

**FLOTEK INDUSTRIES, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

**I. Introduction**

The Board of Directors (the “Board”) of Flotek Industries, Inc. (the "Company") has adopted a set of corporate governance guidelines to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions.

**II. Composition of the Board of Directors**

• **Size**

The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully, while allowing for a diversity of perspectives and backgrounds. At the time of the adoption of these Guidelines, the Board consists of six members. The quality, experience and balance of perspectives on the Board are more important than achieving a specific size target, and these considerations may lead to a Board of more or less than the current six members.

• **Independence**

A majority of the Board shall consist of directors who are neither officers or employees of the Company or its subsidiaries nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise "independent" under the rules of New York Stock Exchange ("NYSE"). Except during periods of transition, or in other unusual circumstances, the Board would not expect to have more than one or two directors who are also employees of the Company.

• **Nomination of Director Candidates**

The Board as a whole is responsible for selecting nominees for the Board. The Corporate Governance and Nominating Committee is responsible for screening and recommending candidates. The Corporate Governance and Nominating Committee identifies nominees by first evaluating the current members of the Board willing to continue in service. Current members with qualifications and skills that are consistent with the Corporate Governance and Nominating Committee's criteria for Board service (subject to the retirement provision of this Section) will be considered for re-nomination by the Board but the Board is not obligated to do so. As to new candidates, the Corporate Governance and Nominating Committee generally polls the Board members and members of management for their recommendations and will review candidates properly proposed by stockholders. The Corporate Governance and Nominating Committee may also review the composition and qualification of the boards of directors of the Company's competitors or other companies, and may seek input from industry experts or analysts. The Corporate Governance and Nominating Committee reviews the qualifications, experience and background of the candidates. Final candidates are interviewed by the independent directors and executive management. In making its determinations, the Corporate Governance and

Nominating Committee evaluates each individual in the context of the Board as whole, with the objective of assembling a group that can best perpetuate the success of the Company and represent stockholder interests through the exercise of sound judgment. After review and deliberation of all feedback and data, the Committee makes its recommendation to the Board.

Recommendations received by stockholders in accordance with the "Stockholder Nominations" guidelines below will be reviewed and are subject to the same criteria as are candidates selected by the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee may engage a third-party search firm to identify candidates in those situations where particular qualifications are required or where existing contacts are not sufficient to identify appropriate candidates.

#### **. Stockholder Proposed Candidates**

The Section 13 of Article II of the Bylaws of the Company, entitled "Notice of Shareholder Nominations and Shareholder Business" sets out a detailed procedure for stockholder proposed candidates and this procedure will be followed by the Company.

#### **. Qualifications for Board Membership**

Factors to be considered by the Corporate Governance and Nominating Committee in recommending candidates for Board membership include, but are not limited to:

- . technical, operational and/or economic knowledge of the Company's business and industries;
- . experience at the executive level in operational, financial and/or administrative management;
- . financial and risk management acumen; and
- . experience in or familiarity with international business, markets and cultures, technological trends and developments, and corporate securities and tax laws.

While a candidate may not possess every experience requirement, his or her background should reflect most of these requirements and he or she should possess substantially the following attributes:

- . a track record of success in a publicly traded company;
- . integrity and commitment to the highest ethical standards;
- . consistent availability and commitment to attending Board meetings;
- . an ability to challenge and share ideas in a positive and constructively critical

- manner and to be responsive to the needs of the Company; and
- . an ability to communicate effectively with other Board members.

### **. Leadership**

The Board believes it is important to select its Chairman and the Company's CEO in the manner it considers in the best interests of the Company at any given point in time. Accordingly, these positions may be filled by one individual or by two different individuals.

When the Chairman of the Board is a non-management director, the Chairman will act as Lead Director and will chair executive sessions of the non-management directors, and have such other duties as the Board may determine. When the Chairman of the Board is a management director, the Board will designate a non-management director as Lead Director.

The non-management director serving as Lead Director shall (1) preside at all meetings of the Board of Directors of the Company at which the Chairman is not present, including executive sessions of the non-management directors, and apprise the Chairman of the issues considered; (2) serve as a liaison between the non-management directors and the Chairman on Board issues; (3) in consultation with the other non-management directors, advise the Chairman as to an appropriate schedule of Board meetings, and review and provide the Chairman with input regarding the agendas for the Board meetings; (4) call meetings of the non-management directors of the Company and set the agendas for such meetings; and (5) perform such other duties as the Board of Directors of the Company may from time to time delegate to the Lead Director.

### **III. Orientation and Continuing Education**

Management, working with the Board, will provide an orientation process for new directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management. Periodically, management will present additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile.

### **IV. Director Compensation**

The Compensation Committee of the Board periodically reviews the amount and composition of director compensation and has the authority to establish director compensation, with the assistance of the Company's staff and outside consultants. Director compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

## **V. Board Meetings**

### **. Frequency**

The Board currently schedules four meetings each year. Further meetings may be held (or action may be taken by unanimous consent) at the discretion of the Board. Directors are generally expected to attend the four quarterly meetings of the Board in person, if at all possible.

### **. Agenda**

The Chairman shall prepare an agenda for each Board meeting in consultation with the CEO (and/or the Lead Director if the Chairman is a member of management). Any director may suggest items for inclusion on the agenda. The Chairman will seek to provide to all directors an agenda and appropriate materials several days in advance of meetings, wherever possible. The Board expects that meeting agendas will include on a regular basis a review of the Company's financial performance, strategies and risk profile.

### **. Access to Employees**

The Board expects that senior officers of the Company will regularly attend Board and Committee meetings, present proposals and otherwise assist in the work of the Board. Members of the Board have direct access to any of the Company's employees. All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings, at the various places of operation of the Company, and in other formal or informal settings.

### **. Access to Independent Advisors**

The Board shall have, as necessary and appropriate, access to independent advisors.

### **. Executive Sessions**

To ensure free and open discussion and communication among the non-employee Directors of the Board, Executive Sessions will be held in conjunction with the regularly scheduled quarterly meetings of the Board, at which only Directors who are not employees of the Company are present. The Chairman (or the Lead Director if the Chairman is a member of management) shall preside over all such Executive Sessions.

## **VI. Board Committees**

### **. Number and Duties of Board Committees**

At present, the Company has established the following Board Committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The Board may, from time to time, establish other

committees to assist it in carrying out its duties. The duties of each standing committee of the Board will be spelled out in a committee charter, which shall periodically be reviewed and approved by the Board.

#### **. Composition and Leadership of Board Committees**

The Corporate Governance and Nominating Committee provides recommendations to the Board on the composition and leadership of each of the committees except for the Corporate Governance and Nominating Committee. The membership and chairperson of the Corporate Governance and Nominating Committee are to be recommended to the Board periodically by the chairpersons of each of the other standing Board committees, the CEO and such other directors as the Board may designate from time to time. All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board. The chairpersons of each of the Board Committees are elected by the Board, with the chairpersonship to be rotated at least once every five years, or more frequently as indicated in each committee's charter.

#### **. Independence of Certain Board Committees**

Each of the Corporate Governance and Nominating Committee, the Audit Committee and the Compensation Committee shall be composed of directors who are not officers or employees of the Company or its subsidiaries or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise "independent" under the rules of the NYSE. A director may serve on more than one committee for which he or she qualifies.

### **VII. Management Succession**

At least annually, the CEO addresses succession planning with the Compensation Committee and, together with the chairperson of that committee, reviews with the Board a succession plan addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

### **VIII. Evaluation and Compensation of Senior Officers**

A major responsibility of the Board is to monitor the performance of the CEO, and in consultation with the CEO, the performance of other key executive officers. The Compensation Committee conducts an annual performance review of executives and reports its findings to the Board.

#### **. Evaluation and Approval of CEO Compensation**

The Compensation Committee evaluates the performance of the CEO and the Company against the Company's goals and objectives, and determines and approves

the compensation, including short and long-term incentives, of the CEO.

**. Evaluation and Approval of Management Compensation**

The Compensation Committee reviews and approves the compensation, including short and long-term incentives, of all other "officers" of the Company as defined in Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 16a1 promulgated thereunder.

**IX. Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

**. Commitment and Attendance**

All directors should make every effort to attend in person the four regularly scheduled quarterly meetings of the Board as well as the associated meetings of committees of which they are members; provided, however, that members may attend such meetings by telephone or video conference if necessary to mitigate conflicts. All directors should make every effort to attend other scheduled meetings of the Board, the associated meetings of committees of which they are members and any other meetings of committees of which they are members in person or by telephone or video conference. All directors are expected to attend in person each annual meeting of stockholders, absent extraordinary circumstances such as a personal emergency.

**. Participation in Meetings**

Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive at meetings prepared to discuss the issues presented.

**. Loyalty and Ethics**

In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director. The Company has adopted a Code of Business Conduct and Ethics (as provided for by the NYSE), for employees and for non-employee directors, including compliance programs to enforce the codes. Collectively, these codes address activities of directors, particularly with respect to

transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with this Code and should consult with the Company's counsel in the event they have questions about any of the Company's policies with respect to these matters.

#### **. Other Directorships**

The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability and may present conflicts of interest or legal issues. Directors should periodically advise the chair of the Corporate Governance and Nominating Committee and the CEO of membership on other boards of directors or other significant commitments involving affiliation with other businesses or governmental units.

#### **. Communications**

Management speaks for the Company. Inquiries from institutional investors, the media, employees and others should be referred to the CEO or other appropriate officers of the Company; provided, however, that communications from stockholders to the Board will be processed in the manner specified in Section XI below. Individual directors may from time to time meet with various constituencies of the Company, but the Board expects that this would be done only with its concurrence or that of management.

#### **. Confidentiality**

The proceedings and deliberations (as well as any materials provided in connection therewith) of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

### **X. Annual Performance Evaluation of the Board**

The Board, based upon the recommendations of the Corporate Governance and Nominating Committee, will conduct an annual self-evaluation as to it and its Committee's effectiveness.

### **XI. Stockholder Communications**

Stockholders may communicate with non-employee directors by sending a letter to the Company's executive offices addressed to the Chairman of the Corporate Governance and Nominating Committee, care of the Company's Corporate Secretary. All such correspondence will be forwarded promptly to the Chairman of the Corporate Governance and Nominating Committee.