MEMORANDUM

(Effective as of March 23, 2021)

TO: **All Directors, Section 16 Officers and Other Employees of Basic Energy Services, Inc. and its Subsidiaries (collectively, the "Company") Designated by the Executive Vice President and Chief Financial Officer (the "Compliance Officer") of the Company**
FROM: **The Compliance Officer of the Company**
RE: **Supplemental Policy on Insider Trading and Compliance**

This memorandum (this "Supplemental Policy") is intended to advise you of the policies adopted by the Company to help ensure compliance by the directors, Section 16 officers[1] and other employees of the Company designated by the Compliance Officer (collectively referred to in this Supplemental Policy as "insiders") with their obligations under the federal securities laws. These obligations are described in the attached memorandum.

This Supplemental Policy is in addition to the Company's general Insider Trading Policy set forth in a separate memorandum distributed to all employees. All persons covered by this Supplemental Policy are subject to both the general Policy and this Supplemental Policy. <u>This Supplemental Policy also includes pre-clearance procedures applicable to all persons covered by the Supplemental Policy as discussed below in Section IV.A of this Supplemental Policy.</u>

I. <u>INSIDE INFORMATION</u>

During the period that material information relating to the business or affairs of the Company is unavailable to the general public, it must be kept in strict confidence. Accordingly, such "inside" or "material nonpublic" information should be discussed only with persons who have a "need to know," and should be confined to as small a group as possible. The utmost care and circumspection must be exercised at all times with respect to inside information. Thus, conversations in public places, such as elevators, restaurants, taxis and airplanes should be limited to matters that do not involve information of a sensitive or confidential nature.

This prohibition against the disclosure of inside information of the Company applies specifically, but not exclusively, to inquiries about the Company that may be made by the financial press, stockholders, investment analysts, industry participants or others in the financial community. It is important that all such communications on behalf of the Company be through an appropriately designated officer under carefully controlled circumstances (generally through the Company's Investor Relations Officer or person performing similar function). Unless you are

[1] "Section 16 officer" means the Company's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), and any other officer who performs a policy-making function or any other person who performs similar policy-making functions for the Company. Officers of the Company's subsidiaries are deemed officers of the Company if they perform such policy-making functions for the Company. If pursuant to Item 401(b) of Regulation S-K the Company identified a person as an "executive officer," it is presumed that the Board of Directors has made that judgment and that the persons who are so identified are Section 16 officers.

expressly authorized to the contrary, you should decline comment on any inquiries regarding the Company from the media, analysts, stockholders and other outsiders and refer the inquirer to the Company's Investor Relations Officer or person performing similar function. The foregoing policy is in addition to any prohibitions set forth in any confidentiality agreement you may have with the Company.

II. TRADING AND TIPPING

The federal securities laws strictly prohibit the misuse of inside information for trading purposes, and place responsibility on the Company and its controlling persons to take steps to prevent illicit insider trading. This Supplemental Policy prohibits insiders from trading or "tipping" others who may trade in the Company's securities while aware of material nonpublic information about the Company. Insiders are also prohibited from trading or tipping others who may trade in the securities of another company if they learn material nonpublic information about the other company in connection with their employment by, or relationship with, the Company. These illegal activities are commonly referred to as "insider trading." In light of its responsibilities under the securities laws, the Company has adopted the following policies regarding **your** trading in securities:

1. **Directors, officers and other employees of the Company and its subsidiaries may not buy or sell any securities of the Company while in possession of material nonpublic information regarding the Company or its subsidiaries.** Neither you nor any person affiliated with you (including family members and business entities with respect to which you are a director, officer or large stockholder) may buy or sell securities or engage in any other action to take advantage of, or pass on to others, this type of information. For purposes of this prohibition, the term "family member" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law or any adopted relative who shares the same household as an insider. This prohibition extends not only to transactions involving Company securities but also to transactions involving securities of other entities with which the Company has a relationship, including customers and entities with which the Company is engaged in discussions regarding a joint venture, merger or acquisition.

Information is "nonpublic" if it has not been previously disclosed to the general public and is otherwise not generally available to the investing public. Information is not deemed public merely because it is reflected by rumors or other unofficial statements in the marketplace. In order for information to be considered "public," it must be widely disseminated in a manner making it generally available to the investing public, and the investing public must have had time to absorb the information fully. For purposes of this prohibition, information shall not be deemed public until *at least* forty-eight (48) hours after it has been officially disseminated through a national news medium or disclosed in public filings with the Securities and Exchange Commission (the "SEC"). For example, if the Company were to make an announcement on a Monday, you should not trade in Company securities until at least Thursday. Accordingly, neither you nor any person affiliated with you may attempt to "beat the market" by trading simultaneously with, or shortly after, the official release of information.

It is important to note that the SEC takes the position that the mere fact that an insider is aware of inside information is a prohibition to trading. The SEC does not recognize the defense that a transaction occurred without the use of inside information. Accordingly, transactions that may be necessary or justifiable to you for independent reasons (e.g., the need to raise money for an emergency expenditure) are neither an exception to our policy nor a safeguard against prosecution for violations of insider trading laws.

2. **Insiders may not buy or sell any securities of the Company during any quarterly blackout period, interim blackout period or event-specific blackout period.** The announcement of the Company's quarterly earnings almost always has the potential to have a material effect on the market for the Company's securities. For that reason, neither you nor anyone affiliated with you may buy or sell Company securities during the period ***beginning*** at the close of market two weeks before the end of each fiscal quarter and ***ending*** forty-eight (48) hours after the Company issues its earnings release for that period.

Furthermore, the Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, public SEC filing or other means designed to achieve widespread dissemination of the information. The existence of an "interim" blackout period will be communicated to you. You should anticipate that transactions are unlikely to be pre-cleared while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

On occasion, a material event may occur that is known by only a few directors, officers and other employees, such as a potential significant business combination. As long as the event remains material and nonpublic, neither you nor anyone affiliated with you may trade in the Company's securities. The existence of such an "event-specific" blackout period will not be announced, other than to those who are aware of the event giving rise to the blackout period. The Company will notify subject persons when the blackout period begins and when it concludes. If, however, a person whose transactions are subject to pre-clearance requests permission to trade in the Company's securities during an event-specific blackout period, the Compliance Officer will inform them of the existence of the blackout period without disclosing the reason for the blackout. Any person aware or made aware of the existence of an event-specific blackout period may not disclose the existence of the blackout to any other person. The failure of the Compliance Officer to designate an insider as being subject to an event-specific blackout period will not relieve that person of the obligation not to trade while aware of material nonpublic information. The Company also requires that all trades by directors, Section 16 officers and other employees of the Company designated by the Compliance Officer be pre-cleared with the Compliance Officer as discussed below.

If, during a quarterly blackout period, you have an unexpected and urgent need to sell Company securities in order to generate cash, you may, under appropriate circumstances, be permitted to sell Company securities during the blackout period. Such a "hardship exception" may be granted only by the Compliance Officer and must be requested at least five (5) business days in advance of the proposed transaction. A hardship exception may be granted only if the Compliance Officer, in his or her sole discretion, concludes that you are not in possession of material nonpublic information. Under no circumstance will a hardship exception be granted during an event-specific blackout period.

3. **Insiders may not communicate material nonpublic information to other persons prior to its public disclosure and dissemination (unless under circumstances where trading protections exist).** In order to avoid "tipping" inside information to others in violation of the law, you must exercise care both when speaking with other Company personnel who do not have a "need to know," and when communicating with family, friends and other persons not associated with the Company. You are prohibited from making recommendations (based on material nonpublic information) about buying or selling the securities of the Company or other entities with which it has a relationship. "Tippers" may be liable for improper transactions by the "tippees" to whom they have disclosed material nonpublic information and would be subject to the same penalties and sanctions as those applicable to the tippees.

4. **Insiders may not trade in Company securities after termination of service with the Company if they are aware of material nonpublic information.** If you are aware of material nonpublic information when you terminate service as a director, officer or other employee of the Company, you may not trade in the Company's securities until that information has become public or is no longer material. In all other respects, the procedures and prohibitions set forth above regarding trading while in possession of material nonpublic information will cease to apply to your transactions in Company securities upon the expiration of any blackout period applicable to your transactions at the time of your termination of service.

5. **Insiders are prohibited from engaging in speculation with respect to, or hedging or pledging, Company securities.** To promote compliance with the federal securities laws and the applicable policies and procedures of the Company, you should view all of your transactions in Company securities as involving investment decisions and not speculation. Certain forms of hedging or monetization transactions (such as zero-cost collars and forward sale contracts) could allow you to lock in much of the value of your stock holdings without regard to future stock price movement. Any such activity could be viewed as speculation and could result in you having different objectives from other stockholders. These transactions would allow you to continue to own Company securities, but without the full risks and rewards of ownership. In order to avoid the appearance that you are speculating in the Company's securities, hedging transactions and "in-and-out trading" involving holding of the Company's securities for brief periods is prohibited, and for directors and Section 16 officers may result in confiscation of any profit realized pursuant to the "short-swing" profit provisions of the federal securities laws. In addition, you may not engage in short sales or "sales against the box" of the Company's securities, which are legally prohibited for insiders of the Company in all events. Further, Company securities pledged (or hypothecated) as collateral for a loan, or placed in a margin account, may be sold or otherwise disposed of if you default on the loan or are unable to make a margin call. This could occur at a time when you are aware of material nonpublic information or otherwise not permitted to trade in Company securities. Accordingly, you are prohibited from pledging (or hypothecating) Company securities or placing Company securities in a margin account.

6. **Directors and Section 16 officers generally may only resell Company shares on the open market pursuant to Rule 144.** Rule 144 requires compliance with a number of technical and complicated requirements. Accordingly, as a matter of Company policy, directors and Section 16 officers should consult with the Company's Compliance Officer before attempting to sell shares under Rule 144.

7. **Insiders may receive shares of common stock upon the conversion of restricted stock units and the exercise of stock options for cash.** For purposes of our Insider Trading Policy, the Company considers that the conversion of restricted stock units and the exercise of stock options for cash pursuant to the Company's equity compensation plans (but not (1) the sale of any shares of common stock issued upon such conversion or exercise or (2) a net settlement or a cashless exercise as this is accomplished by the sale of a portion of the shares of common stock issued upon such conversion or exercise) is exempt from our Insider Trading Policy since the other party to the transaction is the Company itself and the price does not vary with the market but is fixed by the terms of the award agreement or the plan.

III. REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires directors, Section 16 officers and ten percent (10%) owners of the Company ("insiders") to file reports on Forms 3, 4 and 5, as appropriate, to report their transactions and holdings involving equity securities of the Company. Form 3 is a report of initial holdings, Form 4 reports changes to holdings and Form 5 is an annual report of holdings. Although the preparation and filing of these reports legally are the sole responsibility of the insiders, the Company recognizes that the reporting requirements are complex and that mistakes can result in disclosures that are embarrassing to you and the Company. Accordingly, at your request, the Company will assist you in making these filings, and has established the following procedures for doing so:

A. Section 16 Filings

The Compliance Officer of the Company will assist or arrange for assistance to all insiders who request assistance in the preparation and filing of their Form 3 reports, Form 4 reports, which generally must be filed within two (2) business days after consummation of the transaction, and Form 5 reports. The Compliance Officer will be available to answer any questions regarding compliance with Section 16.

B. Power of Attorney

Attached as Appendix A hereto is a power of attorney that gives the Compliance Officer, the Company's counsel and other persons at the Company the authority to sign Forms 3, 4 and 5 on your behalf. If you request the Company's assistance with your Section 16 filings, please sign the power of attorney and provide it to the Compliance Officer immediately.

C. Pre-Clearance Procedures

As further discussed below in Section IV.A of this Supplemental Policy, the Company has instituted pre-clearance procedures to prevent inadvertent violations of the federal securities laws.

IV. SHORT-SWING PROFIT PROVISIONS

Insiders will be held liable for any "short- swing profits" under Section 16(b) of the Exchange Act resulting from any combination of purchase and sale, or sale and purchase, of the Company's equity securities within a period of less than six (6) months. Section 16(b) imposes strict liability and any violation is treated mechanically, irrespective of any intention behind the

sale and purchase. For this purpose, transactions in common stock, and derivatives, including, but not limited to, options to purchase or sell common stock, are "matchable" with one another. To help minimize inadvertent violations, the following Section 16(b) protective procedures will apply.

A. Pre-Clearance of Transactions Involving Company Securities

To help prevent inadvertent violations of the federal securities laws and to avoid the appearance of trading on inside information, **you, together with family members, may not engage in any transaction involving Company securities (including a stock plan transaction such as an option exercise, gift, loan or pledge or hedge, contribution to a trust, or any other transfer) without first obtaining pre-clearance of the transaction from the Compliance Officer.**

A request for pre-clearance should be submitted to the Compliance Officer at least three (3) business days in advance of the proposed transaction. You may give written notice by contacting the Compliance Officer directly with the particulars of your proposed transaction involving the Company's securities. Upon receipt of such notice, the Company's executives will confer (possibly with outside counsel) and determine whether material nonpublic information exists that could be the basis for possible insider trading violations. The Compliance Officer will then notify you of their determination. In addition, for Section 16 Officers and directors, the Compliance Officer or the Company's counsel can review with you any potentially matchable transactions you may have engaged in within the preceding six (6) months, as well as possible matching transactions within the coming six (6) months. The Compliance Officer is under no obligation to approve a trade submitted for pre-clearance, and may determine not to permit the trade.

The importance of pre-clearing your transactions from a regulatory perspective cannot be overemphasized due to the sanctions and the embarrassment that can result from a failure to comply with applicable securities law provisions. A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided. It shall be a violation of the Company's Insider Trading Policy to trade in the Company's securities without first obtaining pre-clearance from the Compliance Officer or in contravention of the views of the Compliance Officer that material nonpublic information does exist.

The Compliance Officer himself may not trade in Company securities unless the Company's Chairman of the Board of Directors or President has approved the trade(s) in accordance with the procedures set forth in this Supplemental Policy.

B. Pre-Clearance of 10b5-1 Plans

SEC Rule 10b5-1 provides an affirmative defense against an allegation of insider trading liability. If you wish to implement a trading plan under SEC Rule 10b5-1, the Company requires that you first pre-clear the trading plan with the Compliance Officer. As required by Rule 10b5-1, you may enter into a trading plan only when you are not in possession of material nonpublic information. Furthermore, you may not enter into a Rule 10b5-1 trading plan during a blackout

period. Under a Rule 10b5-1 trading plan, Company securities may be purchased or sold by an independent third party such as a broker without regard to certain insider trading restrictions. *The Company strongly recommends that a person seeking to adopt a trading plan consult an attorney prior to the adoption of a trading plan. The Company does not undertake any obligation to ensure that a trading plan filed with the Company complies with Rule 10b5-1.*

V. COMPLIANCE OFFICER

The Company has appointed the Company's Compliance Officer as the Company's Insider Trading Compliance Officer. The duties of the Compliance Officer include, but are not limited to, the following:

1. Pre-clearing all transactions involving the Company's securities by insiders in order to determine compliance with the Company's Insider Trading Policy, insider trading laws, Section 16 and Rule 144.

2. Upon request, assisting in the preparation and filing of Section 16 reports (Forms 3, 4 and 5) for directors and Section 16 officers.

3. Serving as the designated recipient at the Company of copies of reports filed with the SEC by directors and Section 16 officers under Section 16 of the Exchange Act.

4. Distributing quarterly reminders of the dates that the trading window described above opens and closes.

5. Performing periodic cross-checks of available materials, which may include Forms 3, 4 and 5, Form 144, director and officer questionnaires, and reports received from the Company's stock administrator and transfer agent, to determine trading activity by officers, directors and others who have, or may have, access to inside information.

6. Circulating the Company's Insider Trading Policy (and/or a summary thereof) to all employees, including Section 16 officers, on an annual basis, and providing such Insider Trading Policy and other appropriate materials to new officers, directors and others who have, or may have, access to inside information.

7. Assisting the Company in implementing its Insider Trading Policy.

8. Coordinating with Company counsel regarding compliance activities with respect to Rule 144 requirements and regarding changing requirements and recommendations for compliance with Section 16 of the Exchange Act and insider trading laws to ensure that the Company's Insider Trading Policy is amended as necessary to comply with such requirements.

9. Coordinating implementation of trading plans adopted in compliance with Rule 10b5-1 of the Exchange Act.

VI. COMPANY ASSISTANCE AND CERTIFICATION

If you have any questions with respect to this Supplemental Policy or the Insider Trading Policy, please contact the Compliance Officer for additional guidance. To ensure compliance with the Company's Insider Trading Policy, you must certify your understanding of, and intent to comply with, the Company's Insider Trading Policy, including the procedures set forth in this Supplemental Policy. Please return the enclosed certification to the Compliance Officer immediately.

VII. DISCIPLINE

Violations of the Company's Insider Trading Policy, including the procedures set forth in this Supplemental Policy, are subject to disciplinary action, up to and including termination of your employment, whether or not you have violated federal securities laws.

Appendix A

POWER OF ATTORNEY
FOR EXECUTING FORM ID, FORM 3, FORM 4 AND FORM 5,
FORM 144 AND SCHEDULE 13D AND 13G

The undersigned hereby constitutes and appoints each of _____ and _____ with full power of substitution, as the undersigned's true and lawful attorney-in-fact to:

1. Prepare, execute in the undersigned's name and on the undersigned's behalf, and submit to the U.S. Securities and Exchange Commission (the "SEC") a Form ID, including amendments thereto, and any other documents necessary or appropriate to obtain codes and passwords enabling the undersigned to make electronic filings with the SEC of reports required by Section 16(a) of the Securities Exchange Act of 1934 or any rule or regulation of the SEC;
2. Execute for and on behalf of the undersigned (a) any Form 3, Form 4 and Form 5 (including amendments thereto) in accordance with Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (b) Form 144, (c) Schedule 13D and Schedule 13G (including amendments thereto) in accordance with Sections 13(d) and 13(g) of the Exchange Act, and (d) any joint filing agreement in connection with the preceding clauses (a)-(c);
3. Do and perform any and all acts for and on behalf of the undersigned that may be necessary or desirable to complete and execute any Form ID, Form 3, Form 4, Form 5, Form 144, Schedule 13D or Schedule 13G (including amendments thereto) and timely file the forms or schedules with the SEC and any stock exchange or the OTC Markets Group, self-regulatory association or any other authority, and provide a copy as required by law or advisable to such persons as the attorney-in-fact deems appropriate; and
4. Take any other action in connection with the foregoing that, in the opinion of the attorney-in-fact, may be of benefit to, in the best interest of or legally required of the undersigned, it being understood that the documents executed by the attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in the form and shall contain the terms and conditions as the attorney-in-fact may approve in the attorney-in-fact's discretion.

The undersigned hereby grants to the attorney-in-fact full power and authority to do and perform all and every act requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that the attorney-in-fact shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers granted herein.

This Power of Attorney shall remain in full force and effect until the undersigned revokes this Power of Attorney in a signed writing delivered to the attorney-in-fact. This Power of Attorney does not revoke any other power of attorney that the undersigned has previously granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this ____ day of _____, 202__.

Name: _____

Title: _____

Signature: _____

Appendix B

CERTIFICATION

I certify that I have read and understand, and agree to comply in full with, (1) the Insider Trading Policy and (2) the Supplemental Policy on Insider Trading and Compliance for Directors, Section 16 Officers and Other Employees of the Company and its Subsidiaries Designated by the Compliance Officer (collectively, the "Insider Trading Policies"), copies of which were distributed with this certification. I understand that the Company's Insider Trading Compliance Officer is available to answer any questions regarding the Insider Trading Policies.

Date:_____ Signature:_____

Name:_____
(Please Print)