproduce copyrighted works in accordance with such laws. Examples of copyrighted work include: computer software, websites, photographs, books, manuals, drawings, newspaper articles and videos. You are responsible for ensuring that Precision has obtained the appropriate licenses or other permissions from copyright owners prior to using or reproducing a copyrighted work and for ensuring that such use or reproducing is done only in accordance with the terms of the license granted by the copyright owners. Failure to comply with these requirements may expose Precision to substantial legal claims and may subject you to disciplinary action up to and including immediate termination of employment or contract.

Intellectual Property

Unless otherwise expressly confirmed by Precision in writing, Precision owns the exclusive rights to any intellectual property that you conceive or create during your employment with Precision which is (a) related to Precision's business, or (b) conceived or created using Precision's resources. Intellectual property includes inventions, literary and artistic works that are created by you (e.g., written works, patentable inventions or industrial designs are all intellectual property). You must disclose to Precision any new inventions or other works that you create during your employment and you must provide Precision with all necessary assistance to enable us to seek legal protection for such inventions or works pursuant to applicable laws.

Reporting a Concern

You have a duty to report a violation of this Code, the law, or any rules or regulations that apply to us. There will be no retaliation if you make a report in good faith.

Reporting a concern or asking a question can be done through one of the following channels:

- Employee's direct supervisor;
- Human Resources Manager;
- CCO or any member of the Compliance group; or
- The anonymous EthicsPoint Hotline at 1-866-292-8632 for US, Canada and the Middle East, and 1-800-840-7907 for Mexico.

Concerns may also be emailed to compliance@precisiondrilling.com

Each of our channels of communication is designed to ensure that reports are handled in a confidential manner, and where permitted by law, anonymous for submitting violations of this Code.

History of This Policy

The Board approved this Policy as a governance practice on December 6, 2006.

Revision #	Date Revised	Type of Change
1	December 2006	Policy is established
2	April 2009	Updated information about the hotline
3	December 2009	Minor changes
4	May 2010	Minor changes to the scope of the policy
5	June 2010	Minor changes to reflect our conversion from an income fund to a corporate structure
6	September 2012	General update
7	February 2015	General Update
8	April 2016	Add Diversity, Social Media, Data and Privacy Security, sections, and update certain sections such Copyrighted Material, Safety Payments, Bribery and Corruption, Charitable Contributions.
9	April 2017	Clarified Non-Retaliation section, approval of charitable contributions, and minor updates

Approvals

Policy Owner

X

[See next page for signature](#)

Veronica Foley

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