



**C&J ENERGY SERVICES, INC.**  
**COMPLIANCE REPORTING POLICY AND PROCEDURES**  
**(Amended and Adopted as of December 14, 2017)**

**I. Statement of Principles**

C&J Energy Services, Inc. (collectively with its subsidiaries and affiliates, “C&J” or the “Company”) is committed to the highest standards of ethical and legal business conduct and compliance with applicable laws, rules and regulations. In keeping with this commitment and the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the U.S. Securities and Exchange Commission, the Company’s Board of Directors (the “Board”) has adopted this Compliance Reporting Policy and Procedures (this “*Compliance Reporting Policy*”) and established the included procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding (a) financial reporting, accounting, disclosure controls and procedures and internal controls over financial reporting, or auditing matters (“*Accounting Matters*”), (b) potential violations of the laws, rules and regulations that govern C&J’s business or of the Company’s codes, standards, policies and procedures (“*Compliance Matters*”), and (c) any other activities which otherwise may amount to unethical or improper conduct (“*Ethical Matters*”), and (ii) the confidential and anonymous submission by its stakeholders (including employees, contractors, agents, representatives, customers, suppliers and other affiliates) of concerns regarding questionable or potentially questionable Accounting Matters, Compliance Matters and Ethical Matters.

**It is the responsibility of each director, officer and employee to promptly report concerns regarding Accounting Matters, Compliance Matters and Ethical Matters to the Company, which may be done using the reporting procedures outlined in this Compliance Reporting Policy.**

Pursuant to C&J’s Corporate Code of Business Conduct and Ethics and this Compliance Reporting Policy, any director, officer, employee, contractor, agent, representative, vendor, supplier, contractor or other affiliate of the Company may submit a good faith complaint regarding Accounting Matters, Compliance Matters or Ethical Matters to the Board, management team or Legal Department without fear of dismissal or retaliation of any kind.

**II. Scope of Matters Covered by this Compliance Reporting Policy**

The reporting procedures outlined in this Compliance Reporting Policy are intended to be used for concerns regarding Accounting Matters, Compliance Matters and Ethical Matters, including, without limitation, the following:

- Fraud, misrepresentation or deliberate error in the preparation, evaluation, review or audit of any of the Company’s financial statements;
- Fraud, misrepresentation or deliberate error in the recording and maintaining of the Company’s financial records;
- Material misrepresentation or deliberate error in the Company’s public disclosures;
- Deficiencies in or noncompliance with the Company’s internal accounting controls;

- Misrepresentation or a false statement to or by a senior officer or accountant regarding a matter contained in the Company’s financial records, financial statements or audit reports;
- Deviation from full and fair reporting of the Company’s financial condition;
- Any other financial improprieties or irregularities;
- Violations of:
  - Applicable laws, rules and regulations;
  - The rules of the New York Stock Exchange applicable to domestic listed companies;
  - C&J’s Financial Code of Ethics,
  - C&J’s Corporate Code of Business Conduct and Ethics;
  - C&J’s Related Persons Transactions Policy;
  - C&J’s Insider Trading Policy;
  - C&J’s Short-Swing Trading and Reporting Policy;
  - C&J’s Corporate Governance Guidelines;
- Dangers to public health or safety; and
- Otherwise unethical business conduct.

The Audit Committee of the Board (the “*Audit Committee*”), in consultation with the Company’s General Counsel as appropriate, oversees treatment of any reported concerns regarding Accounting Matters. The Company’s Legal department (specifically, the General Counsel and such person’s designee) oversees treatment of any reported concerns regarding Compliance Matters or Ethical Matters, and will report directly to the Board as appropriate and necessary.

Any questions or concerns about Accounting Matters, Compliance Matters and Ethical Matters, including whether any particular circumstance may impact the Company’s compliance with legal and regulatory requirements, as well as with the Company’s ethical standards and significant corporate policies, procedures and practices, should be directed to the Company’s General Counsel. Frequently, if not always, legal difficulties and other compliance concerns can be minimized or eliminated if addressed to and by legal counsel at the earliest possible stage.

With respect to employment-related matters, health / safety / environmental matters, or other matters outside the scope of this Compliance Reporting Policy, any questions or concerns should be reported through the normal channels established by the Company (detailed in the C&J Employee Handbook) to the employee’s management team following the chain of command, and/or HR representative (or another member of the HR department), and/or HSE representative (or another member of the HSE department),

as appropriate. If an employee is not satisfied with the response or is uncomfortable following the chain of command, the concern may be raised to the Company's Legal department.

### III. Compliance Reporting Procedures

The Company has established an anonymous, confidential reporting hotline, administered by an independent third-party provider, for the purpose of enabling concerned parties to anonymously report concerns regarding Accounting Matters, Compliance Matters and Ethical Matters. Reports may be submitted to the hotline online at <https://cjenergy.ethicspoint.com> or via telephone at (U.S. & Canada (Toll Free)) 1-844-472-2438 (international phone lines are also available), both on an anonymous basis. Additional information on how to access the Company's hotline is available on the Company's website, [www.cjenergy.com](http://www.cjenergy.com), and also on the Company's employee intranet portal.

**Accounting Matters.** Any questions, concerns or complaints relating to questionable Accounting Matters should be promptly reported to the Chairman of the Audit Committee and the Company's General Counsel via the following methods:

- Mail:

C&J Energy Services, Inc.  
3990 Rogerdale Road  
Houston, Texas 77042  
Attention: Audit Committee Chairman

- Whistleblower Hotline: anonymous, confidential and available 24/7 online at [www.cjenergy.ethicspoint.com](http://www.cjenergy.ethicspoint.com) or via telephone at (U.S. & Canada (Toll Free)) 1-844-472-2438 (international phone lines are also available)
- Email: [Compliance@cjes.com](mailto:Compliance@cjes.com)

**Compliance or Ethical Matters.** Any questions, concerns or complaints relating to questionable Compliance Matters or Ethical Matters should be promptly reported to the Company's General Counsel at the address below:

- Mail:

C&J Energy Services, Inc.  
3990 Rogerdale Road  
Houston, Texas 77042  
Attention: General Counsel

- Whistleblower Hotline: anonymous, confidential and available 24/7 online at <https://cjenergy.tnwreports.com> or via telephone at (U.S. & Canada (Toll Free)) 1-844-472-2438 (international phone lines are also available)
- Email: [Compliance@cjes.com](mailto:Compliance@cjes.com)

**All concerns regarding Accounting Matters, Compliance Matters or Ethical Matters should be promptly reported. You do not need to have all relevant facts to make a report.**

#### **IV. Treatment of Complaints**

The action taken by the Company in response to a report of concern under this Compliance Reporting Policy will depend on the nature of the concern. Upon receipt of a complaint, the Audit Committee Chairman or the Company's General Counsel, or their designee, as applicable, will (1) determine whether the complaint actually pertains to Accounting Matters, Compliance Matters or Ethical Matters and (2) when possible, acknowledge receipt of the complaint to the sender.

Complaints relating to Accounting Matters will be reviewed under the Audit Committee's oversight by the Company's General Counsel, internal audit department or such other persons as the Audit Committee determines to be appropriate. Complaints relating to Compliance Matters or Ethical Matters will be reviewed by the Company's General Counsel or such other persons as the General Counsel determines to be appropriate. The Company's General Counsel will report directly to the Board as necessary and appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation. The amount of contact between the complainant and the person or persons investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from or provided to the person reporting the concern. The earlier a concern is expressed, the easier it is to take action.

Harassment or retaliation of any kind for reporting concerns under this Compliance Reporting Policy will not be tolerated. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of the employee with respect to good faith reporting of complaints regarding Accounting Matters or Compliance or Ethical Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002. However, allegations in bad faith may result in disciplinary action.

#### **V. Reporting and Retention of Complaints and Investigations**

The Company's General Counsel (or such person's designee) maintains a log of all complaints relating to Accounting Matters, Compliance Matters and Ethical Matters, tracking their receipt, investigation and resolution and provides a periodic summary report to the Audit Committee. Copies of the complaints and the log will be maintained in accordance with the Company's document retention policy, which is set forth in the Company's Corporate Code of Business Conduct and Ethics.

#### **VI. Reporting Complaints to Governmental Agency**

All employees have the right to:

- Report possible violations of state or federal law or regulation that have occurred, are occurring, or are about to occur to any governmental agency or entity, or self-regulatory organization;
- Cooperate voluntarily with, or respond to any inquiry from, or provide testimony before any self-regulatory organization or any other federal, state or local regulatory or law enforcement authority;

- Make reports or disclosures to law enforcement or a regulatory authority without prior notice to, or authorization from, the Company; and
- Respond truthfully to a valid subpoena.

Every employee has the right to not be retaliated against for reporting, either internally to the Company or to any governmental agency or entity or self-regulatory organization, information which he or she reasonably believes relates to a possible violation of law. It is a violation of federal law to retaliate against anyone who has reported such potential misconduct either internally or to any governmental agency or entity or self-regulatory organization. Retaliatory conduct includes discharge, demotion, suspension, threats, harassment, and any other manner of discrimination in the terms and conditions of employment because of any lawful act the employee may have performed. It is unlawful for the Company to retaliate against an employee for reporting possible misconduct either internally or to any governmental agency or entity or self-regulatory organization. In addition, the Company takes claims of retaliation seriously, and will investigate allegations of retaliation; anyone found responsible for retaliating against an employee who made a good faith report will be subject to disciplinary action, up to and including termination of employment and possible legal action.

Notwithstanding anything contained in this policy or otherwise, an employee may disclose confidential Company information, including the existence and terms of any confidential agreements between the employee and the Company (including employment or severance agreements), to any governmental agency or entity or self-regulatory organization.

The Company cannot require an employee to withdraw reports or filings alleging possible violations of federal, state or local law or regulation, and may not offer an employee any kind of inducement, including payment, to do so.

An employee's rights and remedies as a whistleblower protected under applicable whistleblower laws, including a monetary award, if any, may not be waived by any agreement, policy form, or condition of employment, including by a predispute arbitration agreement.

Even if an employee has participated in a possible violation of law, he or she may be eligible to participate in the confidentiality and retaliation protections afforded under applicable whistleblower laws, and may also be eligible to receive an award under such laws.

## **VII. Amendments**

The Audit Committee may amend these procedures at any time, consistent with the Company's Bylaws and requirements of applicable laws, rules and regulations.

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*This document states a policy of C&J Energy Services, Inc. and is not intended to be regarded as the rendering of legal advice.*