



Code of Conduct and Business Ethics

1. INTRODUCTION

1.1 **Purpose.** The Board of Directors of Superior Drilling Products, Inc. (collectively with its subsidiaries, the "*Company*") has adopted this Code of Conduct and Business Ethics (the "*Code*") in order to:

- (a) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- (b) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "*SEC*") and in other public communications made by the Company;
- (c) promote compliance with applicable governmental laws, rules and regulations;
- (d) promote the protection of Company assets, including corporate opportunities and confidential information;
- (e) promote fair dealing practices;
- (f) deter wrongdoing; and
- (g) implement accountability for adherence to this Code.

1.2 **Requirements.** All directors, officers, employees, independent contractors and consultants engaged by the Company (each a "*Company Person*") are required to be familiar with this Code, to comply with its provisions, and to report any suspected violations to the Company's Chief Compliance Officer, as described in **Section 10** - "Reporting and Enforcement."

1.3 **Chief Compliance Officer.** The Company's "*Chief Compliance Officer*" is Annette Meier, President/Chief Operating Officer.

2. HONEST AND ETHICAL CONDUCT

2.1 The Company's policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

2.2 Each Company Person must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job or other engagement with the Company.

3. CONFLICTS OF INTEREST

3.1 A conflict of interest occurs when a private interest of a Company Person (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when a Company Person (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when a Company Person (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

3.2 Loans by the Company to, or guarantees by the Company of obligations of, a Company Person or their family members are of special concern and could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. Loans by the Company to, or guarantees by the Company of obligations of, any director or executive officer or their family members are prohibited unless approved by the Board of Directors (not including any involved director) after full disclosure of the relevant facts and consultation with legal counsel.

3.3 Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest, or the appearance of a conflict of interest, should be avoided unless specifically authorized as described in **Section 3.4**.

3.4 Company Persons other than directors and executive officers who have questions about a potential conflict of interest, or who become aware of an actual or potential conflict of interest, should discuss the matter with, and seek a determination and prior authorization or approval from, their supervisor or the Chief Compliance Officer. A supervisor receiving an inquiry regarding an existing or potential conflict of interest must (a) provide the Chief Compliance Officer with a written description of the activity, and (b) obtain the Chief Compliance Officer's written approval to the activity, before authorizing or approving any existing or potential conflict of interest matter. If the supervisor is involved in the potential or actual conflict, the matter must be discussed directly with the Chief Compliance Officer.

3.5 Directors and executive officers must seek determinations and prior authorizations or approvals of existing or potential conflicts of interest exclusively from the Audit Committee.

4. COMPLIANCE

4.1 Company Persons should comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states and countries in which the Company operates.

4.2 Although not all Company Persons are expected to know the details of all of those applicable laws, rules and regulations, it is important to know enough to determine when to seek advice. Questions about compliance should be addressed to the Chief Compliance Officer.

4.3 Each Company Person must read, sign and comply with the Company's Insider Trading Policy and Trading Black-Out, Benefit Plans, and Section 16 Reporting Policy. No Company Person may purchase or sell any Company securities without obtaining pre-clearance from the Company's President or Chief Financial Officer.

5. DISCLOSURE

5.1 The Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules.

5.2 Each Company Person who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records and accounts for which they are responsible are accurately maintained. Each Company Person must cooperate fully with the Company's accounting and internal audit staff, as well as with the Company's independent public accountants and legal counsel.

5.3 Each Company Person who is involved in the Company's disclosure process must:

(a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and

(b) if appropriate to the person's position with the Company, take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition and the Company provide full, fair, accurate, timely and understandable disclosure.

6. PROTECTION AND PROPER USE OF COMPANY ASSETS

6.1 All Company Persons should protect the Company's assets and ensure their efficient use to the extent appropriate to their position with the Company. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited.

6.2 All Company assets should be used only for legitimate business purposes, though incidental personal use may be permitted. Any suspected incident of fraud or theft should be reported to a supervisor or the Chief Compliance Officer for investigation immediately.

6.3 The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and

manufacturing ideas, designs, databases, records and any non-public financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

7. CORPORATE OPPORTUNITIES

7.1 All Company Persons owe a duty to the Company to advance its interests when the opportunity arises. Company Persons are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company assets, property, information or position.

7.2 Company Persons may not use Company assets, property, information or position for personal gain (including gain of friends or family members). In addition, no Company Person may compete with the Company.

8. CONFIDENTIALITY

Each Company Person must maintain the confidentiality of information entrusted to them by the Company or by its customers, suppliers or partners, except when disclosure is expressly authorized or legally required, and is made in compliance with all relevant Company's disclosure policies. Confidential information includes all non-public information (regardless of its source) that might be of use to the Company's competitors or harmful to the Company or its customers, suppliers or partners if disclosed.

9. FAIR DEALINGS

Each Company Person must deal fairly with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. No Company Person may take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of facts or any other unfair dealing practice.

10. REPORTING AND ENFORCEMENT

10.1 Reporting and Investigation of Violations

10.1.1 Actions prohibited by this Code involving directors or executive officers must be reported to the Audit Committee.

10.1.2 Actions prohibited by this Code involving any other Company Person must be reported to the reporting person's supervisor or the Chief Compliance Officer.

10.1.3 After receiving a report of an alleged prohibited action, the Audit Committee, the relevant supervisor, or the Chief Compliance Officer must promptly take all appropriate actions necessary to investigate.

10.1.4 All Company Persons are expected to cooperate in any internal investigation of misconduct.

10.2 Enforcement

10.2.1 The Company must ensure prompt and consistent action against violations of this Code.

10.2.2 If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board of Directors.

10.2.3 If, after investigating a report an alleged prohibited action by any other Company Person, a supervisor determines that a violation of this Code has occurred, the supervisor must report that determination to the Chief Compliance Officer.

10.2.4 Upon determining or receiving a determination that there has been a violation of this Code, the Chief Compliance Officer or the Board of Directors, as applicable, will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

10.3 **Waivers**

10.3.1 The Board of Directors (in the case of violation by a director or executive officer) or the Chief Compliance Officer (in the case of violation by any other person) may, in its reasonable discretion, waive a violation of this Code but only if such waiver does not violate any applicable law, or any rule or regulation of the SEC or the NYSE MKT LLC.

10.3.2 Any allowed and approved waiver for a director or an executive officer shall be disclosed as required by SEC and NYSE MKT LLC rules.

10.4 **Prohibition on Retaliation.** The Company does not tolerate acts of retaliation against any Company Person who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.

Approved by the Board of Directors on June 16, 2014

ACKNOWLEDGMENT OF RECEIPT AND REVIEW

Each Company Person must sign below and return this Acknowledgement to the Company's Chief Compliance Officer.

I acknowledge that I have received and read a copy of the Code of Conduct and Business Ethics of Superior Drilling Products, Inc. ("*Code*"). I understand the contents of the Code and I agree to comply with the policies and procedures set out in the Code.

I understand that I should approach my supervisor or the Chief Compliance Officer, if I have any questions about the Code generally or any questions about reporting a suspected conflict of interest or other violation of the Code.

Signature: _____

Printed Name: _____

Date: _____