

Advanced Emissions Solutions, Inc.

Code of Ethics and Business Conduct

1. Introduction.

1.1 This Code of Ethics and Business Conduct (the “Code”) contains the standards for moral and ethical behavior for directors, officers and employees of Advanced Emissions Solutions, Inc. (together with its subsidiaries, the “Company”). The Code covers a wide range of business practices and procedures but it does not cover every issue that may arise. Rather, it sets out basic policies to guide all representatives of the Company in their business conduct. The Code is provided to you and is expected to be followed by you as well as the other Company employees, directors and officers.

1.2 The Board of Directors (the “Board”) of the Company has adopted this Code 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, confidential information, and intellectual property;

(e) promote fair dealing practices;

(f) deter wrongdoing; and

(g) ensure accountability for adherence to the Code.

1.3 All directors, officers and employees are required to be familiar with the Code, comply with its provisions and report any suspected violations as described

below in Section 10 or as further described in more detail in the Company's Employee Handbook.

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 director, officer and employee 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.

3. Conflicts of Interest.

3.1 A conflict of interest occurs when an individual's private interest (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 an employee, officer or director (or a member of his or her family) takes actions or has interests that affect the ability or perception thereof to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (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, employees 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 a member of his or her family) are expressly prohibited.

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

3.4 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 should discuss the matter with, and seek a determination and prior authorization or approval from, their supervisor or the Audit Committee of the Board (the "**Audit Committee**"). A supervisor may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without

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first providing the Audit Committee with a written description of the activity and seeking the Audit Committee's written approval. If the supervisor is involved in the potential or actual conflict, the matter should instead be discussed directly with the Company's legal counsel and the Audit Committee Chairman.

Directors and executive officers may only seek determinations and prior authorizations or approvals from the Audit Committee.

4. Compliance.

4.1 Employees, officers and directors 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 employees, officers and directors are expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to your supervisor or the Company's legal counsel.

4.3 Except as set forth in the Company's Insider Trading Policy, no director, officer or employee may purchase or sell any Company securities while in possession of material non-public information regarding the Company, nor may any director, officer or employee purchase or sell another company's securities while in possession of material non-public information regarding that company. It is against Company policies and illegal for any director, officer or employee to use material non-public information regarding the Company or any other company to:

(a) obtain profit for himself or herself (or a member of his or her family); or

(b) directly or indirectly "tip" others who might make an investment decision on the basis of that information.

4.4 In addition to the other provisions in this Code, directors, officers and employees are subject to the provisions of the Company's Insider Trading Policy, which is incorporated herein by reference and included in the Company's Employee Handbook.

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

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applicable federal securities laws and SEC rules.

5.2 Each director, officer and employee 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 are accurately maintained. Each director, officer and employee must cooperate fully with the Company's Accounting Department and internal auditor, as well as the Company's independent public accountants and counsel.

5.3 Each director, officer and employee 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) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

6. Protection and Proper Use of Company Assets.

6.1 All directors, officers and employees should protect the Company's assets and ensure their efficient use. 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 if used in accordance with Company acceptable use policies. Any suspected incident of fraud or theft should be reported immediately.

6.3 The obligation to protect Company assets includes the Company's confidential information and 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.

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7. Corporate Opportunities. All directors, officers and employees owe a duty to the Company to advance its interests when the opportunity arises. Directors, officers and employees 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. Directors, officers and employees may not use Company assets, property, information or position for personal gain (including gain of friends or family members). In addition, no director, officer or employee may directly or indirectly compete or facilitate competition with the Company.

8. Confidentiality.

8.1 Directors, officers and employees should maintain the confidentiality of information owned by the Company or by third parties that have entrusted their confidential information to the Company, except when disclosure is expressly authorized or legally required. Confidential information includes, but is not limited to, all non-public information (regardless of its source) that, if disclosed, might be of use to the Company's competitors or harmful to the Company or its customers, shareholders, suppliers, partners, or third party that entrusted such information to the Company.

8.2 Pursuant to their fiduciary duties of loyalty and care, directors of the Company are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board to disclose such information. Accordingly:

(a) No director shall use confidential information for his or her own personal benefit or to benefit persons or entities outside the Company.

(b) No director shall disclose confidential information outside the Company, either during or after his or her service as a director of the Company, except with authorization of the Board or as may be otherwise required by law.

(c) Confidential information includes for purposes of this Section 8.2 all non-public information entrusted to or obtained by a director by reason of his or her position as a director of the Company. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company or its customers, shareholders, suppliers or partners if disclosed, such as:

(i) Non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs and research

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and development information, as well as information relating to mergers and acquisitions, stock splits, dividends, tender offers and divestitures;

- (ii) Non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners, which the Company is under an obligation to maintain as confidential; and
- (iii) Non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and directors.

9. Fair Dealing. Each director, officer and employee 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 director, officer or employee 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.

(a) Actions prohibited by this code must be reported to the Audit Committee Chairman, the Company's legal counsel, or the Vice President of Risk, Process, and Controls.

(b) After receiving a report of an alleged prohibited action, the Audit Committee Chairman, the Company's legal counsel and the Vice President of Risk Process and Controls will notify each other of the alleged prohibited action and must then promptly take all appropriate actions deemed necessary.

(c) All directors, officers and employees are expected to cooperate in internal investigations of alleged misconduct.

(d) For more information on reporting procedures and contact information for the Whistleblower Hotline, please see the Company's Employee Handbook.

10.2 Enforcement.

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(a) The Company must ensure prompt and consistent action against violations of this Code.

(b) If, after investigating a report of an alleged prohibited action, a member of the Audit Committee determines that a violation of this Code has occurred, such member shall report such determination to the full Audit Committee and the Audit Committee will take such preventative or disciplinary action as it deems appropriate.

(c) Upon receipt of a determination that there has been a violation of this Code, the Audit Committee 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.

(d) For more information on how the Company will handle reports of alleged prohibited actions and contact information for the Whistleblower Hotline, please see the Company's Employee Handbook.

10.3 Waivers.

(a) Each of the Board of Directors (in the case of a violation by a director or executive officer) and the Company's Chief Executive Officer (in the case of a violation by any other person) may, in its discretion, waive any violation of this Code.

(b) Any waiver for a director or an executive officer shall be disclosed as required by SEC and NASDAQ rules.

10.4 Prohibition on Retaliation.

It is the Company's policy not to allow retaliation against any director, officer or employee for reports made by such person in good faith regarding acts of misconduct or suspected violations of this Code.

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