

CECO ENVIRONMENTAL CORP.

CODE OF ETHICS

Purpose and Scope

CECO Environmental Corp. (the "Company") is committed to conducting its business in compliance with applicable laws, rules and regulations and in accordance with the highest ethical standards of business conduct. All of the Company's employees are expected to conduct their activities and the operations for which they are responsible in accordance with such standards.

Additionally, this Code of Ethics is established in order to comply with Section 406 of the Sarbanes-Oxley Act of 2002, related rules promulgated by the Securities and Exchange Commission ("SEC") and the listing standards for NASDAQ listed companies.

This Code applies to all of our directors, officers, employees and agents, wherever they are located and whether they work for the Company on a full or part-time basis. In addition, certain provisions specifically apply to the Company's principal executive officer and to the Company's principal financial officer, principal accounting officer or controller, or persons performing similar functions (the "406 Officers"). We refer to all persons covered by this Code, including the 406 Officers, as "employees."

This Code contains general guidelines for conducting the business of the Company. This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face.

If you have questions about the laws governing your activities on behalf of the Company, please talk to your manager or Hilliary Jeffries, Vice President of Human Resources and Administration (the "Compliance Officer").

Conflicts of Interest

A conflict of interest occurs when an employee's private interests interfere, or appear to interfere, with the interests of the Company as a whole. It is important for all employees to avoid not only conflicts of interest, but also the appearance of a conflict of interest.

If a potential conflict of interest in the affairs of any employee either exists currently or arises in the future, it is the individual's responsibility to report details of the situation at once in order that the facts may be properly evaluated and a decision made as to what, if any, action should be taken in connection with the matter. Should there be a question as to whether a conflict in fact exists, any doubt should be resolved in favor of assuming that there is a potential conflict and the circumstances must then be reported in writing to the Compliance Officer.

Examples of potential conflicts of interest include accepting concurrent employment with, or acting as a consultant or contractor to, any Company competitor, customer or supplier; serving on the board of directors or technical advisory board of another entity; or holding a significant financial interest in any competitor, customer or supplier of the Company.

Although not exhaustive, conflicts of interest commonly arise in the following situations:

1. When an employee or a relative has a significant direct or indirect financial interest in, or obligation to, an actual or potential competitor, supplier or customer of the Company;

2. When an employee has a significant personal relationship (such as a family relationship) with a competitor, supplier or customer of the Company;
3. When an employee conducts business on behalf of the Company with a supplier or customer when a relative is an employee, principal, officer or representative of such supplier or customer;
4. When an employee, relative or agent of an employee accepts gifts of more than nominal value or excessive entertainment from a current or potential competitor, supplier or customer (please see "Gifts and Gratuities" below for additional guidelines); and
5. When an employee misuses the information obtained in the course of his or her employment.

It is recognized, however, that directors of Company and any of its subsidiaries who are not employees may engage in outside activities with, or have duties to, other entities, as employees, directors, consultants or otherwise. Such activities and duties generally do not in and of themselves constitute a conflict of interest, and in fact are valuable to the Company because of the experience and perspective that outside directors offer to the Company as a result of these activities. Directors are expected to exercise sound judgment with respect to the relationship between their outside activities and their responsibilities to the Company, and at all times to act in a manner consistent with their duties of care and loyalty, as well as other applicable legal standards governing the responsibilities of directors. Directors should err on the side of caution in disclosing to the Board relationships that may constitute, or may appear to constitute, an actual or potential conflict of interest, and may be required to abstain from involvement as a Board member or as an employee, director, consultant or other affiliation with another entity, in a particular matter. Outside directors also should fully disclose their relationship with the Company to other entities with whom they have a relationship.

The Company's business must be kept separate and apart from the personal activities of its employees. Employee participation in outside activities must not be presented in a manner as to appear that the Company is endorsing the activity. Company personnel and assets are to be used solely for the business purposes of the Company. An employee must not use the Company's corporate name, any trademark owned or associated with the Company, any Company letterhead, or any Company property, confidential information, resources, supplies or assets for personal purposes.

Compliance with Corporate Policies and Applicable Laws and Regulations

Each employee is expected to comply with both the spirit and letter of all of the Company's corporate policies and all applicable governmental laws, rules and regulations.

Gifts and Gratuities

Appropriate business gifts and entertainment are courtesies designed to build relationships and understanding among business partners. However, common sense and good judgment should always be exercised in providing or accepting business meals, entertainment or nominal gifts. While individual circumstances differ, the overriding principle concerning gratuities is not to give or accept anything of value that could be perceived as creating an obligation on the part of the recipient to act other than in the best interests of his or her employer or otherwise taint the objectivity of the individual's involvement. It is the employee's responsibility to use good judgment in this area. All gifts and entertainment expenses must be properly accounted for on expense reports.

Use of Company Resources / Computer E-Mail

Company resources, including time, materials, equipment and information, are provided for Company business use. Employees are trusted to use good judgment to conserve Company resources. Personal use of Company resources is inappropriate. In no event may an employee use Company funds or assets for an unlawful purpose.

The Company's computer resources, which include the electronic mail system, are not intended to be used for amusement, solicitation or other non-business purposes. E-mail messages should be treated as any other written business communication. The Company may monitor employees' e-mail and other computer use.

Confidential Information

Employees may from time to time have access to confidential or proprietary information (which includes any non-public information, whether of a business, financial, personnel, technological or commercial nature) of the Company or third parties, such as customers and suppliers of the Company, that an employee has learned, generated or acquired. Each employee has a fiduciary and a legal obligation to the Company and such third parties to treat such information in confidence and not to disclose it to any other party or use it, directly or indirectly, for one's own purpose, whether during or after employment with the Company.

Insider Trading

The Company's employees are prohibited from engaging in "insider trading." Prohibitions are based on federal securities laws and deal with the possession and use of "material" information. Employees who have material non-public information about the Company or other companies as a result of their Company connections are prohibited from trading in securities of those Companies, as well as from communicating such information to family or friends. "Material" information is information that might affect a reasonable investor's decision to purchase or sell a security. "Non-public" information is information that is not available to the general public.

Supplementary Ethical Standards of Conduct for 406 Officers

The 406 Officers are expected to abide by the following tenets in addition to the rest of this Code. Each 406 Officer will:

- Act with honesty and integrity and in an ethical manner, avoiding actual or apparent conflicts of interest in their personal and professional relationships;
- Provide shareholders with information that is accurate, complete, objective, fair, relevant, timely and understandable, including in Company filings with and other submissions to the SEC;
- Comply with rules and regulations of federal, state, applicable and local governments, and other appropriate private and public regulatory agencies;
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated;

- Respect the confidentiality of information acquired in the Company's business except when authorized or otherwise legally obligated to disclose such information;
- Not use confidential information acquired in the course of performance of one's duties to the Company for personal advantage;
- Achieve responsible use of and control over all Company assets and resources that are employed or entrusted to us;
- Not unduly or fraudulently influence, coerce, manipulate or mislead any authorized audit or interfere with any auditor engaged in the performance of an internal or independent audit of the Company's financial statements or accounting books and records;
- Promptly report to the Compliance Officer or a member of the Audit Committee any known or suspected violation of this Code or other Company policies or guidelines. Failure of the 406 Officers to comply with this Code will not be tolerated by the Company. Any deviations therefrom or violations hereof will result in serious consequences, which may include, but may not be limited to, serious reprimand, dismissal or other legal actions.

Administration of the Code of Ethics

This Code shall be administered as follows:

1. Responsibility for Administration

The Board or the Audit Committee, to the extent empowered by the Board (the "Administrator"), shall be responsible for interpreting and administering this Code. In discharging its responsibilities, the Administrator may engage such agents and advisors as it shall deem necessary or desirable, including but not limited to, attorneys and accountants.

The Compliance Officer is Hilliary Jeffries. Hilliary Jeffries is the Vice President of Human Resources and Administration for the Company.

2. Procedure for Reporting Violations of the Code

If you suspect any activity or conduct to be in violation of this Code or any applicable corporate policies, governmental laws, rules or regulations, you should immediately report the circumstances to your supervisor or the Compliance Officer, or if you are a 406 Officer, immediately report the circumstances to the Compliance Officer or a member of the Audit Committee.

3. Confidentiality and Policy Against Retaliation

All questions and reports of known or suspected violations of the law or this Code will be treated with sensitivity and discretion. Reports of unethical or illegal conduct shall be promptly investigated by the Administrator. The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Retaliation in any form against an individual, who reports a suspected violation in good faith, even if the report is mistaken, or who assists in the investigation of a reported violation, is strictly prohibited. Any act or threatened act of retaliation should be reported immediately to the Compliance Officer.

4. Waivers of the Code and Disclosures

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code for employees (other than 406 Officers) may be made only by an executive officer of the Company with the concurrence of the Compliance Officer or the Administrator. Any waiver of this Code for our directors, executive officers or other principal officers, including the 406 Officers, may be made only by our Board of Directors and will be promptly disclosed to the public as required by applicable laws, rules or regulations.

5. **Compliance and Violations**

All Company employees are expected to comply fully with this Code. The Administrator shall enforce this Code through appropriate disciplinary actions. The Administrator shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary actions to be taken against any individual who has violated this Code.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including potential termination of employment, determined based upon the facts and circumstances of each particular situation. The disciplinary actions available to the Administrator include counseling, oral or written reprimands, warnings, probations or suspensions (with or without pay), demotions, reductions in salary, terminations of employment and restitution.

Nothing in this Code prohibits or restricts the Company from taking disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this Code. This Code is not intended to create any expressed or implied contract with any employee or third party. In particular, nothing in this Code creates any employment contract between the Company and any employee.

**CECO ENVIRONMENTAL CORP.
CORPORATE INSIDER TRADING POLICY**

OBJECTIVE

This Insider Trading Policy is designed to help you understand the nature and scope of the federal insider trading laws and the serious consequences of violating these laws. It also describes certain prohibited transactions in securities of CECO Environmental Corp. ("CECO") and other companies.

SCOPE

This policy applies to every director, officer, employee and agent of CECO.

INSIDER TRADING PROHIBITIONS

The insider trading laws prohibit (i) buying or selling securities of a company while in possession of material, nonpublic information (as defined below) about that company and (ii) passing such information on to others who might purchase or sell securities on the basis of the information. These laws apply not only to trading in CECO's Common Stock (and any other CECO securities, including options on stock), but also to trading in the securities of other companies about which the person doing the trading has acquired nonpublic information that might affect the value of the securities traded.

THE POLICY

A. CECO's Policy Regarding Trading In Securities Is As Follows:

1. If you have material, nonpublic information relating to CECO or information that might affect the market value of securities of any other company that is acquired in the course of your employment with CECO, neither you nor any family member may buy or sell CECO's securities, or the securities of the other company, or engage in any other actions to take advantage of, or pass on to others, that information.
2. Directors, officers and other personnel who regularly have access to or generate material, nonpublic information are subject to additional restrictions on the purchase and sale of CECO's securities. (If you are subject to these additional restrictions, a summary of the restrictions is attached to this policy.)
3. You bear the ultimate responsibility for following this policy and avoiding improper transactions or the appearance of improper transactions.
4. CECO may adopt additional restrictions or limitations applicable to some or all employees.
5. Any questions regarding this policy should be directed to Jeff Lang.
6. The restrictions on trading in this Paragraph A do not apply to transactions made under a trading plan adopted pursuant to Securities and Exchange Commission Rule 10b5-1(c) (17 C.F.R. § 240.10b5-1(c)) and approved by CECO's management (an "approved Rule 10b5-1 trading plan").

B. Additional Prohibited Transactions

CECO considers it improper and inappropriate for any of its personnel to engage in short-term or speculative transactions involving CECO's securities. It also is CECO's policy that you may not engage in any of the following activities with respect to CECO's securities at any time:

- Short sales (a sale of securities which are not owned by the seller at the time of the sale), including short sales against the box.
- Buying or selling puts or calls.
- Frequent trading (for example, daily or weekly) to take advantage of fluctuations in stock price.

In addition, because purchasing of CECO's securities on margin can raise potential problems under the securities laws, it is strongly suggested that you consult with CECO before purchasing or selling CECO's securities in margin accounts.

C. Transactions By Family Members

The same restrictions that apply to you also apply to your family members. Each director, officer, employee and agent is expected to be responsible for his or her immediate family and each personal household member's compliance with the terms of this policy.

In the context of insider trading, there is no precise definition of family member. Your spouse and any person living in your household (whether or not related to you) definitely are included, as are children temporarily living away from home. Adult relatives of you and your spouse (parents, grown children, siblings, etc.) who do not live with you arguably are beyond your control. Bear in mind, however, that transactions by these persons are likely to be suspect in an insider trading investigation. It is, therefore, crucial that you do not disclose confidential information concerning CECO to anyone, including members of your household and your extended family.

D. Stock Option Plan Transactions

Employee benefit plan transactions present special issues any time you possess material, nonpublic information. Generally, a stock option exercise is not likely to violate the insider trading rules because the exercise price was set when the option was granted. If, however, the exercise price is paid by tendering previously owned shares of Common Stock and you possess unfavorable nonpublic information, a violation can occur. Furthermore, if you possess unfavorable nonpublic information, the sale of the stock acquired on exercise will result in a violation. Because of the complexity of the rules, if you believe you may possess material, nonpublic information, you should seek advice from our legal counsel before engaging in any benefit plan transaction involving CECO's securities.

DEFINITIONS

This policy on insider trading, among other things, prohibits buying or selling CECO's securities or the securities of any other company while in possession of "material, nonpublic" information, or passing on such information ("tipping") to others who buy or sell CECO's securities or the securities of any other company.

Material information is any information that a reasonable investor would consider important in making a decision to buy, sell, or hold the securities of a company. In other words, **any information which reasonably could be expected to affect the price of CECO's stock or other securities is "material" information.** While it is impossible to provide a complete list, some examples of information that could be "material" are:

- unpublished financial results, reports or projections
- news of a pending or proposed merger, acquisition, divestiture, tender offer or financing transaction
- changes in top management

- changes in dividend policy, declarations of stock splits or offerings of securities
- calls, redemptions or purchases of CECO's securities
- changes in prices or demand for CECO's products or services, or changes in CECO's cost structure
- gain or loss of a substantial customer or supplier
- significant new orders, products or services or other changes in operations
- significant litigation or governmental investigation or other governmental action
- initiation or settlement of labor negotiations or disputes, strikes or lockouts

Nonpublic information is any information which has not been disclosed generally to the marketplace or the investing public. Information becomes public when it has been released through appropriate channels, such as a press release, governmental filing or statement from a senior officer. Enough time (usually two to three days) must be allowed after such a release for the investing public to evaluate the information. At that point - and not before - the information is considered "public." All information that you learn about CECO (or any other company) in connection with your employment is "insider" information until publicly disclosed.

Tipping is the passing along of material, nonpublic information to others. Penalties for tipping apply whether or not you derive benefit from another's actions. Recommending that others buy or sell stock or other securities, even without telling them why, can still be unlawful.

ENFORCEMENT OF THE INSIDER TRADING LAWS

The Securities and Exchange Commission (the "SEC"), the U.S. Department of Justice, the NASDAQ (on which CECO's Common Stock is traded) and private litigants have been vigorously pursuing violations of insider trading laws. Although most of the publicity about insider trading has centered around violations by individuals, federal law also imposes liability on companies and on "controlling persons" for insider trading violations by company personnel. CECO's reputation for integrity and ethical conduct is extremely important to all of us. None of us can afford to have that reputation damaged by even the appearance of improper conduct by anyone employed by or associated with our company.

SERIOUS CONSEQUENCES OF VIOLATING THE INSIDER TRADING LAWS

The penalties for insider trading law violations are significant:

Individuals who trade on inside information, and those who "tip" information to others who then trade, are subject to a civil penalty of up to three times the profit gained or loss avoided; a criminal fine (no matter how small the profit) of up to \$1 million; and a jail term of up to 10 years.

In addition, persons who violate this Insider Trading Policy, or who refuse to certify compliance with it, will be subject to appropriate disciplinary action up to and including dismissal. CECO may also refer potential violations of law to appropriate authorities.

Any of the above consequences, or even an SEC investigation which does not result in legal action, can tarnish CECO's reputation and irreparably damage the careers of those involved.

SAFEGUARDING CONFIDENTIAL INFORMATION

You should treat all sensitive, nonpublic information about CECO (or any other company) as confidential and proprietary to CECO. You may not disclose such information to others (such as family members, relatives, business or social acquaintances) who do not have a legitimate need for such information for business reasons. You must treat all such information carefully and avoid inadvertent or indirect

disclosure of it. Even within CECO, confidential information should be distributed to or discussed with others only on a need-to-know basis, and those people should be told that the information is confidential. Be careful that your conversations are not overheard on elevators, airplanes or other public places; do not leave confidential documents on conference tables, desks or otherwise unguarded; and take whatever steps are reasonably necessary to keep confidential information from being disclosed.

In addition, you must be especially alert to inquiries about CECO which may be made by the financial press, investment analysts or others in the financial community. All such communications on behalf of CECO must be made through an appropriately designated officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquirer to Jeff Lang, who is currently handling all investor relations and inquiry calls.

A WORD OF CAUTION

Any transaction which becomes the subject of an insider trading inquiry will be viewed by the SEC and the courts with 20-20 hindsight. Therefore, you must consider the appearance of any transaction both now and in the future. *If you have any questions at all about the propriety of a transaction, you should contact Jeff Lang for advice before buying or selling CECO's securities.*

**SUPPLEMENT--INSIDER TRADING POLICY
ADDITIONAL TRADING RESTRICTIONS FOR DIRECTORS
AND OFFICERS**

CECO Environmental Corp. has adopted a policy prohibiting insider trading and certain other securities transactions. That policy applies to all of our personnel. As noted in the policy, directors, officers and others who regularly have access to, or generate, material, nonpublic information are subject to additional restrictions on the purchase and sale of CECO's securities. This Supplement applies to all directors and executive officers of CECO who are subject to the requirements of Section 16 of the Securities Exchange act of 1934. In addition, CECO's Chief Executive Officer or Chief Financial Officer may from time to time designate non-executive employees, either by name or title, as subject to this Supplement, and the Supplement will be effective as to each such employee immediately upon the employee's receipt of notice of designation and a copy of this Supplement. If you have been provided with a copy of this Supplement by CECO, you are subject to this Supplement.

So long as you are a director or executive officer or other employee who has been designated as subject to these policies and procedures, this Supplement applies to:

- You;
- Your family members who reside with you; and
- Any family members who do not live in your household but whose transactions in CECO securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in company securities)

You are responsible for the transactions of these other persons and therefore you should make them aware of these procedures and their need to confer with you before they engage in any transaction subject to these procedures. As used in this Supplement, "you" means anyone subject to the policies and procedures described in this Supplement. Violations of this type always are examined with 20-20 hindsight, usually by people who do not know you or CECO. As a consequence, even the appearance of impropriety can severely damage both you and CECO. These additional trading restrictions represent an effort to guard against even the appearance of impropriety. Therefore, in addition to the prohibitions on insider and speculative trading which apply to all CECO personnel, by virtue of your position, the following additional trading restrictions apply:

1. You may buy or sell CECO securities only for a period beginning on the later of (i) one full trading day or (ii) 24 hours following the CECO's widespread public release of quarterly or year-end earnings, and ending on the date on which financial information for the ensuing fiscal quarter becomes internally available. This restriction on trading does not apply to transactions made under an approved Rule 10b5-1 trading plan.

2. If you desire to purchase or sell CECO's securities at any time outside of the above "blackout" period, the Chairman or Chief Executive Officer may permit such trading after consideration of all relevant facts and circumstances concerning the matter and if you demonstrate to the satisfaction of the Chairman or Chief Executive Officer that you are not in possession of material, nonpublic information and that such trading is not likely to result in negative publicity to CECO or raise investor concerns.

3. You must also comply with the reporting obligations and limitations on "short-swing" transactions set forth in the federal securities laws. The practical effect of these provisions is that if you

both purchase and sell CECO securities within a six-month period you must refund all profits from the sale to CECO, whether or not you had knowledge of any material non public information. Under these provisions, and so long as certain other criteria are met, the receipt of options under CECO's option plans and the exercise of that option is not subject to these restrictions; however, the sale of any such shares is subject to this 6-month rule. Additionally, you may never make a short sale of CECO's stock.

4. You must notify the Chief Financial Officer and Chairman prior to any trading of CECO securities, regardless of when traded. You must notify the Chief Financial Officer if you wish to trade following a quarter to determine if the quarter's financial information is internally available.

These restrictions also are in addition to the legal requirements that may otherwise apply to your transactions in CECO's securities, such as Securities Act Rule 144 and the prohibition on purchases while CECO is distributing securities of the same class. If you have any questions, please contact Jeff Lang.