

Code of Business Conduct



Letter from the President & CEO

Dear Employee:

KLX Energy Services Holdings, Inc., together with all of its subsidiaries and entities controlled by it (referred to collectively as "KLX" or the "Company"), is an independent provider of completion, intervention and production services to the major onshore oil and gas producing regions of the United States. The Company is an industry leader and conducts its business according to high ethical standards and always strives to be in full compliance with applicable laws.

KLX's Code of Business Conduct (referred to as the "Code") is designed to strengthen the Company's environment of high ethical standards and legal compliance, and to reinforce the Company's commitment to fair, honest and ethical dealings and financial reporting. KLX's directors, officers, and employees are expected to read the Code carefully and make sure that they understand it, including the consequences of non-compliance, as well as the Code's importance to the success of the Company.

The Code cannot cover every situation that you might encounter and it is not a comprehensive rulebook. Rather, the Code is part of a broader set of procedures embodied in KLX's corporate and human resources policies, which employees, officers, and directors can find on the Company's intranet.

KLX strives for success for itself and for its valued employees, and believes that a key part of that success is for the Company and its employees to always act ethically and in compliance with applicable law.

On behalf of KLX, I would like to thank you for your hard work, dedication, and your commitment to the principals of ethical business conduct set forth in the Code.

Sincerely,



Chris Baker
President and CEO

Ethics, Integrity and Reputation are Vital to KLX's Success

KLX's success depends highly upon its reputation. The Company's reputation preserves the trust of its customers, investors, potential investors, suppliers, regulators, and the general public. Recognizing this, the Company fosters an environment founded on ethics and integrity.

Broadly stated, this means that when acting on the Company's behalf, employees, directors, and officers should always:

- Be fair and honest in all business dealings and professional relationships;
- Fairly and accurately maintain all information and financial and business records, while promptly correcting any errors that are found;
- Cooperate with all internal investigations, and internal and external audits undertaken or approved by the Company;
- Make business decisions based solely on what is in KLX's best interest without regard to personal gain;
- Faithfully comply with all applicable laws and regulations; and,
- Promptly report any actual or suspected violation of applicable law, regulation or the Code to management, the Corporate Compliance Committee, the Company's Chief Compliance Officer, or by utilizing the Company's telephone hotline, as set forth in the Code.

The Code applies to KLX's employees (including former employees who act as consultants for the Company), directors, and officers, who are expected to be guided by these broad principles in all of their business endeavors, as the Company's reputation is based on the integrity of those who act on its behalf. Additionally, those acting on the Company's behalf also must not attempt to achieve indirectly, such as through the use of intermediaries, what is prohibited by this Code. KLX encourages its vendors, suppliers, and contractors to adhere to the principles contained in the Code.



Situations & Examples

Don't I have a duty to the Company and its security holders to do everything I can to increase the Company's profitability, even by sometimes acting in ways that might not appear ethical?

You must always act ethically and abide by the spirit and letter of this Code, even if you believe that you can increase the Company's profitability by doing otherwise. KLX's longterm profitability depends on every employee acting ethically and in accordance with the Code. Unethical action by an employee can lead to the Company being exposed to exorbitant legal costs, damages and penalties, and can cause severe damage to the Company's reputation.



The Corporate Compliance Committee

The Corporate Compliance Committee, headed by the Chief Compliance Officer, oversees compliance with the Code. The Corporate Compliance Committee is ultimately responsible for administering the Code. The Corporate Compliance Committee is composed of the following Company officers:

Kefer Lehner

Chief Financial Officer
& Executive Vice
President

713-751-7553

Max Bouthillette

General Counsel, Chief
Compliance Officer, &
Executive Vice President

713-623-7117

KLX is continuously working to improve all aspects of its business, including making sure the Code is up-to-date and remains an effective tool to promote ethical business practices. As part of this continuous improvement process, the Chief Compliance Officer reports to the Audit Committee of the Board of Directors at least quarterly regarding the general effectiveness of the Code.



Duty to Report a Violation

In order for KLX to maintain its high standards of ethics, it is vital that employees both abide by the standards of conduct in the Code and that they appropriately report actual or suspected violations of the Code. If an employee knows of or suspects a problem, he or she should not remain silent. The Code provides employees with the tools to report any actual or suspected violation of the Code and to provide an open atmosphere for communicating any questions regarding ethics or compliance.

Every employee with reason to believe there has been a violation or who suspects a violation of any applicable law, rule, regulation, or this Code is required to promptly report the violation or suspected violation using the procedures outlined by the Code. Employees will not be penalized in any way or retaliated against

for making a good faith report of an actual or suspected violation of the Code or of any applicable law, rule, or regulation. Concealing, covering up, or failing to report a violation is itself a violation of the Code, and may subject an employee to appropriate discipline, up to and including termination of employment.



Situations & Examples

What should I do if I suspect that someone at work has violated the Company's standards, but I'm not sure and don't have any proof?

You need to report the matter using the procedures outlined in the Code. By waiting until you have absolute proof, you could jeopardize the Company or others that might be harmed by the suspected violation. Moreover, you should not undertake your own investigation, as this could compromise the Company's investigation – the Company will assign appropriate people to investigate the suspected violation.

What should I do if a person with authority over me in the Company asks me to do something that I think is unethical or illegal?

If you are comfortable in doing so, address your concerns with that person of authority. If you are not comfortable having that discussion, or if your concerns remain after your discussion with that person, then you need to report that person's request using the procedures outlined in the Code.

I learned that other employees might be involved in doing something that is illegal or unethical, but I'm not involved in it, and it has nothing to do with my job. Do I need to report it?

Yes. In fact, if you fail to report a suspected violation, you could be subject to discipline yourself.



How to Report a Violation or Suspected Violation

Employees should normally address actual or suspected violations of applicable law, rule, regulation, or the Code with their supervisors, who will be responsible for taking appropriate action. If employees are not comfortable doing so – for whatever reason – employees may bring their concerns directly to the Chief Compliance Officer or another member of the Corporate Compliance Committee.

As an alternative to making an in-person report to their supervisor or a member of the Corporate Compliance Committee, KLX has also set up a designated hotline so that employees can anonymously report any good faith concerns that they have. The hotline is a multi-system (internet, email or phone) reporting tool that is available 24 hours a day, 365 days of the year. You should provide enough detail so that KLX can effectively investigate your concern. You are not required to leave your name or identify yourself in any manner.

Toll-free Hotline: English 855.222.0667 / Spanish 800.216.1288

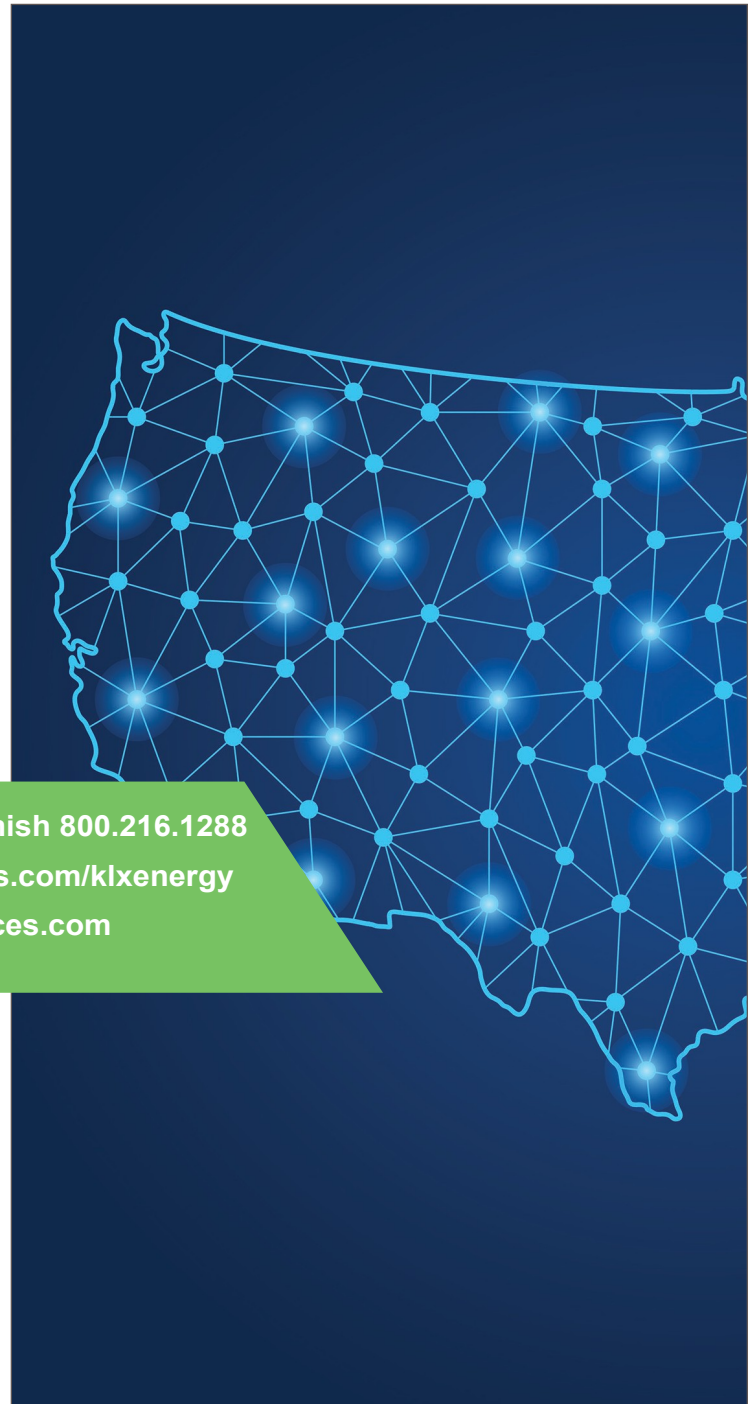
Report via Website: www.lighthouse-services.com/klxenergy

Report via E-mail: reports@lighthouse-services.com

(include KLX name in your e-mailed report)

It is important that employees follow the reporting protocols so that the Company can conduct an effective investigation and maintain the investigation's integrity. Therefore, KLX asks that employees allow the process to work and to keep their concerns within the above reporting channels while the investigation is being conducted.

Additionally, KLX welcomes questions from employees, and employees are always encouraged to ask questions and raise concerns if they are unsure about any matter concerning this Code, the law, ethics or other Company policies.



What Happens When I Report a Violation?

All reports of actual or suspected violations of applicable law, rule, regulation, or the Code will be investigated appropriately and treated confidentially to the extent practicable. KLX does not allow any persons conducting business on its behalf to do so in violation of applicable law, rule, regulation, or the Code. KLX will discipline all persons it reasonably believes to have acted in violation of this Code

after appropriate investigation and review. The nature of discipline for a violation will depend on many factors, including the severity of the violation and the person's cooperation in the investigation, and such disciplinary action may be up to and include termination of employment.

No Retaliation

KLX will not retaliate against any person who, in good faith, provides information to a Company official concerning a possible violation of any law, rule, regulation, or the Code. "Good faith" means the person reasonably believes the information that he or she provides is true. Any employee who violates this non-retaliation rule may be subject to disciplinary action, up to and including termination of employment, and may also potentially face civil, criminal and administrative penalties. Examples of retaliation include demoting, terminating, or otherwise negatively changing the terms of a person's employment. All reports will be treated confidentially to the extent possible. KLX will take all reasonable steps to keep confidential the identity of any employee reporting an actual or suspected violation. Any person attempting to stop an employee from reporting a violation or suspected violation may be subject to disciplinary action, including termination of employment, and may also potentially face civil, criminal and administrative penalties.

Investigations

In order to ensure that KLX and its representatives faithfully abide by the Code and follow all applicable laws, rules and regulations, KLX needs to conduct an appropriate and thorough investigation of all reported actual or suspected violations. Employees are required to cooperate in internal investigations by providing truthful and complete information. To the extent practical, KLX will keep participation in an investigation to a "need to know" basis in order to maintain as much confidentiality of the situation and integrity for the process.



Managers Have Additional Responsibilities

Managers at KLX are expected to be role models and to lead by example in all aspects of their work. Managers are expected to advocate the KLX values and the Code requirements, and ensure that employees are aware of these standards and the legal requirements relevant to their work. Managers should maintain a work environment that encourages open and honest communication regarding ethics and business conduct issues and concerns. Any manager that becomes aware of any actual, suspected, or potential violation must report that information to his or her own manager, or a member of the Corporate Compliance Committee as quickly as possible. Any supervisor, manager, or officer who directs, approves or condones violations of applicable law, rule, regulation or the Code, or has knowledge of them and does not act promptly to report and correct them, or permits

retaliation against those reporting such matters, will be subject to disciplinary action, up to and including termination of employment.



Situations & Examples

Once I report an actual or suspected violation, what am I expected to do?

You are required to cooperate fully in any investigation that the Company undertakes to ensure compliance with the Code and applicable law. Your cooperation includes providing truthful information to the Company regarding relevant facts that you know and, once the investigation has been initiated, following reasonable instructions and protocol provided to you by the Company, which is designed to ensure the integrity and confidentiality of the investigation. Failing to follow these instructions and protocols may hinder an investigation and therefore be a violation of the Code, even though you initially reported the violation.

What if my supervisor or managers give me different direction than the people conducting an investigation – for example, what if my supervisor tells me I need to tell him or her what I told the investigators, even though the investigators told me to keep the conversation confidential?

You are expected to follow the instructions of the people designated by the Company to investigate any allegations under this Code, and your supervisor cannot retaliate against you in any way for doing so. If your supervisor is pressuring you to do something contrary to the instructions of the investigators, you should contact the investigators and inform them of the situation.



KLX's Ethical Standards

KLX expects those covered by the Code to always adhere to both its letter and its spirit, and for them to perform all of their duties with the broad ethical principles of the Company constantly in mind. The Code provides more specific guidelines regarding some of the more likely difficult situations employees might face, but does not cover every possible situation. Specifically, the Code provides guidance on:

- Full, Fair, Accurate, Timely and Understandable Disclosure
- Confidential Information and Trade Secrets
- Conflicts of Interest
- Company Assets
- Business Relationships: Gifts and Entertainment
- Fair Dealing
- Business Transactions
- Procurement
- Political Contributions and Lobbying
- Insider Trading
- Antitrust Laws and Restrictive Trade Practices
- Boycotts
- Export Controls and Technology Transfer Restrictions
- Regulatory/Legal Inquiries

These areas of guidance were chosen, because they are heavily regulated by law or they are areas that are the most likely to present individuals with ethically challenging situations. Of course, these situations only touch upon a few of the most important U.S. laws applicable to KLX's business. Each employee should become aware of the laws, rules, regulations, policies and customs applicable to his/her activities on behalf of KLX. If a question concerning an apparent conflict of interest, or potential violation of any law or regulation arises, the employee should seek guidance from, or report the matter to, the employee's supervisor or a member of the Corporate Compliance Committee.



Full, Fair, Accurate, Timely and Understandable Disclosure

Full, fair, accurate, timely and understandable public reporting and financial disclosure is a top priority of the Company and is of paramount importance to KLX, its regulators, its security holders, and the investment community. KLX requires all of its employees to comply with all applicable laws, rules and regulations, including those that relate to reports and documents the Company submits to the Securities and Exchange Commission (the "SEC"). Likewise,

KLX's financial books are prepared and retained in accordance with applicable law and Generally Accepted Accounting Principles.

KLX maintains a system of internal accounting controls so that each transaction is subject to management's authorization. The Company does not make entries in its books and records that misrepresents, hides or disguises the true nature of any transaction.

KLX does not:

- *Establish or use any secret or off-balance sheet function or account for any purpose;*
- *Use corporate funds to establish or use any numbered bank account that is not identified by the name of the owner; or*
- *Establish or use any offshore corporate entity for any purpose other than a legitimate Company business purpose.*

KLX recognizes that record retention is just as important as record accuracy. Therefore, Company records are retained for the period of time specified by applicable law, Company policy, and business requirements. After that, such records should be disposed of, unless those records relate to a pending investigation or litigation.

KLX encourages interested investors and potential investors to see its most recent filings with the SEC for a detailed description of the Company's history, organizational structure, executive compensation, equity, subsidiaries, and audited financial statements.

Situations & Examples

I discovered that certain payments were booked as research and development expenses, even though they were actually spent for customer entertainment. The books reflect an accurate amount of total money spent, so do I need to do anything?

Yes. Despite the dollar amount being correct, these entries do not accurately and fairly reflect the Company's transactions, and the matter should be reported using the procedures outlined in the Code.



Confidential Information and Trade Secrets

Employees have a duty to protect and properly use the Company's property and its confidential information. Likewise, in order to keep and maintain the trust of our customers and business collaborators, we must protect the confidentiality of information provided to the Company. KLX requires all of its employees, consultants, and contractors to sign a Proprietary Rights Agreement in order to ensure that confidential or proprietary information and trade secrets are maintained with proper care and used only for the benefit of the Company. Additionally, KLX employees who in the course of their job are provided or receive personal

information regarding other employees are required to respect and protect that information and use it only in discharge of their job duties and as required by applicable law.



Situations & Examples

A former employee contacted me to ask about a project we worked on together at the Company. Can I help him?

No. You cannot give any non-public information about the project to your former co-worker, even if that co-worker helped to develop the information. Moreover, you must immediately report this request to your manager, Human Resources, or the Law Department, because the Company will need to ensure that the former employee is not seeking to obtain the Company's confidential information through another source or avenue.

Can I share confidential information with a consultant working with the Company?

Maybe. Before you can share any confidential information with any third-party, including third-party consultants working for the Company, you must confirm that the third-party has signed a Proprietary Rights Agreement or other non-disclosure agreement ensuring that the Company's confidential information belongs to the Company, is used only for the Company's benefit, and shall be held by the recipient in confidence. Check with the Law Department to confirm such an agreement is in place.

I received information from a customer that looks like the customer's confidential information that I should have not received. What should I do?

Just as KLX expects you to safeguard its confidential information, it expects you to do so with the confidential information of customers and all third-parties dealing with the Company. If you believe you have errantly received confidential information belonging to a third-party, which you should not have been provided, you must immediately report your receipt of the information to your manager or the Law Department so that prompt corrective action may be taken.



Conflicts of Interest

All KLX employees owe a duty to make sure that when they are acting on behalf of the Company, they are acting in the Company's best interests. This means employees must avoid situations where employees are acting – or even reasonably appear to be acting – in their personal or a third party's interest instead of the Company's; these situations are called "conflicts of interest."

A conflict of interest situation can arise when an employee puts his/her, or a third party's, interests into conflict with his/her work for KLX. Conflicts also arise when an employee, or a member of his/her immediate family, receives improper personal benefits as a result of such employee's position in KLX.

Any proposed transaction between the Company and a related party (such as an individual related to a Company employee, or his or her family) must be submitted to the Law Department for approval, together

with all information concerning the proposed transaction. In evaluating the proposed transaction, factors that may be considered include, but are not limited to, (1) whether the transaction was the product of fair dealing, taking into account the timing, initiation, structure and negotiations of the transaction, and whether the related person's interest was disclosed to the Company; (2) whether similar transaction terms would have been obtained from arm's length negotiations with a third party; and (3) the availability of other sources for comparable products or services.

Every Company employee is expected to avoid any outside activity, financial interest or relationship that presents a conflict of interest or the reasonable appearance of one.

Situations & Examples

My cousin owns a company that provides excellent service in an area where the Company uses third-party vendors. Can I hire my cousin?

Maybe. Your direct hiring of your cousin creates, at the very least, an appearance of a conflict of interest. Accordingly, you must disclose your relationship to your cousin along with all other relevant information regarding the proposed transaction to the Law Department or a member of the Corporate Compliance Committee for approval.

I want to take a second job during my off hours. Do I need to report this second job to KLX?

Yes. Outside employment may create a real or apparent conflict of interest. If you are thinking about taking a second job, you should contact Human Resources so that the Company can evaluate whether the position would create a real or apparent conflict. Moreover, while employed by the Company, an employee is prohibited from working for a competitor of the Company.



A customer or vendor asked me to invest in a new venture they are starting. Is it okay for me to do so?

No. Using your position at KLX to have a financial stake in a business owned by a customer or vendor creates the potential for unethical conduct and creates, at a minimum, the appearance of misplaced loyalties.

A piece of real estate that is available for lease is owned by a Company employee and her family. The real estate is in a great location for the Company and the rent is below market. Can I enter into the lease on behalf of the Company with the employee or her family?

Maybe. These circumstances present a potential conflict of interest with the employee, and as such, must be reported to the Law Department for approval.



Company Assets

The protection and proper use of Company assets is very important. Therefore, the use of any Company funds or equipment for any unlawful or improper purpose is prohibited, as is the theft or careless waste of assets. Any suspected incident of fraud or theft should be reported immediately using the procedures outlined in the Code. In addition, Company equipment should not be used for non-business related purposes, though incidental personal use may be permitted (such as occasional use of the Company's stationary supplies, copying facilities or telephone system when the cost to the Company is insignificant).





Business Relationships: Gifts and Entertainment

Gifts and entertainment are part of legitimate efforts to build and maintain business relationships. At the same time, however, giving or receiving gifts and entertainment may create or appear to create a conflict of interest. KLX fully recognizes the legitimate use of gifts and entertainment in our industry, but stresses that a Company representative giving or receiving gifts and entertainment must never let it interfere with that person making decisions based solely on what is in the Company's best interests, and must never offer or accept anything that might look like a bribe or kickback. Accordingly, the Company has established a set of guidelines in the Code to help employees make sure their participation in the exchange of gifts and entertainment meet KLX's commitment to ethical business practices:

- Employees are required to use sound judgment, discretion and moderation when giving or accepting gifts or entertainment while doing Company business.
- All gifts and entertainment either given or received must comply with applicable law, must not violate the giver's or receiver's policies, and must be consistent with industry and local custom and practice.
- Employees should never place anyone in a position where that person or organization feels that he/she/it must make a gift or provide entertainment or favors in order to do or continue to do business with KLX.
- With very few exceptions, gifts to or entertainment of government or quasi-government employees is prohibited. Therefore, employees must seek guidance from the Law Department if they are considering giving gifts or entertainment to such officials. In addition, it is sometimes difficult to determine whether a particular individual is a government or quasi-government employee. Consequently, if there is any doubt about an individual's government or quasi-government employment, employees must consult the Law Department.
- Any employee who has doubts or concerns about whether or not a gift or entertainment meets these guidelines should consult with the Law Department.
- Gifts received that do not meet the foregoing criteria must be returned or, if return is not practical, given to the Corporate Compliance Committee who will donate the gift to a charitable organization and inform the giver of its disposition.

Situations & Examples

You are finalizing a contract negotiation with a customer. The customer offers to negotiate a longer contract for KLX if the customer receives an all-expenses paid week-long vacation to New York. What should you do?

You cannot agree to the customer's request because the customer is soliciting an improper personal benefit. You should also immediately report this to the Law Department.



Note on Foreign Corrupt Practices Act:

KLX expects all those who do business with the Company to abide by the applicable provisions of the Foreign Corrupt Practices Act ("FCPA") and any applicable anti-corruption and anti-money laundering laws. The FCPA prohibits KLX from making a payment or giving a gift to a foreign government official, political party or candidate or public international organization ("foreign official") for purposes of obtaining or retaining business. The FCPA applies to KLX everywhere in the world it may do business. A violation occurs when a payment is made or promised to be made to a foreign official while knowing that the payment will be used to unlawfully obtain or maintain business or direct business to anyone else.

Accordingly, all employees and others doing business on KLX's behalf must consult with the Law Department before they give any gift, provide any entertainment, or give any other thing of value that is not a reasonable and bona fide promotional expenditure of KLX's products or services to any person associated with a foreign government.

Fair Dealings

Every employee should deal fairly with customers, suppliers, competitors and employees. No person may take unfair advantage of anyone through manipulation,

concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

KLX Will Not Tolerate Fraud:

As addressed in many provisions throughout the Code as well as its overarching principles, the Company will not tolerate fraud -- including intentional misrepresentation or nondisclosure with an intent to deceive -- in connection with any Company affairs. All suspected fraudulent activity must be promptly reported pursuant to the procedures outlined in the Code.

Situations & Examples

I am attending a meeting with a customer, and the customer appears to be under a mistaken understanding as to our services. Do I correct the customer, or let the customer proceed under his or her misunderstanding?

Correct the customer at the meeting, if possible. If circumstances are such that it is not possible to do so at the meeting, report the matter to your manager or a member of the Corporate Compliance Committee and ensure that the Company corrects the misunderstanding with the customer.



Business Transactions

KLX does not allow "secret" or unwritten side contracts, agreements or arrangements. Any payment or proposed payment to KLX or by KLX for goods or services must be legal, ethical, and within the letter and spirit of the Code.



Situations & Examples

I am dealing with one of the Company's customers who has a long-term contract with the Company. Due to unique circumstances, the customer has asked me to provide services under different terms than are under the contract. Can I do this?

Not without authorization. You need to inform your manager and the Law Department of the customer's request so that the Company can determine if the request can be met, and if so, whether the contract with the customer needs to be amended or modified.



Procurement

KLX purchases goods and services in accordance with all applicable laws and regulations at fair market value from qualifying providers. Purchase decisions can never be influenced or reasonably appear to be influenced by personal considerations, and must never result in employees, their friends, or their families receiving kickbacks or rebates. Any employee who is unsure whether a procurement decision appears to create a conflict of interest should disclose the situation to his or her manager or a member of the Corporate Compliance Committee.



Political Contributions and Lobbying Activities

KLX recognizes its right to lawfully lobby on behalf of issues that affect KLX and/or its security holders. The direct or indirect use of Company funds or assets for political contributions is

prohibited unless authorized by the Board of Directors. Employees are not authorized to lobby on KLX's behalf without approval from the Corporate Compliance Committee.

Situations & Examples

A local political candidate wants to host an event at a KLX facility to highlight business growth in the area. Local management believes this event can help highlight the Company's positive contributions to the area. Can we have the event hosted at the KLX facility?

Possibly. You must first seek the approval of the Law Department before the site may host the event.



Insider Trading



The laws of the U.S. prohibit buying or selling securities for personal gain based on "inside information" - information that is not public, or has been public for only a short amount of time, that a reasonable person would consider important in making investment decisions. Examples of insider information include significant contracts or proposed contracts with customers or suppliers, proposed acquisitions or divestitures by the Company, the Company's non-announced financial performance, or new product lines or services not yet announced.

The Company expects its employees to comply with all applicable insider trading laws and Company policies related thereto. KLX employees must not trade in any stock, including the stock of customers or companies with which KLX does business, or other securities on the basis of insider information. In addition, employees must not give nonpublic information to anyone else other than in the necessary course of business – in other words, do not give anyone a "tip" – as those who receive such information may improperly trade securities based thereon. In such a situation, the same rules against insider trading apply to both the employee and the other person. If you are unsure about whether something constitutes "inside information" or whether you can act upon such information, please contact the Law Department for guidance.

Situations & Examples

I learned that KLX was about to announce information (for example, the purchase of a new business unit, or the release of a new product) that could boost the Company's stock price. Before I learned this information, I had already been planning to buy more KLX stock, but I hadn't done so yet. Since I had already been planning to buy the stock, can I still do so before the Company announces the information that I learned about?

No. Even though you had been planning to buy (or sell) stock before learning about inside information, you cannot do so until the information is disclosed publicly and investors have the opportunity to absorb the information.

Part of my job with KLX involves working with a large well-known publicly traded customer. I learned through my job that the customer is planning to substantially cut a highly anticipated program, although the customer has not yet publicly disclosed this. My brother-in-law owns a lot of the customer's stock. Since the information does not involve KLX, and I will not gain personally from the information, can I warn my brother-in-law so he can sell the stock before the customer discloses its cuts?

No. Giving this non-public information to your brother-in-law violates this Code, and may be considered illegal "tipping" under insider trading laws.



Antitrust Laws and Restrictive Trade Practices

Antitrust laws are designed to protect the integrity of open and fair competition. They prohibit agreements between competitors to restrict trade, as well as practices of a single company to monopolize an industry or trade. KLX requires all of its employees to comply with all antitrust laws and regulations.

Employees making decisions for KLX need to be aware that antitrust laws and regulations can apply to almost all aspects of KLX's activities: marketing, procurement, contracting, selling, mergers and acquisitions, etc. Moreover, certain types of conduct or transactions are more likely to have potential antitrust implications, such as:

- Agreements with competitors to fix or control prices;
- Bid rigging;
- Boycotts of certain suppliers;
- Coordinating with competitors to divide up customers and/or geographic areas;
- Agreements to limit production or sale of products;
- Tying arrangements (agreements in which a seller conditions the sale of one product or service on the buyer's agreement to purchase a separate product or service);

- Exclusive dealing contracts or arrangements (arrangements in which a buyer is effectively obligated to purchase most or all products or services from one supplier, which may have antitrust implications if the arrangement potentially keeps competitors of the supplier from the market); and
- Restrictive agreements with suppliers and customers (agreements, whether formal or informal, aimed at prohibiting or minimizing competition, such as agreements between competitors to fix prices, divide markets, or allocate customers).

KLX employees must seek guidance from the Law Department any time they are contemplating entering into a contract or arrangement that might involve any of the above criteria.



Situations & Examples

A competitor asked me to divide contracts with a major customer by having KLX and the competitor take turns submitting the lower priced bid. Can I do this, as it would ensure that the Company at least got a share of business from the customer?

No. You can never divide up business with a competitor or discuss non-public pricing information with a competitor – whether that information is about KLX's pricing or the competitor's. You need to immediately cease any discussions with a competitor about non-public pricing information, terms of sales, costs, allocating or dividing business or market share, as these conversations violate the Code and may be illegal. You must also immediately report the competitor's attempt to initiate a conversation about any of these subjects to the Law Department.



Special Note on Tradeshows:

Antitrust laws are especially relevant when KLX representatives attend trade shows or association meetings, as these events present an opportunity to interact with competitors and customers. At these events, Company representatives should not discuss pricing, pricing strategy, customer allocation, agreements or understandings to limit competition, or agreements to participate in a boycott, without prior authorization from the Law Department. If any customer, potential customer, or competitor initiates a discussion regarding any of these topics, it should be reported to the Law Department as soon as possible.

Boycotts

KLX requires its employees and those acting on its behalf to comply with U.S. law prohibiting participation in international boycotts not sanctioned by the United States government.

Any employee approached to participate in a boycott must contact the Law Department as soon as possible.

Export Controls and Technology Transfers

KLX does not make sales or technology transfers that violate applicable export laws or regulations. Employees that may have to deal with exports or technology transfers must be aware that a U.S. export license may be required for the transmission of technical data and U.S. origin products to third-parties, even for oral or written disclosure to a foreign person in the U.S. Likewise, employees that may have to deal with foreign exports are expected to understand and follow Company policy and applicable export laws, rules, regulations and/or controls. If an employee is unsure about the application of export or technology transfer law, he or she should contact the Law Department.



Further, the U.S. government maintains embargos and economic sanctions against certain countries. The Office of Foreign Assets Control (“OFAC”) of the Treasury Department is the principal agency through which the U.S. government imposes economic and trade sanctions, based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. These sanctions not only may affect trade with designated countries, but also may prohibit transactions with individuals or business entities, wherever located, who or which are deemed to be owned or controlled by the designated country’s government. OFAC administers a number of different sanctions programs. The sanctions can be either comprehensive or selective, using the blocking of assets and

trade restrictions to accomplish foreign policy and national security goals. A list of Sanctions Programs is provided at www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx and an interactive Sanctions List Search Tool (allows for input of target country/business recipient) can be found at www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fuzzy_logic.aspx. Because the kind of activities that are regulated vary greatly from country to country and from time to time, it is very important that the particular sanction requirements for each country are considered closely when engaging in any transaction involving a country against which the U.S. applies economic sanctions. Employees should be aware that trade restrictions exist with these designated countries and should consult the Law Department for appropriate guidance. If employees have any questions about what can or cannot be exported, they are directed to contact the Law Department.

Regulatory/Legal Inquiries

KLX's commitment to business ethics requires that the Company work with regulators to ensure legal compliance. Accordingly, should any KLX representative receive or learn of a legal inquiry or any request for information, action, and/or records, sought by federal, state, or local regulators, that representative

must immediately refer the situation to the Law Department, unless the representative has already received from a member of the Corporate Compliance Committee express written authorization to respond to the inquiry or request.



The Code is Not Comprehensive



The Code cannot cover every situation or ethical issue employees might face, and it is not a substitute for common sense. Employees are expected to be guided not just by the exact guidelines in the Code, but by the spirit of the Code and by their own sense of what is ethical. Thus, even if a topic or situation is not covered by the Code, but seems to be wrong or unethical, employees should speak up and follow the reporting procedures described in the Code.

Employees also know that the Company has human resources, corporate, information technology, and other policies and procedures that complement the Code. Those policies are available to every employee on the Company's intranet and, like the Code, provide a framework that employees need to follow when doing business for KLX. If employees are ever in doubt, they are directed to contact the Law Department for guidance.

Waivers of The Code



Only the Board of Directors may authorize any waivers of the Code for the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Any such request for waivers must be made to the Corporate Compliance Committee, who will communicate that request to the Board of Directors. The Company will waive application of the Code only in rare circumstances, and where there is extraordinary justification for the waiver. Waivers of the Code must be disclosed by the Company as required by applicable law.

Disclaimers

KLX continuously looks to improve its operations and compliance in all areas. Accordingly, the Code may be modified without advanced notice. Additionally, the Code supersedes and replaces any prior KLX Code of Business Conduct. To the extent there are any conflicts between the Code and any other KLX policies or procedures, the language of the Code shall control. The Code was designed to be compliant with applicable law and regulation, but the Company recognizes that legal changes may occur. Therefore, to the extent any provisions of the Code conflict with applicable law or regulation, the provisions of applicable law and regulation shall apply.





KLX Energy Services Holdings, Inc.

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Acknowledgment Form – Code of Business Conduct

I hereby acknowledge receipt of KLX Energy Services Holdings, Inc.'s Code of Business Conduct (the "Code"). I further acknowledge that I have fully read and understand the Code, and I agree to abide by the terms of the Code.

I acknowledge that managers, supervisors, and other high-level employees may have additional responsibilities under the Code. I agree to reach out to the Law Department to learn if such requirements apply to me.

Signature

Name (please print)

Date