



## **INSIDER TRADING POLICY** **(Adopted as of May 31, 2019)**

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This policy is to confirm and formalize the Company's policy and procedures regarding trading in Hi-Crush Inc. (the "Company") securities, including common stock. This policy applies to all directors, officers and employees working for or on behalf of the Company. Certain provisions of this policy imposes special additional trading restrictions and applies to all Company directors and officers and those persons listed on Appendix A (collectively, "Covered Persons"). The responsibilities summarized in this policy arise because the Company is publicly owned, and it is important that all Company directors, officers and employees be familiar with and act in a manner consistent with this policy.

### **Overview of the Insider Trading Prohibition**

Under the federal securities laws, it is unlawful for a person to buy or sell a company's securities while in possession of material, nonpublic information. It does not matter that the information is not "used" in deciding to make the trade; simply knowing the information when trading can be sufficient to violate the law. In addition, a person can be liable for disclosing this type of information to third parties (often referred to as "tipping") who then trade in the securities, even though the disclosing person does not engage in any securities transaction or profit from the third party's trade.

**What is "material" information?** There is no statutory definition of what type of information is "material." Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would consider important in deciding whether to purchase or sell a security. By way of example, information that could be "material" includes annual and quarterly financial information; negotiations or agreements regarding significant acquisitions, mergers or dispositions; significant developments in major litigation; a change in distribution policy; developments concerning significant potential liabilities; changes in senior management; or obtaining or losing a major contract or customer. Material information may be either positive or negative, and it may consist of information about a customer, supplier or other company that is confidential and obtained in the course of employment with the Company. Material information is not limited to historical facts but may also include projections and forecasts and future events, such as a merger, acquisition or introduction of a new service or product.

**What is "nonpublic" information?** In general, information is "nonpublic" until it is widely disseminated in a manner making it generally available to the investing public, which can occur by the issuance of a press release or disclosure in a document filed with the Securities and Exchange Commission ("SEC"). The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Generally, one should allow two full trading days following publication as a reasonable waiting period before information is deemed "public."

**What are the possible penalties?** Penalties for trading on or communicating material non-public information can be severe and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this policy is absolutely mandatory.

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A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material non-public information can be sentenced to a substantial jail term and required to pay a penalty of several times the amount of profits gained or losses avoided. In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material non-public information. Tippees 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. The SEC can also seek substantial penalties from any person who, at the time of an insider trading violation directly or indirectly controlled the person who committed such violation, which would apply to the Company and/or management and supervisory personnel. Individuals who engage in insider trading also may be liable to other purchasers or sellers of securities.

Employees who violate this policy also may be subject to disciplinary action by the Company, including dismissal for cause.

### **Company Policy against Insider Trading**

This policy applies to all transactions in the Company's securities, including common stock, restricted stock, options and any other securities that the Company may issue, such as notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company.

- a) No Company director, officer or employee may purchase or sell any Company security, whether or not issued by the Company, while in possession of material non-public information about the Company.
- b) No Company director, officer or employee who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends, who does not have a legitimate Company-related need for the information.
- c) In addition, no Company director, officer or employee may purchase or sell any security of any other company (including, but not limited to, the Company's customers or suppliers) while in possession of material non-public information about that company that was obtained in the course of his or her involvement with the Company. No Company director, officer or employee who knows of any such material non-public information may communicate that information to any other person, including family and friends.
- d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and non-public unless you first consult with, and obtain the advance approval of, the General Counsel.
- e) This policy covers family members of Company directors, officers and employees as well as others living in the same household, and any legal entities that any such director, officer or employee may be deemed to directly or indirectly control. Such directors, officers and employees are responsible for ensuring that these individuals and entities also comply with this policy. Transactions that a person subject to this policy may independently consider necessary

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(for example, to meet an emergency cash need) are not exceptions to this policy. Common stock held indirectly by an employee in the Company's 401(k) plan are covered by this policy.

### Procedures for Securities Transactions by Covered Persons

#### **Pre-clearance for trades by Covered Persons**

- a) Because Covered Persons are likely to obtain material non-public information on a regular basis, the Company requires all such persons to refrain from trading, even when no blackout period is in place, without first pre-clearing all transactions in the Company's securities.
- b) Subject to the exemptions in subsection d) below, no Covered Person may, directly or indirectly, purchase or sell any Company security at any time without first obtaining prior approval from the General Counsel (or in the case of a transaction by the General Counsel, approval from the Chief Financial Officer). These procedures also apply to transactions by such person's family members as well as others living in the same household and any legal entities that such person may be deemed to directly or indirectly control.
- c) The General Counsel shall record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading two business days following the day on which it was granted. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested.
- d) Pre-clearance is not required for purchases and sales of securities under an approved 10b5-1 Plan. Pre-clearance is also not required for the exercise of an option, but only if no common shares are sold in the open market in connection with the exercise.
- e) These pre-clearance procedures apply to all trades, purchases or sales of the Company's securities including any transfer, gift, pledge or loan of Company securities and any transfer of common shares within the Company's 401(k) plan.

#### **Blackout Periods and Trading Window**

- a) Quarterly Blackout periods. Trading in the Company's securities is prohibited during the quarterly blackout period commencing on the **10<sup>th</sup> calendar day** prior to the end of each fiscal quarter and extending until the completion of **two full trading days after the release** of the Company's quarterly or annual earnings for the applicable period. During the blackout periods, Covered Persons generally possess or are presumed to possess material non-public information about the Company's financial results.
- b) Other Blackout Periods. From time to time, other types of material non-public information regarding the Company (such as negotiation of mergers, acquisitions or dispositions or new product developments) may be pending and not be publicly disclosed. While such material non-public information is pending, the Company may impose special blackout periods during which Covered Persons and select others are prohibited from trading in the Company's securities. If

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the Company imposes a special blackout period, it will notify the Covered Persons and others affected.

- c) *Trading Window.* Assuming pre-clearance, Covered Persons are permitted to trade in Company securities when no blackout period is in effect. Generally this means that Covered Persons can trade during the period beginning on the third full trading day after the Company publicly releases quarterly or annual financial results and ending when the next quarterly blackout period begins (i.e., the 10<sup>th</sup> day prior to the end of the fiscal quarter). However, the ability of a Covered Person to engage in transactions in Company securities during window periods is not automatic or absolute, since no trades may be made even during a window period by an individual who possesses material, nonpublic information.

### **Prearranged Trading Plans (Rule 10b5-1 Plans).**

SEC Rule 10b5-1 provides a defense from insider trading liability if trades occur pursuant to a pre-arranged “trading plan” that meets certain specified conditions. Under this rule, if you enter into a binding contract or written plan that specifies the amount, price and date on which securities are to be purchased or sold, and these arrangements are established at a time when you do not possess material nonpublic information, and remain in place without alteration, then you may claim a defense to insider trading liability if the transactions under the trading plan occur at a time when you have subsequently learned material nonpublic information. The details of the rule are complex, and further information about the rule is available upon request from the General Counsel. Any person subject to the pre-clearance requirements of this policy who wishes to implement a trading plan under SEC Rule 10b5-1 must first pre-clear the proposed trading as set forth above and must pre-clear the plan with the General Counsel. Additionally, any amendment, modification or termination of the 10b5-1 plan must be pre-cleared with the General Counsel. Transactions that comply with a pre-cleared trading plan will not require further pre-clearance at the time of the transaction. A purchase or sale of Company securities in accordance with a properly implemented 10b5-1 plan shall not be deemed to be a violation of this policy even though such trade takes place during a blackout period or while the Covered Person making such trade was aware of material non-public information. Notwithstanding any pre-clearance of a Rule 10b5-1 trading plan, the Company, its officers and directors assume no liability for the consequences of any transaction made pursuant to such plan.

### **Prohibited transactions.**

The following transactions are prohibited unless any such transaction is approved in advance by the General Counsel (or in the case of a transaction by the General Counsel, approval from the Chief Financial Officer):

- a) *Pledging.* Covered Persons shall not encumber any portion of their Company securities or use Company securities as collateral for any purpose (including margin accounts).
- b) *Short sales.* Covered Persons may not sell the Company’s securities short.
- c) *Options trading.* Covered Persons may not buy or sell puts or calls or other derivative securities on the Company’s securities.
- d) *Short-term trading.* Directors and officers who are “insiders” under Section 16 of the Securities Exchange Act of 1934 who purchase Company securities may not sell any Company securities of the same class for at least six months after the purchase.

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### **Compliance and Questions**

The Company considers it extremely important that all persons subject to this policy conduct themselves in a manner consistent with this insider trading policy. Each person subject to this policy is responsible for his or her compliance with this policy and the related procedures, and the Company will endeavor to answer any questions regarding this subject. Persons subject to this policy are requested to direct any questions regarding the insider trading policy or procedures to the Company's General Counsel.

**HI-CRUSH INC.**  
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**APPENDIX A**

Covered Persons include all:

1. Company directors;
2. Company officers;
3. Any employee with the title of Manager or higher;
4. Investor relations department employees that assist with preparing earnings releases;
5. Legal department employees, finance department employees or accounting department employees that prepare or assist with preparing the Company's annual and quarterly reports;  
and
6. Others as designated from time-to-time by the CEO, General Counsel or CFO.