

ENERGY AND ENVIRONMENTAL SERVICES, INC.

2601 NW Expressway, Suite 605W
Oklahoma City, Oklahoma 73112
Telephone: 800-635-7716

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

June 14, 2023

To the Shareholders:

Energy and Environmental Services, Inc. (“EES” or “We”) will hold an Annual Meeting of Shareholders (the “Annual Meeting”) on Wednesday, June 14, 2023, at 11:00 a.m., CT, in the Continental Room of the Petroleum Club, 35th Floor, BancFirst Tower, 100 N Broadway Ave., Oklahoma City, Oklahoma 73102. You will also have the option to attend the Annual Meeting virtually via live webcast by visiting the Facebook page for the EES Shareholder Meeting (<https://www.facebook.com/ees.shareholdermeeting>) and sending a friend request. We will accept requests from shareholders of record. Before the Annual Meeting, you will be able to vote by mail, telephone or Internet for the purpose of considering and voting upon:

- (1) Electing six directors to serve until the 2024 Annual Meeting of Shareholders.

The record date for the Annual Meeting is April 25, 2023. Only Shareholders of record at the close of business on that date can vote at the Annual Meeting. If your shares are held in an account at a brokerage firm or bank participating in this program, you may vote those shares by calling the telephone number specified on your proxy or accessing the Internet website address specified on your proxy instead of completing and signing the proxy itself.

Your vote is important to us. If you do not plan to attend the Annual Meeting, please sign and return the enclosed proxy in the envelope provided or follow the Internet or telephone voting procedures described on the proxy form.

Sincerely,

/s/ Troy Todd
Troy Todd
Secretary

May 4, 2023

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS

June 14, 2023

Energy and Environmental Services, Inc. (“EES” or “We”) welcomes you to our Annual Meeting of Shareholders. We engage in the oilfield chemical, anti-corrosive coatings, and biotech segments. We began in 1991, and our management has over 50 years of experience blending, manufacturing and packaging custom liquids and solid chemicals for the oil and gas and agricultural industries. Additionally, we have expanded to develop innovative products and applications for enzyme system technologies, livestock feed supplements, and specialized anti-corrosive coatings. Our Annual Report for the year ended 2022 contains more about our business.

This Proxy Statement is intended to inform our Shareholders about the upcoming Annual Meeting. To encourage Shareholder participation, we are soliciting proxies to be used at the Annual Meeting.

We are mailing a notice of Annual Meeting, proxy cards, and a notice regarding the availability of a Proxy Statement and Annual Report to Shareholders beginning May 4, 2023. Shareholders can access the Proxy Statement and the Annual Report on our website, <https://eesokc.com/investors/>.

General Information

When and Where is the Annual Meeting. You may personally attend the Annual Meeting, which will be held on Wednesday, June 14, 2023, at 11:00 a.m., CT, in the Continental Room of the Petroleum Club, 35th Floor, BancFirst Tower, 100 N. Broadway Ave., Oklahoma City, Oklahoma 73102. You may also attend virtually by viewing the Annual Meeting through a live webcast on the Facebook page for the EES Shareholder Meeting (<https://www.facebook.com/ees.shareholdermeeting>) and sending a friend request. We will accept requests from shareholders of record. You can then access the page before the meeting and will see an announcement post for the live broadcast. You may click “get reminder” to receive a notification shortly before the meeting begins.

Who Votes. If you hold shares as of the Record Date, April 25, 2023, you may vote by mail, telephone or Internet. Since we are conducting a virtual meeting, you will not be able to vote in person at the Annual Meeting. If you hold shares in “street name”, you may vote only if you hold a valid proxy from your broker. On April 25, 2023, we had 53,836,060 shares of common stock issued and outstanding, which were held by 230 Shareholders of record. Each share is entitled to one vote.

How to Vote. You may vote by any of the following means:

- **by mail** – mark, sign, date and return the proxy card in a timely manner;
- **by telephone** –using a touch-tone telephone or cell phone, comply with the telephone voting instructions on the proxy card for “street name” holders;
- **by Internet** – comply with the Internet voting instructions on the proxy card; and

- **by attending** – shareholders of record may vote in person at the Annual Meeting.

For shareholders with shares registered in the name of a brokerage firm or bank, most brokerage firms and banks participate in a program for shares held in “street name” that offers telephone and Internet voting options. Shareholders with shares registered directly in their names with EQ Shareowner Services, our transfer agent, will also be able to vote in person, by mail or by using the Internet or telephone. If your shares are held in an account at a brokerage firm or bank participating in this program, you should follow the procedures provided by your bank, broker or nominee to provide voting instructions. The telephone and Internet voting procedures are designed to authenticate shareholders’ identities, to allow shareholders to give their voting instructions, and to confirm that shareholders’ instructions have been recorded properly. If you are voting by telephone or Internet, you may incur costs for telephonic or electronic access, such as usage charges from telephone companies and Internet access providers.

If you return a signed proxy card, but do not tell us how you want to vote, we shall vote your shares “for” all director nominees.

Canceling Your Proxy. You can cancel your proxy at any time before the Annual Meeting and provide a new proxy in a timely manner by mail, telephone or Internet. Only your latest dated proxy will count. Only shareholders of record who personally attend will be able to vote during the Annual Meeting.

Counting the Necessary Votes. Directors are elected by a plurality of votes, which means that the director nominees for the positions to be filled (six positions) receiving the highest number of votes will be elected.

Shareholders present and voting do not include Shareholders who have abstained from voting. Abstentions are counted as present at the Annual Meeting for purposes of determining whether a quorum exists, but are not counted as voting and thus have no effect on the outcome. Shareholders present and entitled to vote include Shareholders who abstain. Proxies submitted by brokers that do not indicate a vote for the proposal (usually because the brokers do not have discretionary voting authority and have not received instructions as to how to vote) are referred to as “broker non-votes”. Broker non-votes are not counted as shares present and are not counted in determining whether a proposal is approved by a majority vote of the shares present and voting. Broker non-votes are counted in the total number of outstanding shares entitled to vote and would have the same legal effect as a vote against a proposal that requires an affirmative vote based on the number of outstanding shares entitled to vote.

ITEM 1
ELECTION OF DIRECTORS

The Shareholders will elect six directors at this year’s Annual Meeting. Each director will serve for a one-year term ending at the 2024 Annual Meeting or until he is succeeded by another qualified director who has been elected.

We shall vote your shares as you tell us. If unforeseen circumstances (such as death or disability) make it necessary for the Board to substitute another person for any of the nominees, we will vote your shares for that other person unless you have withheld authority.

All six nominees for directors are presently members of the Board of Directors.

The Board of Directors recommends voting “For” the nominees.

Biographical Information

The following table sets forth the name and age of each director nominee and the year he became a director.

| <u>Name</u> | <u>Age</u> | <u>Director Since</u> | <u>Position</u> |
|-----------------|------------|-----------------------|---|
| Leon Joyce | 53 | 2017 | Chairman of the Board and Chief Executive Officer/President |
| Gary Presley | 67 | 2020 | Director and Vice President of Sales |
| Mark Day | 66 | 2017 | Director |
| Brad Fruit | 60 | 2022 | Director |
| Michael Smith | 66 | 2019 | Director |
| Matthew Hoffman | 60 | 2020 | Director |

The Director Nominees. The Board of Directors has nominated six candidates for election. If elected, these nominees will serve one-year terms. A brief summary of each director nominee’s principal occupation, business affiliations and other information follows.

Leon Joyce became President in December 2019, Chief Executive Officer in January 2018, and previously served as President from April 2017 to January 2018. Mr Joyce became a Director in June 2017. He joined us in 2007 as a sales and marketing representative in Oklahoma, Kansas and Colorado and became national accounts manager in 2011, Business Development Manager in 2013, Vice President of Sales in 2015, and Senior Vice President in November 2016. Mr. Joyce attended Marymount College and Benedictine College.

Mark Day became a Director in June 2017. He is the co-owner and President of Opeco, Inc., a privately held sales and distribution company with over 40 employees in seven locations in five states. Before forming Opeco in 1984, he worked in various capacities with Bethlehem Steel. Mr. Day holds a Bachelor of Science degree in business education from the University of Wyoming.

Brad Fruit is the CEO and CFO of Pollution Control Corp., Chickasha, Oklahoma, a privately held, environmental company marketing patented spill prevention products to

the oil and gas industry. Before joining Pollution Control in 2004, Mr. Fruit served as the Controller of Solvay Polymers, Houston, Texas, and an analyst for Halliburton Energy Services, Houston, Texas. He is a Certified Public Accountant and a graduate of Oklahoma State University, where he received a Bachelor of Science in Business Administration.

Matthew Hoffman became a Director in November 2020. Since 2018, he has been a Workover Completions Manager at New IPT Inc., a Colorado-based independent petroleum consulting firm. He previously worked in similar capacities at Halliburton, Maverick Stimulation Co, LLC and Basic Energy Services designing and implementing stimulation treatments on oil and gas wells. Mr. Hoffman holds a Bachelor of Science degree from the Colorado School of Mines specializing in Petroleum Engineering.

Gary Presley serves as our Vice President of Sales, a position he has held since the Patriot acquisition in May 2019. Mr. Presley was appointed to the Board in November 2020. Since 2010, he was the President of Patriot. Before forming Patriot in 2010, Mr. Presley spent over 30 years in the production chemical business with companies like Champion, Multichem, and Tretolite/Baker Petrolite. He holds a Bachelor of Science degree in biology from Southeastern Oklahoma State University.

Michael Smith became a Director in June 2019 upon the acquisition of Patriot Chemicals and Services, LLC (“*Patriot*”). Since 1991, he has been the Manager of EnerWest Trading Co., LLC, an oil and gas trading company. Mr. Smith holds a Bachelor of Science degree in business management with a minor in accounting from Southwestern Oklahoma State University and a Master of Business Administration from Oklahoma City University.

Other Executive Officers

In addition to the executive officers who serve on the Board of Directors, we have the following executive officers:

Troy Todd, age 61, became Vice President of Operations in April 2017. He served as a Director from June 2017 to November 2020. Mr. Todd joined us in 2001 as a coating technician and became inventory/ procurement manager in 2007, Manager of Solid Chemical in 2010, Manager of the Chemical Division in 2011, Director of Operations for EES in 2014, and Vice President of Operations in November 2016. Mr. Todd has an Associate degree in business management from Oklahoma State University.

Todd Jelinek, age 54, became Vice President in December 2019, served as President between then and January 2018, and was Chief Executive Officer from April 2017 to January 2018. He served as a Director from September 2016 to November 2020. Mr. Jelinek joined us in 2012 as our Research & Development Director and became Executive Vice President in September 2016. Mr. Jelinek has over 22 years’ experience in research and development in the areas of biotechnology, pharmaceutical and environmental sciences. He has a Bachelor of Science in microbiology and a minor in chemistry from South Dakota State University.

Andrew Schmidt, age 54, serves as our Chief Financial Officer, a position he has held since 2018. He is a certified public accountant and the managing partner of Schmidt & Associates, PC, a certified public accounting firm established in 2003. From 1992 to

2003, he worked with Jerry L. Williams as an employee and a partner. Mr. Schmidt holds a Bachelor of Arts degree in accounting and business from Benedictine College.

OTHER INFORMATION ABOUT DIRECTORS, OFFICERS AND CERTAIN SHAREHOLDERS

Stock Ownership of Management and Certain Shareholders

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of April 25, 2023, by (a) each director and nominee, (b) each NEO in the Summary Compensation Table, (c) each person that we know or believe to own beneficially five percent or more of the Common Stock, and (d) all directors and NEOs as a group. Unless indicated otherwise, each person has sole voting and dispositive power with respect to the shares.

| <u>Name of Director, Executive Officer, or Shareholders Holding 5% or More</u> | <u>Beneficial Ownership⁽¹⁾</u> | |
|---|---|----------------|
| | <u>Number of Shares</u> | <u>Percent</u> |
| Melvin Smith Revocable Trust Vickie Smith, Trustee 602 Carlyon Avenue SE Olympia, WA 98501 | 13,250,000 | 24.6% |
| Leon Joyce | 1,357,603 | 2.5% |
| Troy Todd | 1,325,400 | 2.5% |
| Todd Jelinek | 1,381,324 | 2.6% |
| Mark Day ⁽²⁾ | 510,000 | 1.0% |
| Matthew Hoffman | 25,000 | * |
| Michael Smith ⁽³⁾ | 2,275,000 | 4.2% |
| Gary Presley ⁽⁴⁾ | 1,580,000 | 2.9% |
| Brad Fruit | - | - |
| Estate of George Shaw 17504 Cranbrook Rd. Edmond, OK 73015 | 2,932,463 | 5.4% |
| All directors and named executive officers as a group (8 persons) | 8,454,327 | 15.7% |

* Less than one percent.

(1) Disclosures regarding “beneficial ownership” are made as that term is defined under Federal securities laws.

(2) Mr. Day has beneficial ownership over 430,000 shares, which are held of record by Doubleday Investments, Inc. These shares are included in the above amount.

(3) Mr. Smith has beneficial ownership over 2,250,000 shares, which are held of record by EnterWest Trading Co., LLC. These shares are included in the above amount.

(4) Mr. Presley’s beneficial ownership includes 600,000 shares held by his spouse, Shelley Presley. These shares are included in the above amount.

Corporate Governance

Board Composition and Meetings. Our Board of Directors is currently composed of six directors. The Board has determined that four of the directors, Mark Day, Matthew Hoffman, Michael Smith and Brad Fruit, are independent.

In 2022, the full Board met four times with all directors attending either in person or virtually. Mr. Fruit attended the two meetings held after his election to the Board. The Board acted once by written consent during the year. Management also periodically conferred with directors between meetings regarding our affairs.

The Compensation Committee. The Compensation Committee is composed of the independent directors: Mr. Day (Chair), Mr. Fruit, and Mr. Smith. It met once in 2022 with all members participating physically. It sets the compensation levels of the Chief Executive Officer, Chief Operating Officer, and the Chief Financial Officer, and oversees the operation of the equity incentive program and other employee benefits.

The Audit Committee. The Audit Committee is composed of the independent directors: Mr. Fruit (Chair), Mr. Day, and Mr. Smith. The Board has determined that our Audit Committee members meet the required financial literacy and sophistication requirements, and that its Chair, Mr. Fruit, qualifies as an “audit committee financial expert” under the SEC rules. After terminating our registration under the Securities Exchange Act of 1934 (the “*Exchange Act*”) in 2011, we stopped auditing our financial statements. We intend to register under the Exchange Act eventually and will resume financial audits; however, we do not anticipate undertaking the costs of financial audits until our financial condition is stronger. The Audit Committee did not meet in 2022.

Director Nominations. The Board has not delegated its functions to any other standing committees, and thus has not created executive, nominating or other similar committees. The task of nominating directors is undertaken by the full Board. In selecting candidates for director appointments or reelection, the Board believes that it should be composed of directors having a diversified background of knowledge and management expertise. We do not have a formal policy about the consideration of diversity in identifying director nominees, but the Board seeks directors with a variety of complementary skills and perspectives so that, as a group, the Board will possess the appropriate talent, skills, and expertise to oversee our business. The Board considers independence, diversity, age, skills, expertise, time availability, and industry backgrounds in the context of the needs of the Board and Enduro-Tech.

Annual Meeting Attendance. We have a policy of encouraging all directors to attend the Annual Meetings. We did not have an in person Annual Meeting in 2022. All our directors attended the 2022 virtual Annual Meeting.

Outside Director Compensation. With the industry downturn in 2020, the directors elected to waive all fees and other compensation for attendance at board or committee meetings. In lieu of fees, we compensate our outside directors with restricted shares of common stock generally payable at the end of each year. We reimburse all ordinary and necessary expenses, including travel expense, incurred in the conduct of our business.

No stock awards were granted to the outside directors in 2021. In December 2022, we awarded 30,000 shares to our outside directors, Mr. Day, Mr. Fruit, Mr. Hoffman and Mr. Smith. Due to errors in the issuance, we cancelled the awards to Mr. Fruit, Mr. Hoffman and Mr. Smith and reissued those awards in March 2023. The shares vest over a one-year period.

Director Insurance and Indemnity. We maintain directors' and officers' liability insurance policies covering our directors and officers in the course of their service. Our bylaws provide for mandatory indemnification and advancement to hold our directors and executive officers harmless in the event claims are made against them in the course of their service.

Director Communication. Shareholders may send communications to the Board (and to individual directors) through Mr. Troy Todd, Secretary, Energy and Environmental Services, Inc., 2601 NW Expressway, Suite 605W, Oklahoma City, Oklahoma 73112, and telephone 800-635-7716. He will forward to the directors all communications that, in his judgment, are appropriate for consideration by the directors. Comments or questions regarding our accounting, internal controls or auditing matters will be referred to members of the Audit Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to all members of the Board.

Code of Ethics

We have adopted a Code of Ethics that applies to our directors, management and employees. The latest copy of our Code of Ethics is available under the heading "Governance" on our web site at <https://eesokc.com/investors/>. We intend to disclose future amendments to certain provisions of our Code of Ethics, or waivers of those provisions, at the same location on our web site.

Executive Compensation

The following table sets forth the compensation paid or accrued to the Chief Executive Officer and President, the Chief Operating Officer, the Vice President and the Vice President of Sales (they are sometimes called the "named executive officers" or "NEOs") for services performed in 2022 and 2021.

Summary Compensation Table

| Name and Principal Position | Fiscal Year | Annual Compensation | | | Other Annual Compen- sation ⁽³⁾ |
|--------------------------------------|----------------|---------------------|----------------------|--------------------------------|---|
| | | Salary | Bonus ⁽¹⁾ | Stock Awards ⁽²⁾ | |
| Leon Joyce | 2022 | \$165,000 | \$26,200 | \$ - | \$19,150 |
| Chief Executive Officer/President | 2021 | \$165,000 | \$1,200 | \$ - | \$13,150 |
| Troy Todd | 2022 | \$115,000 | \$27,025 | \$ - | \$13,723 |
| Vice President of Operations | 2021 | \$115,000 | \$1,200 | \$ - | \$5,455 |
| Todd Jelinek | 2022 | \$122,149 | \$1,200 | \$ - | \$13,150 |
| Vice President | 2021 | \$82,386 | \$1,200 | \$ - | \$12,000 |
| Gary Presley | 2022 | \$115,000 | \$47,643 | \$ - | \$15,740 |
| Vice President of Sales | 2021 | \$138,246 | \$2,282 | \$ - | \$14,940 |

- (1) Bonuses are paid to the NEOs based solely on the Board's discretion and upon recommendation of the Compensation Committee.
- (2) No incentive awards were granted in 2021 or 2022.
- (3) Messrs. Joyce and Jelinek received automobile allowances, which are reflected in the above amounts. Messrs. Presley and Todd have company-owned vehicles, the payments for which are reflected in the above amounts. Mr. Joyce is reimbursed for the cost of his cell phone, which is reflected in the above amounts. We have a 401K program for employees and match up to 4% of the employee's contribution. In 2022, we matched Mr. Jelinek's contribution of \$5,195.97 and Mr. Todd's contribution of \$5,273.

Employment Agreements

We have entered into written term employment agreements with each of the Named Executive Officers. These employment agreements provide for "at will" employment. The agreements define the rights and responsibilities of each party, including the rights and responsibilities upon termination of employment. Upon involuntary termination for death or disability, for voluntary terminations by the executive officer, for terminations by Enduro-Tech with or without cause, the executive officer receives only his accrued compensation (including accrued vacation) through the termination date. For terminations after a change in control or for good reason, the executive officer will receive compensation through the end of the employment term and an additional six months' compensation. "Good reason" is defined as the executive officer's termination after a reduction in compensation, an assignment of duties inconsistent with his office, or an assignment of duties in an office more than ten miles from his present office. The agreements prohibit the executive officer from disclosing our confidential information or business practices or engaging directly or indirectly in competition with us. The executive officer is also prohibited from competing against us or soliciting our clients for two years after his employment terminates.

Outstanding Equity Awards at Year-End

At December 31, 2022, the Named Executive Officers held no stock or other equity awards that had not vested, and no stock or other equity awards held by them vested in 2022.

At December 31, 2022, director Mark Day held a 30,000 restricted share award that was not vested.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Person Transactions

We own 50% of Vortex Oilfield Products, LLC (“*Vortex*”), which was formed in 2017 to market and distribute pump barrels coated with our anti-corrosive Enduro-Bond® coating. The other 50% owner is Daxon Investments, LLC (“*Daxon*”), which is 50% owned and managed by our director, Mark Day. Mr. Day and Leon Joyce are the managers of Vortex. Under the arrangement, Vortex buys the pump barrels and has contracted with us for an exclusive ten-year term to coat the pump barrels at our standard pricing. In 2021 and 2022, Vortex paid us \$3,632 and \$21,562, respectively, for coating pump barrels. Once coated, Vortex distributes the pump barrels through direct sales and sales representatives. Vortex has contracted with Opeco, Inc., which is also partially owned and managed by Mr. Day. Under the distribution agreement, Opeco purchases the coated pump barrels from Vortex at a discount and distributes them within the states of Oklahoma, Arkansas, Kansas, Alabama, Mississippi, McCook County, Nebraska, certain counties in northern Louisiana, and certain counties in northern and eastern Texas and the Texas panhandle. We entered into these arrangements in 2017, and in 2019 we and Daxon each invested \$27,283 in Vortex. Opeco bought \$44,765 in pump barrels from Vortex in 2021 and \$129,529 in 2022.

We have a separate distribution agreement with Opeco for the sale of our coating products. The agreement covers the same territory as the Vortex distribution agreement described above. Opeco receives a 10% sales commission on coating sales within the territory and may buy coating products from us at a 20% discount for resale. In 2021 and 2022, we paid Opeco \$13,689 and \$14,570, respectively, for sales under the distribution agreement. Opeco purchased \$34,863 of coatings products from us in 2021, and \$51,114 in 2022.

We believe that these arrangements are appropriate, and the payments are reasonable and equal to or less than amounts that would be payable to an unaffiliated third party for comparable service.

Related Person Transactions Policy and Procedures

We have a corporate policy for the identification, review, consideration and approval or ratification of “related person transactions”. For purposes of our policy only, a “related-person transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any “related person” are participants involving an amount that exceeds \$10,000. Transactions involving compensation for services provided to us as an employee, director, consultant or similar capacity by a related person are not covered by this policy. A related person is any executive officer, director, or more than 5% shareholder, including any of their immediate family members, and any entity owned or controlled by those persons. The Board has adopted a written policy covering relating party transactions.

OTHER INFORMATION ABOUT THE ANNUAL MEETING

Other Matters Coming Before the Meeting

As of the date of this Proxy Statement, we know of no business to come before the Annual Meeting other than that referred to above. Our rules of conduct for the Annual Meeting prohibit the introduction of substantive matters not previously presented to the Shareholders in a proxy statement. As to other business, such as procedural matters that may come before the meeting, the person or persons holding proxies will vote those proxies in the manner they believe to be in the best interests of us and our Shareholders.

Shareholder Proposals for the Next Annual Meeting

Any shareholder proposal intended for inclusion in our Proxy Statement for the 2024 Annual Meeting must be received at our offices, at 2601 NW Expressway, Suite 605W, Oklahoma City, Oklahoma 73112, no later than March 1, 2024. Any shareholder proposals received after this date will be considered untimely.

Shareholders who intend to present a proposal at the 2024 Annual Meeting without including the proposal in our Proxy Statement, or who propose to nominate a person for election as a director at the 2024 Annual Meeting, are required to provide notice of the proposal or nomination, containing the information required by our Bylaws, to us no more than 120 days or less than 90 days before the one-year anniversary of the 2023 Annual Meeting.

Additional Information

We bear the cost of soliciting proxies. Our officers and regular employees may solicit proxies by further mailings, personal conversations, or by telephone, facsimile or other electronic transmission. They will do so without compensation other than their regular compensation.

Our Annual Report and past newsletters are available without charge to any Shareholder, upon request, by calling 800-635-7716 or writing to Mr. Troy Todd, Secretary, Energy and Environmental Services, Inc., 2601 NW Expressway, Suite 605W, Oklahoma City, Oklahoma 73112.

By Order of the Board of Directors

/s/ Troy Todd

Troy Todd
Secretary

May 4, 2023