



## **INSIDER TRADING POLICY**

### **Prohibition Against Insider Trading**

It is a violation of this Insider Trading Policy (this “Policy”) of Nuverra Environmental Solutions, Inc. (the “Company”) and federal and state law for any of the Company’s or its subsidiaries’ directors, officers, controllers, director-level employees, or employees in possession of material, nonpublic information about the Company (each of the foregoing, individually an “Insider” and collectively, “Insiders”), and for any contractor or consultant whom the Company’s Executive Vice President, Chief Legal Officer and Corporate Secretary (such officer or such other officer designated by the Company’s Board of Directors, the “Compliance Officer”) may designate from time to time as Insiders because such contractor or consultant has access to material, nonpublic information about the Company (as such contractor or consultant is notified by the Compliance Officer), to trade in the Company’s securities while he or she is aware of material, nonpublic information about the Company. It is also illegal and against Company Policy to communicate or tip material, nonpublic information to others so that they may trade in Company securities based on that information. This Policy applies to all securities issued by the Company, including its common stock, options or warrants to purchase common stock, restricted stock, restricted stock units and any other type of security that the Company may issue or that relate to the Company’s securities, such as notes, bonds, preferred stock, warrants, convertible securities, or other derivative securities.

### **Nonpublic Information**

Information is considered to be nonpublic until it has been effectively disclosed to the public and there has been time for the market as a whole to assimilate that information. Examples of effective disclosure include Company filings with the Securities and Exchange Commission (the “SEC”), press releases, meetings with members of the press and the public, and conference calls or webcasts that are open to the public. Even after public disclosure of information about the Company, no transactions should take place until the second full trading day after the disclosure of material information.

Nonpublic information may include:

- Information available to a select group of analysts or brokers or institutional investors;
- Undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and

- Information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (generally, two trading days as described above).

**If you are not sure whether information is considered public, you should either consult with the Compliance Officer or assume that the information is nonpublic and treat it as confidential.**

### **Material Information**

Any information that a reasonable investor would consider important in deciding whether to buy, sell or hold the Company's securities is material. There is no bright-line rule for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. Examples of some types of information that can be material include:

- Financial performance, especially quarterly and year-end earnings and significant changes in financial performance, prospects, outlook or liquidity;
- Proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements or purchases or sales of significant assets, subsidiaries or business units;
- Offerings of Company securities;
- Company projections;
- Significant planned or potential changes in the debt or capital structure;
- Stock splits, public or private securities offerings, or changes in Company dividend policies or amounts;
- The award or loss of a significant contract;
- The loss or addition of a key customer or supplier;
- Planned changes in key management; and
- Actual or threatened major litigation or the resolution of such litigation.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult with the Compliance Officer or assume that the information is material.**

## **Prohibited Transactions**

***Transactions in Company Securities.*** When an Insider knows material, nonpublic information about the Company, he or she may not:

- Trade in Company securities, i.e., purchase or sell Company securities or derivatives of Company securities (“trade”);
- Advise others to buy, hold or sell Company securities;
- Disclose the information to anyone else who might then trade (“tip”); or
- Assist anyone in any of these activities.

Transactions that may seem to be necessary or justifiable for independent reasons (such as the need to raise money for an emergency) are not an exception to the prohibition on insider trading.

***Transaction in the Securities of Other Companies.*** Insiders also may learn material, nonpublic information about other companies from time to time as a result of their jobs, positions or relationships with the Company. Prohibitions against insider trading apply equally to transactions in those companies’ securities while the Insider is in possession of their material, nonpublic information.

***Short Sales.*** Short selling is the act of borrowing securities to sell with the expectation of the price dropping and the intent of buying the securities back at a lower price to replace the borrowed securities.

Insiders, regardless of whether or not they are aware of material, nonpublic information about the Company, may not engage in short sales of the Company’s securities.

***Options Trading.*** Insiders may not buy or sell puts or calls or other derivative securities on the Company’s securities.

***Hedging Transactions.*** Insiders may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

***Trading on margin or pledging.*** Insiders may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

## **Disclosure in Periodic Filings**

The Company shall disclose in its periodic SEC filings (i.e., the applicable quarterly or annual report on Form 10-Q or Form 10-K, respectively) the use by an executive officer or director of Company stock or stock options to secure indebtedness. It is the duty of all executive officers and directors to report any such transactions in a timely manner to allow the Company to comply with its disclosure obligations hereunder. For purposes of this section, “executive officer” shall have the same meaning as set forth in Rule 3b-7 of the Securities Exchange Act of 1934.

## **Special Situations**

### ***Employee Benefit Plans.***

***Employee Stock Purchase Plans.*** The trading prohibitions and restrictions set forth in this Policy do not apply to periodic contributions by the Company or by employees to employee benefit plans, which are used to purchase Company securities pursuant to the employees' advance instructions. Employees, however, may not alter their instructions regarding the purchase or sale of Company securities in such plans, or make discretionary transfers into or out of Company securities in such plans, while in possession of material, nonpublic information.

***Stock Option Plans.*** The trading prohibitions and restrictions set forth in this Policy apply to the exercise of Company stock options only if the Insider exercising his or her stock option receives cash in lieu of shares of Company stock at the time of such exercise. Insiders who exercise their Company stock options and opt to receive only shares of Company stock are not subject to the trading prohibitions and restrictions of this Policy.

***Rule 10b5-1 Trading Plans.*** This Policy permits Insiders to trade in Company securities regardless of their awareness of material, nonpublic information if the transaction is made pursuant to a prearranged trading plan that was entered into when the Insider was not in possession of material, nonpublic information (a "Rule 10b5-1 Trading Plan"). This Policy requires Rule 10b5-1 Trading Plans to (i) be written, (ii) specify the amount of, date(s) on, and price(s) at which the securities are to be traded or establish a formula for determining such items and (iii) receive prior approval from the Compliance Officer or another designated executive officer. Rule 10b5-1 Trading Plans may not be adopted when the Insider is in possession of material, nonpublic information about the Company. Furthermore, an Insider may amend or replace his or her Rule 10b5-1 Trading Plan only during periods when trading is permitted in accordance with this Policy.

## **Additional Rules for Certain Individuals**

### ***Trading Windows for Insiders.***

Trades by directors and officers who are subject to the reporting provisions and trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended, and the underlying rules and regulations adopted by the SEC must obtain prior pre-clearance from the Compliance Officer of all trades in the Company's securities. Each pre-clearance is subject to expiration within 10 business days and must be renewed to be valid. Pre-clearance does not relieve such directors or officers of their responsibilities under insider trading laws and applicable securities laws. Such directors or officers should indicate whether he or she has effected any non-exempt "opposite way" transactions within the past six (6) months, and should be prepared to forfeit any "short swing" profit and make all required securities filings, including any Form 4 or Form 144 filings, as applicable.

Insiders may trade in Company securities only during the period beginning on the second full trading day following the Company's widespread public release of quarterly or year-end earnings, and ending at the close of trading on the fifteenth (15<sup>th</sup>) day of the third calendar month of the next fiscal quarter. The Compliance Officer may reject any trading request made by an

Insider at his or her sole and reasonable discretion. In addition, the Compliance Officer shall have the right to impose special black-out periods during which Insiders will be prohibited from buying, selling or otherwise effecting transactions in any stock or other securities of the Company or derivative securities thereof, even though the trading window would otherwise be open. The Compliance Officer would re-open the trading window at the beginning of the second trading day following the date of public disclosure of the information, or at such time as the information is no longer material.

***Hardship Cases.*** The Compliance Officer may, on a case-by-case basis, authorize trading in Company securities by Insiders outside of the applicable trading windows due to financial hardship or other hardships, but only if: (i) the Insider who wishes to trade has, at least two (2) days prior to the anticipated trade date, notified the Compliance Officer in writing of the circumstances of the hardship and the amount and nature of the proposed trade(s) and (ii) the Insider trading is not in possession of material, nonpublic information concerning the Company and has certified that fact in writing to the Company.

### **Applicability of this Policy to Family Members and Other Related Parties of Insiders**

This Policy applies not only to Insiders but also to Insiders' spouses, minor children, other relatives who live in their households and trusts and similar entities with respect to which Insiders are trustees or otherwise enjoy beneficial ownership (each, a "Related Party"). For example, (i) a Related Party may not purchase or sell Company securities while the Insider is in possession of material, nonpublic information, even if the Insider does not actually tip the Related Party regarding such information, and (ii) a Related Party is subject to the preclearance and trading window restrictions set forth in this Policy.

### **Applicability of this Policy to Former Insiders**

This Policy's prohibitions against insider trading will continue to apply to transactions in Company securities by former Insiders and their Related Parties as follows: if such person is aware of material, nonpublic information when the former Insider's employment or other relationship with the Company terminates, such person may not trade in Company securities until that information has become public or is no longer material.

### **Reporting Violations**

Any Insider who becomes aware of a violation of this Policy should report such violation to his or her supervisor or to the Compliance Officer. Any supervisor who becomes or is made aware of a violation of this Policy should report such violation to the Compliance Officer.

### **Legal Review**

Whenever an Insider has any questions about a transaction or compliance with this Policy or seeks an exception from this Policy, he or she should consult with the Compliance Officer before the transaction takes place. Although the Compliance Officer's advice should not be considered investment advice, legal advice or a guarantee that no liability will arise, all decisions made by the Compliance Officer with respect to this Policy will be final.

## **Penalties for Insider Trading**

An Insider's failure to comply with this Policy will result in an investigation by the Compliance Officer and/or the Human Resources Department into the potential violation, followed by a report to the Board of Directors concerning the results of the investigation and an assessment of the appropriate disciplinary action, including, but not limited to, potential termination, regardless of whether or not the Insider's failure to comply with this Policy results in a violation of law.

Punishment by enforcement authorities for insider trading violations can be severe. Insiders who engage in insider trading (i) could be subject to imprisonment for up to twenty (20) years (twenty-five (25) years if their actions constitute fraud), civil fines of up to three (3) times the profit gained or loss avoided through the trade, and criminal fines of up to \$5 million and (ii) may subject the Company and its managers to a civil fine of up to the greater of \$1 million or three (3) times the profit gained or loss avoided as a result of the Insider's insider trading violations and a criminal penalty of up to \$25 million. Even for violations that result in a small profit, or no profit, the SEC can seek a minimum of \$1 million from a company and/or management and supervisory personnel as control persons. In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material, nonpublic information. Tippers can be subject to the same penalties and sanctions as the tippees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction.

*Amended: October 31, 2017*