
CDN.\$250,000,000 REVOLVING CREDIT FACILITIES

AMENDED AND RESTATED CREDIT AGREEMENT

BETWEEN

**CALFRAC WELL SERVICES LTD.
as Borrower**

AND

**HSBC BANK CANADA,
ATB FINANCIAL,
ROYAL BANK OF CANADA,
EXPORT DEVELOPMENT CANADA,
THE BANK OF NOVA SCOTIA,
CANADIAN WESTERN BANK
and such other persons as become parties hereto as lenders
as Lenders**

AND

**HSBC BANK CANADA
as Agent of the Lenders**

AMENDED AND RESTATED AS OF SEPTEMBER 29, 2022

**HSBC Bank Canada
as Lead Arranger and Sole Bookrunner**

**HSBC Bank Canada
as Administration Agent**

TABLE OF CONTENTS

AMENDED AND RESTATED CREDIT AGREEMENT

Article 1 - INTERPRETATION	2
1.1 Definitions	2
1.2 Headings; Articles and Sections	50
1.3 Number; persons; including	50
1.4 Accounting Principles	50
1.5 References to Agreements and Enactments	52
1.6 Per Annum Calculations	52
1.7 Schedules	52
1.8 Refunding and Amendment and Restatement of the Existing Credit Agreement	53
1.9 Confirmation of Security	54
1.10 Rates	54
Article 2 - THE CREDIT FACILITIES	55
2.1 The Credit Facilities	55
2.2 Types of Availments; Overdraft Loans	55
2.3 Purpose	56
2.4 Availability and Nature of the Credit Facilities	56
2.5 Minimum Drawdowns	56
2.6 Notice Periods for Drawdowns, Conversions and Rollovers	57
2.7 Conversion Option	58
2.8 SOFR Loan Rollovers; Selection of SOFR Interest Periods	58
2.9 Rollovers and Conversions not Repayments	59
2.10 Agent's Obligations with Respect to Canadian Prime Rate Loans, U.S. Base Rate Loans and SOFR Loans	59
2.11 Lenders' and Agent's Obligations with Respect to Canadian Prime Rate Loans, U.S. Base Rate Loans and SOFR Loans	59
2.12 Irrevocability	59
2.13 Optional Cancellation or Reduction of Credit Facilities	60
2.14 Optional Repayment of Credit Facilities	60
2.15 Mandatory Repayment and Reduction of Credit Facilities	61
2.16 Additional Repayment Terms	62
2.17 Currency Excess	64
2.18 Hedging with Lenders and Hedging Affiliates	65
2.19 Extension of Syndicated Facility Maturity Date	65
2.20 Extension of Operating Facility Maturity Date	67
2.21 Replacement of Lenders	68
2.22 Borrowing Base Limit; Determinations of Borrowing Base	69
2.23 Permitted Increase in Syndicated Facility	71
Article 3 - CONDITIONS PRECEDENT TO DRAWDOWNS	72
3.1 Conditions for Drawdowns	72
3.2 Additional Conditions For Amendment and Restatement	72
3.3 Waiver	73
Article 4 - EVIDENCE OF DRAWDOWNS	73

4.1	Account of Record.....	73
Article 5 - PAYMENTS OF INTEREST AND FEES		74
5.1	Interest on Canadian Prime Rate Loans.....	74
5.2	Interest on U.S. Base Rate Loans	74
5.3	Interest on SOFR Loans.....	75
5.4	<i>Interest Act</i> (Canada); Conversion of 360 Day Rates.....	75
5.5	Nominal Rates; No Deemed Reinvestment	76
5.6	Standby Fees.....	76
5.7	Agent's Fees	77
5.8	Interest on Overdue Amounts.....	77
5.9	Waiver.....	77
5.10	Maximum Rate Permitted by Law.....	77
Article 6 - BANKERS' ACCEPTANCES		77
6.1	Bankers' Acceptances.....	77
6.2	Fees.....	78
6.3	Form and Execution of Bankers' Acceptances.....	78
6.4	Power of Attorney; Provision of Bankers' Acceptances to Lenders	79
6.5	Mechanics of Issuance.....	81
6.6	Rollover, Conversion or Payment on Maturity.....	83
6.7	Restriction on Rollovers and Conversions	83
6.8	Rollovers.....	83
6.9	Conversion into Bankers' Acceptances	84
6.10	Conversion from Bankers' Acceptances	84
6.11	BA Equivalent Advances.....	84
6.12	Termination of Bankers' Acceptances.....	85
6.13	Borrower Acknowledgements	85
Article 7 - LETTERS OF CREDIT		85
7.1	Availability	85
7.2	Currency, Type, Form and Expiry.....	85
7.3	No Conversion.....	86
7.4	Fronted LC Provisions.....	86
7.5	Records	87
7.6	Reimbursement or Conversion on Presentation;	87
7.7	Fronting Lender Indemnity.....	88
7.8	Fees and Expenses	88
7.9	Additional Provisions	89
7.10	Certain Notices with Respect to Letters of Credit.....	92
7.11	Inapplicability of Fronting Mechanics and Fronting Fees.....	93
Article 8 - PLACE AND APPLICATION OF PAYMENTS.....		93
8.1	Place of Payment of Principal, Interest and Fees; Payments to Agent and the Operating Lender	93
8.2	Designated Accounts of the Lenders	93
8.3	Funds.....	94
8.4	Application of Payments.....	94
8.5	Payments Clear of Taxes	94
8.6	Set Off.....	96

8.7	Margin Changes; Adjustments for Margin Changes	96
Article 9 - REPRESENTATIONS AND WARRANTIES		97
9.1	Representations and Warranties	97
9.2	Deemed Repetition	104
9.3	Other Documents	104
9.4	Effective Time of Repetition	104
9.5	Nature of Representations and Warranties	104
Article 10 - GENERAL COVENANTS		105
10.1	Affirmative Covenants of the Borrower	105
10.2	Negative Covenants of the Borrower	111
10.3	Financial Covenants	116
10.4	Agent May Perform Covenants	117
Article 11 - SECURITY		117
11.1	Security	117
11.2	Registration	118
11.3	Forms	119
11.4	Continuing Security	119
11.5	Dealing with Security	120
11.6	Effectiveness	120
11.7	Release and Discharge of Security	120
11.8	Transfer of Security	120
11.9	Hedging Affiliates and Bank Product Affiliates	121
11.10	Security for Hedging with Former Lenders	121
Article 12 - EVENTS OF DEFAULT AND ACCELERATION		122
12.1	Events of Default	122
12.2	Acceleration	126
12.3	Conversion on Default	126
12.4	Remedies Cumulative and Waivers	127
12.5	Termination of Lenders' Obligations	127
12.6	Acceleration of All Lender Obligations	127
12.7	Application and Sharing of Payments Following Acceleration	128
12.8	Calculations as at the Adjustment Time	128
12.9	Sharing Repayments	128
12.10	Pro Rata Obligations	129
Article 13 - CHANGE OF CIRCUMSTANCES		129
13.1	Inability to Determine Rates Representing SOFR Loans	129
13.2	Market Disruption Respecting Bankers' Acceptances	130
13.3	Change in Law	131
13.4	Prepayment of Portion	133
13.5	Illegality	133
13.6	Benchmark Replacement	134
13.7	CDOR Replacement	135
Article 14 - COSTS, EXPENSES AND INDEMNIFICATION		137
14.1	Costs and Expenses	137
14.2	General Indemnity	137
14.3	Environmental Indemnity	139

14.4	Judgment Currency	139
Article 15 - THE AGENT AND ADMINISTRATION OF THE CREDIT FACILITIES.....		140
15.1	Authorization and Action	140
15.2	Procedure for Making Loans	141
15.3	Remittance of Payments	142
15.4	Redistribution of Payment	142
15.5	Duties and Obligations	144
15.6	Prompt Notice to the Lenders	145
15.7	Agent's and Lenders' Authorities.....	145
15.8	Lender Credit Decision.....	145
15.9	Indemnification of Agent.....	146
15.10	Successor Agent.....	146
15.11	Taking and Enforcement of Remedies	146
15.12	Reliance Upon Agent.....	147
15.13	No Liability of Agent.....	148
15.14	The Agent and Defaulting Lenders.....	148
15.15	Article for Benefit of Agent and Lenders	149
15.16	Erroneous Payments	149
Article 16 - GENERAL		152
16.1	Exchange and Confidentiality of Information	152
16.2	Nature of Obligation under this Agreement; Defaulting Lenders	153
16.3	Notices	155
16.4	Governing Law	156
16.5	Benefit of the Agreement.....	156
16.6	Assignment	156
16.7	Participations	157
16.8	Severability	157
16.9	Whole Agreement.....	157
16.10	Amendments and Waivers.....	157
16.11	Further Assurances	158
16.12	Attornment.....	158
16.13	Time of the Essence.....	158
16.14	Amended and Restated Credit Agreement Governs	159
16.15	Anti-Money Laundering Laws	159
16.16	Acknowledgement and Consent to Bail-In of Affected Financial Institutions.....	159
16.17	Counterparts; Electronic Signature.....	160

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT originally made as of September 29, 2009, amended and restated as of December 22, 2009, further amended and restated as of September 27, 2011, further amended and restated as of October 10, 2012, further amended and restated as of February 18, 2015, further amended and restated as of September 27, 2017, further amended and restated as of April 30, 2019, further amended and restated as of December 18, 2020 and further amended and restated as of September 29, 2022

B E T W E E N:

CALFRAC WELL SERVICES LTD., a corporation existing under the laws of the Province of Alberta (hereinafter sometimes referred to as the “**Borrower**”),

OF THE FIRST PART,

- and -

HSBC BANK CANADA, ATB FINANCIAL, ROYAL BANK OF CANADA, EXPORT DEVELOPMENT CANADA, THE BANK OF NOVA SCOTIA and CANADIAN WESTERN BANK together with such other persons as become parties hereto as lenders, (hereinafter sometimes collectively referred to as the “**Lenders**” and sometimes individually referred to as a “**Lender**”),

OF THE SECOND PART,

- and -

HSBC BANK CANADA, a Canadian chartered bank, as agent of the Lenders hereunder (hereinafter referred to as the “**Agent**”),

OF THE THIRD PART.

WHEREAS the Borrower, certain of the Lenders and the Agent executed and delivered a credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011 and as further amended and restated as of October 10, 2012 (the “**Original Credit Agreement**”);

AND WHEREAS the Borrower, certain of the Lenders and the Agent executed and delivered an amendment and restatement of the Original Credit Agreement pursuant to the amended and restated credit agreement made as of February 18, 2015, as amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019 and as further amended and restated as of December 18, 2020 (as further amended and supplemented to the date hereof, the “**Existing Credit Agreement**”);

AND WHEREAS the parties hereto have agreed to amend and restate the Existing Credit Agreement on the terms and conditions hereinafter set forth;

AND WHEREAS the Lenders have agreed to provide the Credit Facilities to the Borrower on the terms and conditions herein set forth;

AND WHEREAS the Lenders wish the Agent to act on their behalf with regard to certain matters associated with the Credit Facilities;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

(1) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“2020 1.5 Lien Convertible Note Documentation” means, collectively, the note indenture, supplemental indentures, notes, guarantees, security documents, the 2020 1.5 Lien Intercreditor Agreement and the other documentation governing the 2020 1.5 Lien Convertible Notes.

“2020 1.5 Lien Convertible Notes” means the 10% payment-in-kind convertible secured notes of the Borrower in the initial maximum aggregate amount of Cdn.\$60,000,000 due 2023 and issued and outstanding pursuant to an indenture and supplemental indenture each dated on or about December 18, 2020 and other related documentation.

“2020 1.5 Lien Intercreditor Agreement” the intercreditor and priority agreement dated as of December 18, 2020 between, the Agent, Computershare Trust Company of Canada, the Borrower, Calfrac U.S. and Calfrac LP in respect of the 2020 1.5 Lien Convertible Notes.

“2020 Second Lien Intercreditor Agreement” the intercreditor and priority agreement dated as of February 14, 2020 between, the Agent, Wilmington Trust, National Association, the Borrower, Calfrac U.S. and Calfrac LP in respect of the 2020 Second Lien Notes.

“2020 Second Lien Note Documentation” means, collectively, the note indenture, notes, guarantees, security documents, the 2020 Second Lien Intercreditor Agreement and the other documentation governing the 2020 Second Lien Notes.

“2020 Second Lien Notes” means the 10.875% secured notes of Calfrac LP in the initial maximum aggregate amount of U.S.\$120,000,100 due 2026 and issued and outstanding pursuant to an indenture dated on or about February 14, 2020 and other related documentation.

“**Acceleration Notice**” means a written notice delivered by the Agent to the Borrower pursuant to Section 12.2 declaring all Obligations of the Borrower outstanding hereunder to be due and payable.

“**Acceptable Insured Receivables**” means, with respect to the Borrower and its Subsidiaries which have provided Security, the accounts receivable owing from Account Debtors which are located outside of Canada or the United States of America and which are insured for payment by Export Development Canada (or such other insurer acceptable to the Agent, acting reasonably); provided that (i) the Borrower has provided the Agent the insurance policy covering such accounts receivable, (ii) such insurance policy is acceptable to the Agent, acting reasonably, and (iii) the Borrower and its Subsidiaries are in compliance with all the terms and provisions of such insurance.

“**Account Debtor**” means a person who is obligated to pay or perform on or under any Account Receivable or a person who is obligated to pay or perform on or under any Acceptable Insured Receivable, as applicable.

“**Account Receivable**” means any right of the Borrower or a Subsidiary which has provided Security to payment for goods sold or leased or for services rendered in the ordinary course of business from Account Debtors which are located in Canada or the United States of America.

“**Accounting Change**” has the meaning set out in Section 1.4(2)(b).

“**Accounting Change Notice**” has the meaning set out in Section 1.4(2)(b).

“**Additional Compensation**” has the meaning set out in Section 13.3(1).

“**Adjusted Term SOFR**” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“**Adjustment Time**” means the time of occurrence of the last event necessary (being either the delivery of a Demand for Payment or the occurrence of a Termination Event) to ensure that all Obligations, Bank Product Obligations and Financial Instrument Obligations under any Lender Financial Instruments are thereafter due and payable.

“**Advance**” means an advance of funds made by the Lenders or by any one or more of them to the Borrower (including by way of overdraft under the Operating Facility), but does not include any Conversion or Rollover.

“**Affected Financial Institution**” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“**Affected Loan**” has the meaning set out in Section 13.4.

“**Affiliate**” means any person which, directly or indirectly, controls, is controlled by or is under common control with another person; and, for the purposes of this definition, “control” (including,

with correlative meanings, the terms “controlled by” or “under common control with”) means the power to direct or cause the direction of the management and policies of any person, whether through the ownership of shares or by contract or otherwise.

“**Agency Fee Agreement**” means the amended and restated agency fee agreement dated as of September 27, 2017 granted by the Borrower in favour of the Agent respecting the payment of certain fees and other amounts to the Agent for its own account.

“**Agent’s Accounts**” means accounts maintained by the Agent and for which the Agent may from time to time designate by notice to the Borrower and the Lenders to which payments and transfers under this Agreement are to be effected.

“**Agreement**” means this amended and restated credit agreement, as the same may be further amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“**Anti-Money Laundering Laws**” means the USA Patriot Act; the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department and any other enabling legislation or executive order relating thereto; the U.S. Money Laundering Control Act of 1986 and the regulations and rules promulgated thereunder, as amended from time to time and any other federal or state laws relating to “know your customer” rules and regulations; the U.S. Bank Secrecy Act and the regulations and rules promulgated thereunder, as amended from time to time; and corresponding laws of (a) the European Union designed to combat money laundering and terrorist financing and (b) jurisdictions in which the Borrower operates or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived including *the Canadian Proceeds of Crime (Money Laundering) and the Terrorism Financing Act* and the regulations promulgated thereunder.

“**Applicable Laws**” or “**applicable law**” means, in relation to any person, transaction or event:

- (a) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any Governmental Authority; and
- (b) all Governmental Authorizations to which the person is a party or by which it or its property is bound or having application to the transaction or event.

“**Applicable Pricing Rate**” as regards any Loan or the standby fees payable in accordance with Section 5.6, means, when the Funded Debt to EBITDA Ratio is one of the following, the percentage rate per annum set forth opposite such ratio in the column applicable to the type of Loan in question or such standby fee:

Tier	Funded Debt to EBITDA Ratio	Margin on Canadian Prime Rate Loans and U.S. Base Rate Loans	Margin on SOFR Loans, Acceptance Fees for Bankers' Acceptances and Issuance Fees for Letters of Credit	Standby Fees on each Credit Facility
I	[Redacted]	[Redacted]	[Redacted]	[Redacted]
II	[Redacted]	[Redacted]	[Redacted]	[Redacted]
III	[Redacted]	[Redacted]	[Redacted]	[Redacted]
IV	[Redacted]	[Redacted]	[Redacted]	[Redacted]
V	[Redacted]	[Redacted]	[Redacted]	[Redacted]
VI	[Redacted]	[Redacted]	[Redacted]	[Redacted]

provided that:

- (a) notwithstanding that the Applicable Pricing Rate is based upon the Funded Debt to EBITDA Ratio, if:
 - (i) the Total Debt to EBITDA Ratio exceeds 4.00:1.00, the above rates per annum applicable to Loans and standby fees shall be set at the following until such time as the Borrower has delivered to the Agent a Compliance Certificate certifying that the Total Debt to EBITDA Ratio is less than or equal to 4.00:1.00:
 - (A) in the case of Canadian Prime Rate Loans and U.S. Base Rate Loans, [Redacted];
 - (B) in the case of SOFR Loans, acceptance fees for Bankers' Acceptances and issuance fees for Letters of Credit, [Redacted]; and
 - (C) in the case of standby fees on each Credit Facility, [Redacted]; and
 - (ii) the Total Debt to EBITDA Ratio exceeds 3.00:1.00 but is less than or equal to 4.00:1.00, the above rates per annum applicable to Loans and standby fees shall be set at the following until such time as the Borrower has delivered to the Agent a Compliance Certificate certifying that the Total Debt to EBITDA Ratio is less than or equal to 3.00:1.00:

- (A) in the case of Canadian Prime Rate Loans and U.S. Base Rate Loans, [Redacted];
 - (B) in the case of SOFR Loans, acceptance fees for Bankers' Acceptances and issuance fees for Letters of Credit, [Redacted]; and
 - (C) in the case of standby fees on each Credit Facility, [Redacted];
- (b) without duplication of (c) below, upon the occurrence of an Event of Default, the above rates per annum applicable to Loans shall each increase (as applicable) by [Redacted] if and for so long as the Event of Default subsists;
 - (c) without duplication of (b) above, from and after three (3) days following the date of delivery to the Agent of a notice of a Borrowing Base Shortfall, the above rates per annum applicable to Loans under the Credit Facilities shall each increase by [Redacted] if and for so long as the Borrowing Base Shortfall subsists;
 - (d) the above rates per annum applicable to SOFR Loans are expressed on the basis of a year of 360 days;
 - (e) the above rates per annum applicable to all other Loans are expressed on the basis of a year of 365 days;
 - (f) issuance fees for Letters of Credit which are not "direct credit substitutes" (as determined by the Operating Lender or the Fronting Lender, as applicable, acting reasonably) within the meaning of the Capital Adequacy Requirements shall be 66⅔% of the rate specified above; and
 - (g) changes in the Applicable Pricing Rate shall be effective in accordance with Section 8.7.

"Approved Securities" means obligations maturing within one year from their date of purchase or other acquisition by the Borrower or a Subsidiary and which are, directly or indirectly (including through a money market fund administered by the Agent):

- (a) issued by the Government of Canada or the United States of America or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the Government of Canada or the United States of America;
- (b) issued by a province of Canada or a state of the United States of America, or an instrumentality or agency thereof, which has a long term debt rating of at least A by S&P, A2 by Moody's, or A by DBRS; or
- (c) term deposits, guaranteed investment certificates, certificates of deposit, bankers' acceptances or bearer deposit notes, in each case, of any Canadian chartered bank or other Canadian financial institution or any bank or other financial institution incorporated under the laws of the United States of America or any state thereof

which has a long term debt rating of at least A+ by S&P, A1 by Moody's, or A (high) by DBRS.

“Assigned Interests” has the meaning set out in Section 2.19.

“Assignment Agreement” means an assignment agreement substantially in the form of Schedule B annexed hereto, with such modifications thereto as may be required from time to time by the Agent, acting reasonably.

“Attributable Debt” means, in respect of any lease (excluding any lease characterized as an operating lease under generally accepted accounting principles as in effect on December 31, 2018 entered into in the ordinary course of business) entered into by a person or a Subsidiary thereof as lessee, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with generally accepted accounting principles) of the lease payments of the lessee, including all rent and payments to be made by the lessee in connection with the return of the leased property, during the remaining term of the lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended) but excluding for certainty, (a) amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labour costs and similar charges and (b) amounts payable by a lessee in connection with the exercise of any end of term purchase option, early buy out option or any similar amounts payable at the election of the lessee.

“Available Tenor” means, as of any date of determination and with respect to the then current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of “Interest Period” pursuant to Section 13.6(4).

“BA Available Tenor” means, as of any date of determination and with respect to the then-current BA Benchmark, as applicable, (a) if the then-current BA Benchmark is a term rate, any tenor for such BA Benchmark that is or may be used for determining the length of an Interest Period or (b) otherwise, any payment period for interest calculated with reference to such BA Benchmark, as applicable, pursuant to this Agreement as of such date.

“BA Benchmark” means, initially, CDOR; provided that if a replacement of the BA Benchmark has occurred pursuant to Section 13.7, then “BA Benchmark” means the applicable BA Benchmark Replacement to the extent that such BA Benchmark Replacement has replaced such prior benchmark rate. Any reference to “BA Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“BA Benchmark Replacement” means, for any BA Available Tenor:

- (a) for purposes of subparagraph (i) of this definition, the first alternative set forth below that can be determined by the Agent:

- (i) the sum of: (A) Term CORRA and (B) 0.29547% (29.547 basis points) for a BA Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) for a BA Available Tenor of three-months duration; or
 - (ii) the sum of: (A) Daily Compounded CORRA and (B) 0.29547% (29.547 basis points) for a BA Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months' duration; and
- (b) For purposes of subparagraph (ii) of this definition, the sum of (i) the alternate benchmark rate and (ii) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Agent and the Borrower as the replacement for such BA Available Tenor of such BA Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the BA Relevant Governmental Body, for Canadian dollar-denominated syndicated credit facilities at such time,

provided that, if the BA Replacement as determined pursuant to subparagraph (a) or (b) above would be less than the BA Floor, the BA Benchmark Replacement will be deemed to be the BA Floor for the purposes of this Agreement and the other Documents.

“BA Benchmark Replacement Conforming Changes” means, with respect to any BA Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Canadian Prime Rate,” the definition of “Banking Day,” the definition of “Interest Period,” the definition of “Bankers’ Acceptance,” timing and frequency of determining rates and making payments of interest, timing of Drawdown Notices, prepayment notices, Conversion Notices or Rollover Notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Agent and the Lenders to create, maintain or issue Bankers’ Acceptances) that the Agent decides, acting reasonably, may be appropriate to reflect the adoption and implementation of such BA Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides, acting reasonably, that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of such BA Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Documents). Without limiting the foregoing, BA Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a BA Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the BA Benchmark Replacement, to replace the creation or purchase of drafts or Bankers’ Acceptances.

“BA Benchmark Transition Event” means, with respect to any then-current BA Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current BA Benchmark, the regulatory supervisor for the administrator of such BA Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such BA Benchmark, a resolution authority with jurisdiction over the

administrator for such BA Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all BA Available Tenors of such BA Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue provide any BA Available Tenor of such BA Benchmark or (b) all BA Available Tenors of such BA Benchmark are or will no longer be representative of the underlying market and economic reality that such BA Benchmark is intended to measure and that representativeness will not be restored.

“**BA Cessation Effective Date**” has the meaning set out in Section 13.7(7).

“**BA Cessation Notice**” has the meaning set out in Section 13.7(7).

“**BA Discount Rate**” means:

- (a) in relation to a Bankers’ Acceptance accepted by a Schedule I Lender, CDOR;
- (b) in relation to a Bankers’ Acceptance accepted by a Schedule II Lender or Schedule III Lender, the lesser of:
 - (i) the Discount Rate then applicable to bankers’ acceptances accepted by such Schedule II Lender or Schedule III Lender; and
 - (ii) CDOR plus [*Redacted*],provided that if both such rates are equal, then the “BA Discount Rate” applicable thereto shall be the rate specified in (i) above; and
- (c) in relation to a BA Equivalent Advance:
 - (i) made by a Schedule II Lender or Schedule III Lender, the rate determined in accordance with subparagraph (b) of this definition; and
 - (ii) made by any other Lender, CDOR.

“**BA Equivalent Advance**” means, in relation to a Drawdown of, Conversion into or Rollover of Bankers’ Acceptances, an advance in Canadian Dollars made by a Non-Acceptance Lender as part of such Loan.

“**BA Floor**” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to CDOR.

“**BA Relevant Governmental Body**” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means with respect to:

- (a) any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule; and
- (b) the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their respective Affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bankers’ Acceptance**” means a draft in Canadian Dollars drawn by the Borrower, accepted by a Lender and issued for value pursuant to this Agreement.

“**Banking Day**” means, (a) in respect of a SOFR Loan, a U.S. Government Securities Business Day and (b) for all other purposes, a day on which banks are open for business in Calgary, Alberta, Toronto, Ontario and New York, New York, but does not in any event include a Saturday or a Sunday.

“**Bank Product Affiliates**” means any Affiliate of a Lender which provides a Bank Product.

“**Bank Products**” means any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer, cash pooling and other cash management arrangements and commercial credit card and merchant card services provided to the Borrower or any of its Subsidiaries by any Lender or its Affiliates.

“**Bank Product Obligations**” means all obligations of the Borrower and its Subsidiaries arising under or in connection with Bank Products.

“**Basel III**” means the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking system”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision on 16 December 2010, each as amended, supplemented or restated from time to time.

“**Benchmark**” means, initially, the Term SOFR Reference Rate provided that, if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 13.6(1).

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, either of the following to the extent selected by the Agent in its unilateral discretion:

- (a) the sum of (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for United States Dollar denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment,

provided that, if the Benchmark Replacement as determined pursuant to subparagraph (a) or (b) would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for United States Dollar denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of subparagraph (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (b) in the case of subparagraph (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such subparagraph (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of subparagraph (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then current Benchmark for all purposes hereunder and under any Document in accordance with Section 13.6 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any other Document in accordance with Section 13.6.

“**Borrowing Base**” means, without duplication, the amount in Canadian Dollars equal to the aggregate of:

- (a) 75% of all Eligible Accounts Receivable owing by Account Debtors (i) rated BB+ or lower by S&P or the equivalent by a similar rating agency or (ii) not rated by S&P or any similar rating agency;
- (b) 85% of all Eligible Accounts Receivable owing by Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency (and such other Account Debtors as are otherwise agreed to by the Borrower and the Majority of the Lenders, acting reasonably, at the request of the Borrower which is permitted up to one time per fiscal quarter);
- (c) to the extent not included in subparagraphs (a) or (b) above, 85% of Acceptable Insured Receivables;
- (d) 35% of the net book value of the property, plant and equipment (excluding property, plant and equipment (i) under construction and (ii) which are included in joint ventures unless title to such property, plant and equipment remains solely with the Borrower or the applicable Subsidiary and the Borrower or the applicable Subsidiary have the unfettered right to remove such property, plant and equipment from the joint venture in its sole discretion) of the Borrower and its Subsidiaries which have provided Security which property, plant and equipment is located in Canada and the United States of America and over which the Agent and the Lenders have a first ranking perfected Security Interest (and for the purposes of this provision the Lenders shall be deemed to have a first ranking perfected Security Interest over property, plant and equipment owned by the Borrower or any such Subsidiary which has granted Security which is located in the United States of America consisting of Titled Assets), provided that such property, plant and equipment shall only be included in the determination of the Borrowing Base up to a maximum of Cdn.\$150,000,000; and
- (e) 100% of Unencumbered Cash,
less:
 - (i) an amount equal to all due and payable but unpaid statutory source deductions of the Borrower and its Subsidiaries who have provided Security;
 - (ii) an amount equal to all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of the Borrower and its Subsidiaries who have provided Security; and
 - (iii) any other claims ranking in priority to the Security.

“**Borrowing Base Certificate**” means a report and certificate of the Borrower substantially in the form annexed hereto as Schedule I which, *inter alia*, provides:

- (a) a calculation of the net book value of the property, plant and equipment of the Borrower and its Subsidiaries which have provided Security located in Canada or the United States of America subject to the exclusions contained in

subparagraph (d) of the definition of “Borrowing Base” which assets are not included in the determination of the Borrowing Base;

- (b) a summary of all Accounts Receivable and corresponding and offsetting accounts payable of the Borrower and its Subsidiaries which have provided Security from Account Debtors located in Canada or the United States of America as of the relevant calendar month end (including particulars of all Account Debtors and the age of such Accounts Receivable) which summary shall provide details of any Eligible Accounts Receivable subject to a *bona fide* dispute between the Account Debtor and the Borrower;
- (c) evidence satisfactory to the Agent, acting reasonably, that all Acceptable Insured Receivables listed in the Borrowing Base Certificate are permitted pursuant to the definition of Acceptable Insured Receivables;
- (d) a summary of all Unencumbered Cash;
- (e) a summary of all due and payable but unpaid statutory source deductions, all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of the Borrower and the Subsidiaries which have provided Security and any other claims ranking in priority to the Security; and
- (f) the Borrower’s calculation of the Borrowing Base as at the applicable calendar month end (including particulars of the basis on which the Borrower has made such calculation) together with a certificate of the Borrower certifying such calculation and the Borrowing Base; provided that it is acknowledged and agreed that the Lenders may re-determine the Borrowing Base in accordance with Section 2.22

“**Borrowing Base Notice**” has the meaning set out in Section 2.22.

“**Borrowing Base Shortfall**” has the meaning set out in Section 2.22.

“**Calfrac LP**” means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware.

“**Calfrac U.S.**” means Calfrac Well Services Corp., a corporation incorporated under the laws of the State of Colorado.

“**Canadian Dollars**” and “**Cdn.\$**” mean the lawful money of Canada.

“**Canadian Prime Rate**” means, for any day, the greater of:

- (a) the rate of interest per annum established from time to time by the Agent or the Operating Lender, as applicable, as the reference rate of interest for the determination of interest rates that the Agent or Operating Lender, as applicable, will charge to customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Canada; and

- (b) the rate of interest per annum equal to the average annual yield rate for one month Canadian Dollar bankers' acceptances (expressed for such purpose as a yearly rate per annum in accordance with Section 5.4) which rate is shown on the display referred to as the "CDOR Page" (or any display substituted therefor) of Refinitiv Benchmark Services (UK) Limited ("RBSL") (or any successor thereto or Affiliate thereof) at 10:00 a.m. (Toronto time) on such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, plus [Redacted],

provided that if both such rates are equal or if such one month bankers' acceptance rate is unavailable for any reason on any date of determination, then the "Canadian Prime Rate" shall be the rate specified in (a) above.

"Canadian Prime Rate Loan" means an Advance in, or Conversion into, Canadian Dollars made by the Lenders (or any of them) to the Borrower with respect to which the Borrower has specified or a provision hereof requires that interest is to be calculated by reference to the Canadian Prime Rate.

"Capital Adequacy Requirements" means Guideline A, effective November 2018 / January 2019, entitled "Capital Adequacy Requirement (CAR) – Simpler Approaches" and Guideline A-I, dated April 2014, entitled "Capital Adequacy Requirements (CAR)" each issued by the Office of the Superintendent of Financial Institutions Canada and all other guidelines or requirements relating to capital adequacy issued by the Office of the Superintendent of Financial Institutions Canada or any other Governmental Authority regulating or having jurisdiction with respect to any Lender, as amended, modified, supplemented, reissued or replaced from time to time.

"Capital Expenditures" means, for any period, any expenditure made by any person for the purchase, lease, license, erection, development, improvement, construction, repair or replacement of capital assets, and any expenditure pursuant to a capital lease or any other expenditure required to be capitalized, all as determined in accordance with generally accepted accounting principles.

"Capitalization" means, as at any date of determination, without duplication, the sum of (a) Equity and (b) all outstanding Total Debt, as determined for the Borrower and its Subsidiaries on a consolidated basis.

"Cash Collateral" has the meaning set out in Section 2.16.

"Cash Collateral Account" has the meaning set out in Section 2.16.

"CDOR" means the Canadian Dollar rate for bankers' acceptance borrowings known as the Canadian Dollar Offered Rate provided by RBSL, as the administrator of the benchmark (or a successor administrator); provided that, if the rate determined above shall ever be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"CDOR Cessation Date" has the meaning set out in Section 13.7(1).

"Central Bank Rate" means, for any day, (a) the short-term interest rate target set by the Relevant Governmental Body from time to time; or (b) if that target rate is not a single figure, the arithmetic mean of: (i) the upper bound of the short-term interest rate target range set by the Relevant

Governmental Body; and (ii) the lower bound of that target range, provided that a reference to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

“Central Bank Rate Adjustment” means, in relation to any U.S. Government Securities Business Day, the mean of the spreads (expressed as a percentage rate per annum) over the five (5) most immediately preceding U.S. Government Securities Business Days for which the Term SOFR Reference Rate has been published of:

- (a) the Term SOFR Reference Rate for the applicable Interest Period on that U.S. Government Securities Business Day; and
- (b) the Central Bank Rate prevailing at close of business on that U.S. Government Securities Business Day,

in each case as calculated by the Agent excluding the highest spread (and, if there is more than one highest spread, only one of those highest spreads) and lowest spread (or, if there is more than one lowest spread, only one of those lowest spreads).

“Change of Control” means and shall be deemed to have occurred if and when:

- (a) any person or persons “acting jointly or in concert” (within the meaning ascribed to such phrase in the Multi-Lateral Instrument 62-104 - Take-Over Bids and Issuer Bids) shall beneficially own, directly or indirectly, Voting Shares in the capital of the Borrower which have or represent more than 50% of all of the votes entitled to be cast by shareholders for an election of the board of directors of the Borrower;
- (b) other than in the case of a Permitted Replacement, individuals who were elected as members of the board of directors of the Borrower by the most recent resolutions of the shareholders of the Borrower shall no longer constitute a majority of the board of directors of the Borrower at any time prior to the next following resolutions of the shareholders of the Borrower relating to the election of the same; or
- (c) other than in the case of a Permitted Replacement, individuals who were members of the board of directors of the Borrower immediately prior to resolutions of the shareholders of the Borrower relating to the election of directors shall not constitute a majority of the board of directors following such election.

“clearing house” has the meaning set out in Section 6.4.

“Collateral Investment” has the meaning set out in Section 2.16

“Commitment” means a Syndicated Facility Commitment or an Operating Facility Commitment.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Common Share Proceeds” has the meaning set out in Section 10.3(2).

“**Compliance Certificate**” means a certificate of the Borrower signed on its behalf by the president, chief financial officer, vice president finance or treasurer of the Borrower, substantially in the form annexed hereto as Schedule C, to be given to the Agent and the Lenders by the Borrower pursuant hereto.

“**Conforming Changes**” means, with respect to either the use of administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “U.S. Base Rate”, the definition of “Banking Day”, the definition of “Interest Period”, the definition of “U.S. Government Securities Business Day”, the timing and frequency of determining rates and making payments of interest, timing of Drawdown Notices, Repayment Notices, Conversion Notices or Rollover Notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides, acting reasonably, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides, acting reasonably, that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Documents).

“**Consolidated Net Tangible Assets**” means, as at any date of determination, all consolidated assets of the Borrower as shown in a consolidated balance sheet of the Borrower for such date, less the aggregate of the following amounts reflected upon such balance sheet:

- (a) all goodwill, deferred assets, trademarks, copyrights and other similar intangible assets;
- (b) to the extent not already deducted in computing such assets and without duplication, depreciation, depletion, amortization, reserves and any other account which reflects a decrease in the value of an asset or a periodic allocation of the cost of an asset; provided that no deduction shall be made under this subparagraph (b) to the extent that such account reflects a decrease in value or periodic allocation of the cost of any asset referred to in subparagraph (a) above; and
- (c) non-controlling interests in a person not directly or indirectly owned or held by the Borrower or one of its Subsidiaries,

all as determined in accordance with generally accepted accounting principles.

“**Conversion**” means a conversion or deemed conversion of a Loan under a given Credit Facility into another type of Loan under the same Credit Facility pursuant to the provisions hereof, provided that, subject to Section 2.7 and to Article 6 with respect to Bankers’ Acceptances, the conversion of a Loan denominated in one currency to a Loan denominated in another currency shall be effected by repayment of the Loan or portion thereof being converted in the currency in which it was denominated and readvance to the Borrower of the Loan into which such conversion was made.

“**Conversion Date**” means the date specified by the Borrower as being the date on which the Borrower has elected to convert, or this Agreement requires the conversion of, one type of Loan into another type of Loan and which shall be a Banking Day.

“**Conversion Notice**” means a notice substantially in the form annexed hereto as Schedule D to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

“**CORRA**” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“**Credit Card Obligations**” means all obligations to the Lenders and the Bank Product Affiliates arising under corporate credit cards of the Borrower and the Material Subsidiaries.

“**Credit Facilities**” means, collectively, the Syndicated Facility and the Operating Facility, and “**Credit Facility**” means either one of such credit facilities.

“**Currency Excess**” has the meaning set out in Section 2.17.

“**Currency Excess Deficiency**” has the meaning set out in Section 2.17.

“**Currency Hedging Agreement**” means any currency swap agreement, cross currency agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by the Borrower or a Subsidiary where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time.

“**Current Assets**” and “**Current Liabilities**” mean the consolidated current assets and consolidated current liabilities (excluding the current portion of long term liabilities), respectively, of the Borrower and its Subsidiaries determined in accordance with generally accepted accounting principles as the same would be set forth or reflected on a consolidated balance sheet of the Borrower.

“**Daily Compounded CORRA**” means, for any day in an Interest Period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Agent in accordance with the methodology and conventions for this rate selected or recommended by the BA Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Agent decides, acting reasonably, that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a BA Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple

SOFR” for business loans, provided that, if the Agent decides, acting reasonably, that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion.

“**DBNA**” has the meaning set out in Section 6.4.

“**DBRS**” means DBRS Limited and any successors thereto.

“**Default**” means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

“**Defaulting Lender**” means any Lender:

- (a) that has failed to fund any payment or its portion of any Loan required to be made by it hereunder or to purchase any participation required to be purchased by it hereunder and under the other Documents;
- (b) that has notified the Borrower, the Agent or any Lender (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;
- (c) that has failed, within 3 Banking Days after request by the Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans;
- (d) that has otherwise failed to pay over to the Agent, the Fronting Lender or any other Lender any other amount required to be paid by it hereunder within 3 Banking Days of the date when due, unless the subject of a good faith dispute;
- (e) in respect of which a Lender Insolvency Event or a Lender Distress Event has occurred in respect of such Lender or its Lender Parent;
- (f) that has, or that has a Lender Parent that has, become the subject of a Bail-In Action; or
- (g) with respect to which the Agent has concluded, acting reasonably, and has advised the Lenders in writing, that it is of the view that there is a reasonable chance that such Lender shall become a Defaulting Lender pursuant to subparagraphs (a) to (f), inclusive, of this definition.

“**Demand for Payment**” means an Acceleration Notice or a Financial Instrument Demand for Payment.

“**Departing Agent**” has the meaning set out in Section 11.8.

“Disclosed Litigation Matters” means the outstanding litigation claims in Greece of each of Avenides, Papameris, Hainas and Iknainish relating to the Greek oil and gas operations indirectly conducted by the Borrower’s predecessor, Denison Energy Inc., and which are described in the notes to the Borrower’s most recent publicly released financial statements.

“Discount Proceeds” means the net cash proceeds to the Borrower from the sale of a Bankers’ Acceptance pursuant hereto or, in the case of BA Equivalent Advances, the amount of a BA Equivalent Advance at the BA Discount Rate, in any case, before deduction or payment of the fees to be paid to the Lenders under Section 6.2.

“Discount Rate” means, with respect to the issuance of a bankers’ acceptance, the rate of interest per annum, calculated on the basis of a year of 365 days, (rounded upwards, if necessary, to the nearest whole multiple of 1/100th of one percent) which is equal to the discount exacted by a purchaser taking initial delivery of such bankers’ acceptance, calculated as a rate per annum and as if the issuer thereof received the discount proceeds in respect of such bankers’ acceptance on its date of issuance and had repaid the respective face amount of such bankers’ acceptance on the maturity date thereof.

“Distribution” means:

- (a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any shares in the capital of the Borrower (including any return of capital); or
- (b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any shares in the capital of the Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital thereof, including, without limitation, options, warrants, conversion or exchange privileges and similar rights,

and whether any of the foregoing is made, paid or satisfied in or for cash, property or any combination thereof.

“Documents” means this Agreement, the Security, the Agency Fee Agreement, the Fee Letter, the 2020 Second Lien Intercreditor Agreement, the 2020 1.5 Lien Intercreditor Agreement and all certificates, notices, instruments and other documents delivered or to be delivered to the Agent, the Operating Lender or the Lenders, or each, in relation to the Credit Facilities pursuant hereto or thereto and, when used in relation to any person, the term “Documents” shall mean and refer to the Documents executed and delivered by such person.

“Drafts” means drafts, bills of exchange, receipts, acceptances, demands and other requests for payment drawn or issued under a Letter of Credit.

“Drawdown” means:

- (a) an Advance of a Canadian Prime Rate Loan, U.S. Base Rate Loan or SOFR Loan;

- (b) the issue of Bankers' Acceptances (or the making of a BA Equivalent Advance in lieu thereof) other than as a result of Conversions or Rollovers; or
- (c) the issue of Letters of Credit

“Drawdown Date” means the date on which a Drawdown is made by the Borrower pursuant to the provisions hereof and which shall be a Banking Day.

“Drawdown Notice” means a notice substantially in the form annexed hereto as Schedule E to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

“EBITDA” of the Borrower in any financial period means the Net Income for such period, plus (in each case, on a consolidated basis):

- (a) Interest Expense, to the extent deducted in determining Net Income;
- (b) all amounts deducted in the calculation of Net Income in respect of the provision for income taxes (in accordance with generally accepted accounting principles);
- (c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including depletion, depreciation, amortization and deferred taxes;
- (d) losses attributable to non-controlling interests and extraordinary and non-recurring losses, costs and expenses of the Borrower (including all one-time costs incurred in connection with the disposition of assets or shares and restructuring costs), in each case, to the extent deducted in the calculation of Net Income;
- (e) all amounts which would otherwise constitute EBITDA which are attributable to (i) assets acquired in such period or (ii) shares or other ownership interests in a person which becomes a Subsidiary of the Borrower acquired in such period; and
- (f) non-cash stock-based compensation;

less (in each case, on a consolidated basis):

- (g) earnings attributable to non-controlling interests and extraordinary and non-recurring earnings and gains of the Borrower, in each case, to the extent included in the calculation of Net Income;
- (h) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period; and
- (i) EBITDA attributable to (i) assets sold, transferred or otherwise disposed of in such period or (ii) shares or other ownership interests in a Subsidiary of the Borrower sold, transferred or otherwise disposed of in such period,

provided, however, that EBITDA (as defined above and without duplication) (a) of any Subsidiary whose jurisdiction of incorporation, formation or organization is a jurisdiction other than Canada,

the United States of America, the United Mexican States, the Russian Federation, the Republic of Cyprus, Argentina, Colombia, Peru, Brazil, or any other country approved, from time to time, by the Majority of the Lenders, acting reasonably, (or any province, territory, state, district or federal subject thereof); and (b) derived from the operations of the Borrower or any Subsidiary in a jurisdiction other than Canada, the United States of America, the United Mexican States, the Russian Federation, the Republic of Cyprus, Argentina, Colombia, Peru, Brazil or any other country approved, from time to time by the Majority of the Lenders, acting reasonably, shall be excluded from the above calculation of EBITDA for all purposes of this Agreement.

“EEA Financial Institution” means:

- (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority;
- (b) any entity established in an EEA Member Country which is a parent of an institution described in subparagraph (a) of this definition; or
- (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in subparagraph (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Accounts Receivable” means an Account Receivable which:

- (a) if it arises from the provision of services, such services have been performed for the Account Debtor under such Account Receivable and if it arises from the sale or lease of goods, title to such goods has passed to the Account Debtor under such Account Receivable or such goods have been shipped to the Account Debtor;
- (b) is a valid and legally enforceable obligation of the Account Debtor and is not subject to any offset, counter-claim or other defence which has been asserted on the part of such Account Debtor or to any other claim on the part of such Account Debtor denying liability thereunder in full or in part;
- (c) is due from an Account Debtor located in Canada or the United States of America or from an Account Debtor located outside of Canada or the United States of America which has been approved in writing by the Lenders, acting reasonably;
- (d) is subject to a properly perfected security interest in favour of the Agent and the Lenders and not subject to any other Security Interest whatsoever other than (i) statutory liens and trusts arising by operation of law (and which, for certainty, have not been consensually created) which secure amounts which are neither due nor

delinquent and (ii) Security Interests in favour of the holders of the 2020 1.5 Lien Convertible Notes and the 2020 Second Lien Notes;

- (e) is evidenced by an invoice, purchase or service order or other similar written statement and has payment terms in accordance with the usual practice of the industry rendered to the appropriate Account Debtor, and is not evidenced by any instrument or chattel paper unless all necessary steps have been taken to perfect the security interest contained in such instrument or chattel paper;
- (f) (i) with respect to an Account Debtor rated BB+ or lower by S&P or the equivalent by a similar rating agency, or not rated by S&P or any similar rating agency, is not outstanding more than 90 days after the invoice date of the relevant invoice, purchase order or other similar written statement and (ii) with respect to Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency (and such other Account Debtors as are otherwise agreed to by the Borrower and the Majority of the Lenders), is not outstanding more than 120 days after the invoice date of the relevant invoice, purchase order or other similar written statement (any such Account Receivable outstanding more than 90 or 120 days, as applicable, after the invoice date, a “**Delinquent Account Receivable**”);
- (g) is not owing from an Account Debtor which is Insolvent;
- (h) is owing from an Account Debtor which is not an Affiliate of the Borrower or a Subsidiary or, if such Account Debtor is an Affiliate of the Borrower or a Subsidiary, only if such parties are dealing on fair market terms consistent with terms that would be agreed to by arms’ length parties;
- (i) the Account Debtor of the Account Receivable is not a Governmental Authority except to the extent the Account Receivable is assignable without consent or all necessary consents to assignment have been obtained and all applicable statutory requirements for consent have been obtained and the Agent is satisfied as to the absence of setoffs, counterclaims and other defenses on the part of such Account Debtor; and
- (j) is not, to the Borrower’s and its Subsidiaries’ actual knowledge, owing from a Sanctioned Person.

provided that:

- (i) if Delinquent Accounts Receivable of any Account Debtor and its Affiliates to the Borrower and the Subsidiaries that have provided Security exceed 20% of the total Accounts Receivable owing by such Account Debtor and its Affiliates to the Borrower and its Subsidiaries that have provided Security and such Delinquent Accounts Receivable are not the subject of a *bona fide* dispute between the Account Debtor and the Borrower, then the Agent may, in its reasonable discretion, determine that all the Accounts

Receivable of such Account Debtor and its Affiliates will not be Eligible Accounts Receivable; and

- (ii) an Account Receivable which is at any time an Eligible Account Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Account Receivable.

“Environmental Claims” means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, inspections, inquiries or proceedings relating in any way to any Environmental Laws or to any permit issued under any such Environmental Laws including, without limitation:

- (a) any claim by a Governmental Authority for enforcement, clean up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws; and
- (b) any claim by a person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment.

“Environmental Laws” means all Applicable Laws with respect to the environment or environmental or public health and safety matters contained in statutes, regulations, rules, ordinances, orders, judgments, approvals, notices, permits or policies, guidelines or directives having the force of law.

“Equity” means the consolidated equity attributable to the shareholders of the Borrower and its Subsidiaries determined in accordance with generally accepted accounting principles on a consolidated basis as the same would be set forth or reflected on a consolidated balance sheet of the Borrower.

“Equivalent Amount” means, on any date, the equivalent amount in Canadian Dollars or United States Dollars, as the case may be, after giving effect to a conversion of a specified amount of United States Dollars to Canadian Dollars or of Canadian Dollars to United States Dollars, as the case may be, at the rate of exchange for Canadian interbank transactions established by the Bank of Canada and quoted at approximately the end of business (Toronto time) for the day in question or, if such determination is required to be made prior to such time, as quoted at approximately the end of business (Toronto time) on the Banking Day immediately preceding the date of determination, or, if such rate is for any reason unavailable, at the spot rate quoted for wholesale transactions by the Agent or the Operating Lender, as applicable, at approximately noon (Toronto time) on that date in accordance with its normal practice.

“Erroneous Payment” has the meaning set out in Section 15.16(1).

“Erroneous Payment Deficiency Assignment” has the meaning set out in Section 15.16(4).

“Erroneous Payment Return Deficiency” has the meaning set out in Section 15.16(4).

“**Erroneous Payment Subrogation Rights**” has the meaning set out in Section 15.16(4).

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“**Event of Default**” has the meaning set out in Section 12.1.

“**Extending Lender**” has the meaning set out in Section 2.19.

“**FATCA**” means (a) Sections 1471 through 1474 of the U.S. Code, as of the date of this Agreement (or any amended or successor version), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to the foregoing; and (b) any similar law adopted by any non-U.S. Governmental Authority pursuant to an intergovernmental agreement between such non-U.S. jurisdiction and the United States of America.

“**Federal Funds Rate**” means, for any day, the rate of interest per annum equal to (a) the weighted average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the annual rates of interest on overnight Federal funds transactions with members of the Federal Reserve Board of the United States of America (or any successor thereof) arranged by Federal funds brokers on such day, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York (or any successor thereto) or, (b) if such day is not a Banking Day, such weighted average for the immediately preceding Banking Day for which the same is published or, (c) if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the quotations for such day on such transactions received by the Agent or the Operating Lender, as applicable, from three Federal funds brokers of recognized standing selected by the Agent or the Operating Lender, as applicable.

“**Federal Reserve Board**” or “**Federal**” means the Board of Governors of the Federal Reserve System of the United States of America or any successor thereof.

“**Fee Letter**” means the fee letter dated as of September 29, 2022 from the Agent to the Borrower, and accepted and agreed to by the Borrower, respecting the payment of certain fees payable to HSBC Bank Canada and the other Lenders.

“**Financial Assistance**” means, with respect to any person and without duplication, any loan, Guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other person or any obligation (contingent or otherwise) intended to enable another person to incur or pay any Total Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other person against loss in respect of Total Debt of the other person and includes any Guarantee of or indemnity in respect of the Total Debt of the other person and any absolute or contingent obligation to (directly or indirectly):

- (a) advance or supply funds for the payment or purchase of any Total Debt of any other person;

- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any person to make payment of Total Debt or to assure the holder thereof against loss;
- (c) guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other person for, from, against or in respect of any losses, liabilities or damages in respect of Total Debt;
- (d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof primarily for the purpose of enabling any person to make payment of Total Debt or to assure the holder thereof against loss; or
- (e) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another person,

but shall not include endorsements of bills of exchange for collection or deposit in the ordinary course of the business of the Borrower or its Subsidiaries, or, for greater certainty, any performance guarantee provided by the Borrower or any Subsidiary which is not a guarantee of Total Debt.

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Total Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is such determinable amount.

“**Financial Covenant/Term**” has the meaning set out in Section 1.4(2)(b).

“**Financial Instrument**” means any Interest Hedging Agreement or Currency Hedging Agreement.

“**Financial Instrument Demand for Payment**” means a demand made by a Lender or Hedging Affiliate pursuant to a Lender Financial Instrument demanding payment of the Financial Instrument Obligations which are then due and payable relating thereto and shall include, without limitation, any notice under any agreement evidencing a Lender Financial Instrument which, when delivered, would require an early termination thereof and a payment by the Borrower or a Subsidiary in settlement of obligations thereunder as a result of such early termination.

“**Financial Instrument Obligations**” means obligations arising under Financial Instruments entered into by the Borrower or a Subsidiary to the extent of the net amount due or accruing due by the Borrower or such Subsidiary.

“**Floor**” means the rate per annum of interest equal to 0%.

“**Former Lender**” has the meaning set out in Section 11.10.

“**Fronted LC**” means a Letter of Credit issued by the Fronting Lender for the account of the Syndicated Facility Lenders.

“Fronting Lender” means any Syndicated Facility Lender acceptable to the Borrower who agrees to issue Fronted LCs under the Syndicated Facility (and has executed and delivered an amendment hereto in accordance with Section 7.11(2) hereof).

“Funded Debt” means all Total Debt other than (i) the outstanding 2020 Second Lien Notes, (ii) the outstanding 2020 1.5 Lien Convertible Notes, and (iii) any Guarantees by the Borrower, Calfrac U.S., Calfrac LP or any other Subsidiary of the outstanding 2020 Second Lien Notes and the outstanding 2020 1.5 Lien Convertible Notes.

“Funded Debt to Capitalization Ratio” means, as at a Quarter End, the ratio of (a) Funded Debt less Unencumbered Cash, as at such Quarter End to (b) Capitalization.

“Funded Debt to EBITDA Ratio” means, as at a Quarter End, the ratio of (a) Funded Debt less Unencumbered Cash, as at such Quarter End to (b) EBITDA for the 12 months ending at such Quarter End.

“Governmental Authority” means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

“Governmental Authorization” means an authorization, order, permit, approval, grant, license, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree or demand or the like issued or granted by law or by rule or regulation of any Governmental Authority.

“Guarantee” means any guarantee, undertaking to assume, endorse, contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any obligation of any person; provided that the amount of each Guarantee shall be deemed to be the amount of the obligation guaranteed thereby, unless the Guarantee is limited to a determinable amount in which case the amount of such Guarantee shall be deemed to be the lesser of such determinable amount or the amount of such obligation. For greater certainty, nothing contained in this Agreement shall restrict the ability of the Borrower or any Subsidiary to provide performance guarantees not related to or guaranteeing Total Debt.

“Hazardous Materials” means any substance or mixture of substances which, if released into the environment, would likely cause, immediately or at some future time, harm or degradation to the environment or to human health or safety and includes any substance defined as or determined to be a pollutant, contaminant, waste, hazardous waste, hazardous chemical, hazardous substance, toxic substance or dangerous good under any Environmental Law.

“Hedging Affiliate” means any Affiliate of a Lender which enters into Financial Instrument.

“Hostile Acquisition” means the acquisition of outstanding securities of any person which constitutes a “take-over bid” pursuant to applicable corporate or securities legislation.

“IFRS” means International Financial Reporting Standards including International Accounting Standards and Interpretations together with their accompanying documents which are set by the

International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the “**IASC Foundation**”), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation.

“**Indemnified Parties**” means, collectively, the Agent and the Lenders, including a receiver, receiver manager or similar person appointed under applicable law, and their respective shareholders, Affiliates, officers, directors, employees and agents, and “**Indemnified Party**” means any one of the foregoing.

“**Indemnified Third Party**” has the meaning set out in Section 14.3.

“**Information**” has the meaning set out in Section 16.1.

“**Insolvent**”, in respect of any person, means:

- (a) such person is unable to generally pay its debts as such debts become due;
- (b) a decree or order of a court of competent jurisdiction is entered adjudging such person a bankrupt under the Bankruptcy and Insolvency Act (Canada), proceedings are commenced in a court of competent jurisdiction in respect of such person under the Winding-up and Restructuring Act (Canada), or any proceeding is commenced with respect to such person under the Companies’ Creditors Arrangement Act (Canada);
- (c) any case, proceeding or other action shall be instituted in any court of competent jurisdiction against such person, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to such person or of all or any substantial part of its assets, or any other like relief in respect of such person under any bankruptcy or insolvency law and:
 - (i) such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, or
 - (ii) such case, proceeding or other action shall continue undismissed, or unstayed and in effect, for any period of 10 consecutive Banking Days; or
- (d) such person makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the Bankruptcy and Insolvency Act (Canada) or any comparable law, seeks relief under the Companies’ Creditors Arrangement Act (Canada), the Winding-up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of

all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding.

“Intellectual Property” means, collectively, patents, patents pending, copyrights, proprietary processes or programs, industrial designs, trademarks, trademark applications, trade names and other intellectual property of every nature and kind.

“Interest Expense” means, for any period, without duplication, interest expense of the Borrower determined on a consolidated basis in accordance with generally accepted accounting principles as the same would be set forth or reflected in a consolidated statement of operations of the Borrower and, in any event and without limitation, shall include:

- (a) all interest of the Borrower and its Subsidiaries accrued or payable in respect of such period, including capitalized interest;
- (b) all fees of the Borrower and its Subsidiaries (including standby, commitment and stamping fees and fees payable in respect of letters of credit and letters of guarantee supporting obligations which constitute Total Debt) accrued or payable in respect of such period and which relate to any indebtedness or credit agreement, prorated (as required) over such period;
- (c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations of the Borrower or any Subsidiary issued at a discount, prorated (as required) over such period; and
- (d) all net amounts charged or credited to interest expense under any Interest Hedging Agreements in respect of such period.

“Interest Hedging Agreement” means any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by the Borrower or a Subsidiary where the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt).

“Interest Payment Date” means:

- (a) with respect to each Canadian Prime Rate Loan and U.S. Base Rate Loan, the first Banking Day of each calendar month; and
- (b) with respect to each SOFR Loan, the last day of each Interest Period therefor and, in the case of any Interest Period of more than three 3 months' duration, quarterly on each day prior to the last day of such Interest Period that occurs at three month intervals after the first day of such Interest Period; provided that (i) if any such date

would be a day other than a Banking Day, such date shall be extended to the next succeeding Banking Day unless such next succeeding Banking Day would fall in the next calendar month, in which case such date shall be the next preceding Banking Day and (ii) the Interest Payment Date with respect to any SOFR Loan that occurs on the last Banking Day of a calendar month (or on a day for which there is no numerically corresponding day in any applicable calendar month) shall be the last Banking Day of any such succeeding applicable calendar month,

provided that, in any case, the applicable Maturity Date or, if applicable, any earlier date on which a Credit Facility is fully cancelled or permanently reduced in full, shall be an Interest Payment Date with respect to all Loans then outstanding under such Credit Facility.

“Interest Period” means:

- (a) with respect to each Canadian Prime Rate Loan and U.S. Base Rate Loan, the period commencing on the applicable Drawdown Date or Conversion Date, as the case may be, and terminating on the date selected by the Borrower hereunder for the Conversion of such Loan into another type of Loan or for the repayment of such Loan;
- (b) with respect to each Bankers’ Acceptance, the period selected by the Borrower hereunder and being of 1, 2 or 3 months’ duration, subject to market availability, (or, subject to the agreement of the Lenders, a longer or shorter period) commencing on the Drawdown Date, Rollover Date or Conversion Date of such Loan;
- (c) with respect to each SOFR Loan, the period commencing on the Drawdown Date, Rollover Date or Conversion Date in respect of a SOFR Loan and ending in the case of Term SOFR, the period commencing on the date of such Drawdown, Rollover or Conversion and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as specified in the applicable Drawdown Notice, Rollover Notice or Conversion Notice; provided that:
 - (i) no Interest Period shall extend beyond the expiry of the applicable Maturity Date;
 - (ii) whenever the last day of any Interest Period would otherwise be a day that is not a Banking Day, the last day of such Interest Period shall be extended to the next succeeding Banking Day, provided that, if such extension would cause the last day of an Interest Period for a SOFR Loan to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Banking Day;
 - (iii) for purposes of determining an Interest Period for a SOFR Loan, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; provided, that if there is no numerically corresponding day in the month in which such an

Interest Period is to end or if such an Interest Period begins on the last Banking Day of a calendar month, then such Interest Period shall end on the last Banking Day of the calendar month in which such Interest Period is to end; and

- (iv) no tenor that has been removed from this definition pursuant to Section 13.6 below shall be available for specification in such Drawdown Notice, Rollover Notice or Conversion Notice; and
- (d) with respect to each Letter of Credit, the period commencing on the date of issuance of such Letter of Credit and terminating on the last day the Letter of Credit is outstanding,

provided that in any case: (i) the last day of each Interest Period shall be also the first day of the next Interest Period whether with respect to the same or another Loan; (ii) the last day of each Interest Period shall be a Banking Day and if the last day of an Interest Period selected by the Borrower is not a Banking Day the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next following the last day of the Interest Period selected unless such next following Banking Day falls in the next calendar month in which event the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next preceding the last day of the Interest Period selected by the Borrower; and (iii) the last day of all Interest Periods for Loans outstanding under a given Credit Facility shall expire on or prior to the Maturity Date applicable thereto, subject, however, in the case of Letters of Credit to the provisions of Section 7.2.

“**Investment**” means (a) any purchase or other acquisition of shares or other equity securities (other than Approved Securities) of any person (b) any loan or advance to or for the benefit of any person or (c) any capital contribution to any other person.

“**ISP 98**” has the meaning set out in Section 7.9.

“**Judgment Conversion Date**” has the meaning set out in Section 14.4.

“**Judgment Currency**” has the meaning set out in Section 14.4.

“**Lender BA Suspension Notice**” has the meaning set out in Section 13.2.

“**Lender Distress Event**” means, in respect of a given Lender, such Lender or its Lender Parent is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guarantees or other support (including, without limitation, the nationalization or assumption of ownership or operating control by the Government of the United States of America, Canada or any other Governmental Authority) or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Lender or Lender Parent or their respective assets to be, insolvent, bankrupt or deficient in meeting any capital adequacy or liquidity standard of any such Governmental Authority.

“**Lender Financial Instrument**” means a Financial Instrument entered into between a Lender or a Hedging Affiliate and the Borrower or a Subsidiary.

“Lender Financial Instrument Obligations” means, collectively, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, mature or not) of the Borrower and its Subsidiaries under, pursuant or relating to any and all Lender Financial Instruments.

“Lender Insolvency Event” means, in respect of a given Lender, such Lender or its Lender Parent:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent, is deemed insolvent by applicable law or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) (i) institutes, or has instituted against it by a regulator, supervisor or any similar Governmental Authority with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, (A) a proceeding pursuant to which such Governmental Authority takes control of such Lender’s or Lender Parent’s assets, (B) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors’ rights, or (C) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar Governmental Authority; or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (i) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial portion of all of its assets;
- (g) has a secured party take possession of all or a substantial portion of all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case, within 15 days thereafter;

- (h) causes or is subject to any event with respect to it which, under the applicable law of any jurisdiction, has an analogous effect to any of the events specified in subparagraphs (a) to (g) above, inclusive; or
- (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing.

“**Lender Parent**” means any person that directly or indirectly controls a Lender and, for the purposes of this definition, “control” shall have the same meaning as set forth in the definition of “Affiliate” contained herein.

“**Lenders**” means the financial institutions named on Schedule A attached hereto, together with such other persons as become parties hereto and, in the context of provisions hereunder relating to:

- (a) the Syndicated Facility and Loans thereunder, means the Syndicated Facility Lenders; and
- (b) the Operating Facility and Loans thereunder, means the Operating Lender,

and “**Lender**” means any one of them, as applicable and as the context requires.

“**Lenders’ Counsel**” means the firm of Borden Ladner Gervais LLP or such other firm of legal counsel as the Agent may from time to time designate.

“**Letter of Credit**” or “**LC**” means a letter of credit in form satisfactory to and issued by:

- (a) in the case of LCs issued under the Operating Facility, the Operating Lender; and
- (b) in the case of LCs issued under the Syndicated Facility, subject to Section 7.11, the Fronting Lender, for the account of the Syndicated Facility Lenders;

in each case acting at the request of and in accordance with the instructions of the Borrower, to make payment in accordance with the terms and conditions thereof of an amount to or to the order of a third party.

“**Loan**” means a Canadian Prime Rate Loan, U.S. Base Rate Loan, SOFR Loan, Bankers’ Acceptance or BA Equivalent Advance or Letter of Credit outstanding hereunder.

“**Liquidity**” means (a) the lesser of (i) the most recently determined Borrowing Base and (ii) the maximum availability under the Credit Facilities) LESS (b) the Outstanding Principal.

“**Majority of the Lenders**” means:

- (a) if there is only 1 or 2 Lenders, all of the Lenders; and

- (b) at any other time:
 - (i) during the continuance of a Default or an Event of Default, two or more Lenders the Rateable Portions of all Outstanding Principal of which are, in the aggregate, at least 66 $\frac{2}{3}$ % of all Outstanding Principal; and
 - (ii) at any other time, two or more Lenders the Commitments of which are, in the aggregate, at least 66 $\frac{2}{3}$ % of the Commitments of all Lenders hereunder.

“Material Adverse Change” means any event, circumstance, occurrence or change which results in, or which would reasonably be expected to result in, a material adverse change in:

- (a) the financial condition of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole;
- (b) the ability of the Borrower or any of its Subsidiaries to observe or perform its obligations under the Documents to which it is a party or the validity or enforceability of such Documents or any material provision thereof;
- (c) the property, business, operations, liabilities or capitalization of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole; or
- (d) the Security, the priority thereof or any right or remedy of the Agent and the Lenders thereunder.

“Material Adverse Effect” means a material adverse effect on:

- (a) the financial condition of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole;
- (b) the ability of the Borrower or any of its Subsidiaries to observe or perform its obligations under the Documents to which it is a party or the validity or enforceability of such Documents or any material provision thereof;
- (c) the property, business, operations, liabilities or capitalization of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole; or
- (d) the Security, the priority thereof or any right or remedy of the Agent and the Lenders thereunder.

“Material Subsidiary” means (a) Calfrac LP; (b) Calfrac U.S.; and (c) any other Subsidiary of the Borrower which owns or holds, directly or indirectly (whether through the ownership of or investments in other Subsidiaries of the Borrower or otherwise), any ownership interest in any assets or properties which are included for the purposes of the determination of the Borrowing Base.

“Maturity Date” means, (a) in respect of the Syndicated Facility and the Obligations owing to a given Lender under or pursuant to the Syndicated Facility, the Syndicated Facility Maturity Date;

and (b) in respect of the Operating Facility and the Obligations owing under or pursuant to the Operating Facility, the Operating Facility Maturity Date.

“**Moody’s**” means Moody’s Investors Services, Inc. and any successors thereto.

“**Net Income**” means, in respect of any period for which it is being determined, the net income of the Borrower determined on a consolidated basis in accordance with generally accepted accounting principles.

“**Non-Acceptance Lender**” means (a) a Lender which ceases to accept bankers’ acceptances in the ordinary course of its business or (b) in respect of Lenders other than Schedule I Lenders, a Lender who, by notice in writing to the Agent and the Borrower, elects thereafter to make BA Equivalent Advances in lieu of accepting Bankers’ Acceptances.

“**Non-Defaulting Lender**” has the meaning set out in Section 16.2(4).

“**Non-Extending Lender**” has the meaning set out in Section 2.19.

“**Notice of Non-Extension**” has the meaning set out in Section 2.19.

“**Obligations**” means, at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Borrower and its Subsidiaries to the Lenders or the Agent under, pursuant or relating to the Documents or the Credit Facilities and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and including, without limitation, all principal, interest, fees, legal and other costs, charges and expenses, and other amounts payable by the Borrower under this Agreement.

“**OFAC**” means the U.S. Office of Foreign Assets Control of the U.S. Department of the Treasury.

“**Officer’s Certificate**” means a certificate or notice (other than a Compliance Certificate) signed by any one of the president, chief financial officer, a vice president, treasurer, assistant treasurer, controller, corporate secretary or assistant secretary of the Borrower or Subsidiary, as the case may be, (including, in the case of a partnership a certificate or notice signed by such an officer of a general partner of such partnership); provided, however, that Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices shall be executed on behalf of the Borrower by any one of the foregoing persons or such other persons as may from time to time be designated by written notice from the Borrower to the Agent or the Operating Lender, as applicable.

“**Operating Facility**” means the credit facility in the maximum principal amount of Cdn.\$45,000,000 or the Equivalent Amount in United States Dollars to be made available to the Borrower by the Operating Lender in accordance with the provisions hereof, subject to any reduction in accordance with the provisions hereof.

“**Operating Facility Commitment**” means the commitment by a Lender under the Operating Facility to provide the amount of Canadian Dollars (or the Equivalent Amount thereof) set forth opposite its name in Schedule A annexed hereto, subject to any reduction in accordance with the terms hereof.

“**Operating Facility Extension Request**” has the meaning set out in Section 2.20.

“**Operating Facility Maturity Date**” means July 1, 2024 (or such later date to which the same may be extended from time to time in accordance with Section 2.20).

“**Operating Lender**” means HSBC Bank Canada or any other Lender which hereafter has an Operating Facility Commitment.

“**Order**” has the meaning set out in Section 7.9.

“**Outstanding BAs Collateral**” has the meaning set out in Section 2.15.

“**Outstanding Principal**” means, at any time, the aggregate of (i) the principal amount of all outstanding Canadian Prime Rate Loans, (ii) the Equivalent Amount in Canadian Dollars of the principal of all outstanding U.S. Base Rate Loans and SOFR Loans, (iii) the amounts payable at maturity of all outstanding Bankers’ Acceptances and BA Equivalent Advances, (iv) the maximum amount available to be drawn under all outstanding Letters of Credit denominated in Canadian Dollars, and (v) the Equivalent Amount in Canadian Dollars of the maximum amount available to be drawn under all outstanding Letters of Credit denominated in United States Dollars.

“**Overdraft Loans**” has the meaning set out in Section 2.2.

“**Periodic Term SOFR Determination Day**” has the meaning specified in the definition of “Term SOFR”.

“**Permitted Acquisition**” means an acquisition in respect of which each of the following criteria shall have been satisfied:

- (a) the business or operating assets related to the acquisition are located in Canada or the United States of America;
- (b) the acquisition is not a Hostile Acquisition and all, or substantially all, of the assets or equity, as applicable, of the target have been acquired;
- (c) the person or assets acquired are in the same or similar line of business as the Borrower and its Subsidiaries;
- (d) EBITDA in respect of the acquired business for the 12 months prior to such acquisition shall be positive;
- (e) both before and after such acquisition (i) the Borrower shall be in compliance with the financial covenants set forth in Section 10.3 and (ii) additionally, the Funded Debt to EBITDA Ratio (including, for certainty, after giving *pro forma* effect to such acquisition) shall be less than [Redacted] and the Borrower shall have delivered a *pro forma* Compliance Certificate after giving effect to the acquisitions;
- (f) (i) the representations and warranties of the Borrower set forth in Section 9.1 shall be true and correct (including, for certainty, after giving *pro forma* effect to such

acquisition) and (ii) no Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to the acquisition and the Borrower shall have delivered to the Agent and the Lenders and Officer's Certificate in connection therewith;

- (g) if applicable, all Security contemplated pursuant hereto (together with a certified copy of the applicable constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably) shall be executed and delivered to the Agent and the Lenders in accordance with Section 11.1(3);
- (h) the Agent shall have received due diligence materials including without limitation, the applicable purchase and sale agreement, financial information, any fairness opinions and appraisals, if applicable, satisfactory to the Agent, acting reasonably;
- (i) the Agent shall have received satisfactory evidence that the business or assets acquired shall be free and clear of all Security Interests other than Permitted Encumbrances;
- (j) the purchase price of such acquisition, together with the purchase price of all other acquisitions completed by the Borrower and its Subsidiaries in the current fiscal year, shall not exceed [*Redacted*]; and
- (k) to the extent the acquisition was funded, fully or partially, by proceeds of an Advance under the Credit Facilities, the Borrower shall deliver a Borrowing Base Certificate taking in to account the Advance and the Borrowing Base shall be re-determined (after giving effect to the Drawdown made in connection therewith) and the Outstanding Principal of all Loans under the Credit Facilities shall not exceed the Borrowing Base then in effect.

“Permitted Capital Expenditure” means a Capital Expenditure by the Borrower or any of its Subsidiaries provided that the amount of such Capital Expenditure together with all other Capital Expenditures in the current calendar year is not greater than 110% of the amounts provided for in the consolidated capital budget delivered with the most recent annual business plan in accordance with the provisions hereof and which consolidated capital budget has been accepted by the Lenders, acting reasonably.

“Permitted Contest” means action taken by or on behalf of the Borrower or a Subsidiary in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Security Interest, provided that:

- (a) the person to which the Tax, claim or Security Interest being contested is relevant (and, in the case of a Subsidiary of the Borrower, the Borrower on a consolidated basis) has established reasonable reserves therefor if and to the extent required by generally accepted accounting principles;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and

- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of assets of the Borrower and its Subsidiaries.

“Permitted Debt” means the following:

- (a) the Obligations;
- (b) Financial Instrument Obligations under and pursuant to Permitted Hedging;
- (c) any Total Debt owing by (i) a Subsidiary of the Borrower which is not a Material Subsidiary or a Subsidiary which has provided Security to the Borrower or another Subsidiary, (ii) the Borrower to a Subsidiary which has provided Security and (iii) a Material Subsidiary or a Subsidiary which has provided Security to the Borrower or another Material Subsidiary or another Subsidiary which has provided Security, as applicable;
- (d) Purchase Money Obligations; provided that the amount of such obligations do not, in the aggregate at any time, exceed [Redacted] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);
- (e) the outstanding 2020 1.5 Lien Convertible Notes;
- (f) the outstanding 2020 Second Lien Notes;
- (g) Total Debt consisting of Financial Assistance permitted under Section 10.2(f);
- (h) Bank Product Obligations; provided that the principal amount of the Credit Card Obligations do not, in the aggregate at any time, exceed [Redacted] (or the Equivalent Amount thereof); and
- (i) Total Debt which is not otherwise Permitted Debt, provided that, (A) subject to subparagraph (B) hereof, the principal amount of such obligations do not, in the aggregate at any time, exceed [Redacted] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and (B) notwithstanding subparagraph (A) hereof, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds [Redacted] (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed [Redacted]), the principal amount of such obligations do not, in the aggregate at any time, exceed [Redacted] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and further provided that any Total Debt permitted at the time incurred shall continue to be permitted and not subject to repayment as a result of subparagraph (B).

“Permitted Disposition” means, in respect of the Borrower or any of its Subsidiaries, any of the following:

- (a) a sale or disposition by the Borrower or such Subsidiary in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;
- (b) a sale or disposition of any property or assets by a Subsidiary or a Material Subsidiary to the Borrower or a Material Subsidiary which has provided Security or by the Borrower to a Material Subsidiary which has provided Security;
- (c) a sale or disposition by the Borrower or any Subsidiary of its interest in machinery, equipment or other tangible personal property for which Purchase Money Obligations were incurred and (i) such Purchase Money Obligations are fully repaid concurrently with such sale or disposition and (ii) such sale or disposition is made in the ordinary course of business at fair market value to a person at arm’s length from the Borrower and its Subsidiaries;
- (d) a sale or disposition of any property or assets located outside of Canada or the United States of America by the Borrower or any of its Subsidiaries;
- (e) the sale of Accounts Receivable pursuant to Permitted Factoring Transactions; and
- (f) a sale or disposition of any property or assets by the Borrower or a Subsidiary which is not otherwise a Permitted Disposition and which, whether in one or a series of transactions, in aggregate, have a fair market value which do not exceed [Redacted] in any calendar year.

“Permitted Encumbrances” means as at any particular time any of the following encumbrances on the property or any part of the property of the Borrower or any Subsidiary:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) deemed liens and trusts arising by operation of law in connection with workers’ compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (c) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower or a Subsidiary, which the Borrower or Subsidiary (as applicable) shall be contesting at the time by a Permitted Contest;
- (d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against the

Borrower or a Subsidiary or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

- (e) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;
- (f) any builder's, mechanic's, garageman's, labourer's or materialman's lien or other similar lien arising in the ordinary course of business or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (g) encumbrances incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower and its Subsidiaries;
- (h) any claim or encumbrance from time to time consented to by the Majority of the Lenders;
- (i) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- (j) security given by the Borrower or a Subsidiary to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower or Subsidiary (as applicable), all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;
- (k) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (l) Security Interests in favour of the Lenders or the Agent on behalf of the Lenders;
- (m) the Security;

- (n) any operating lease as characterized under generally accepted accounting principles in effect on December 31, 2018 entered into in the ordinary course of business;
- (o) pledges of cash or Approved Securities and bankers' liens, rights of set off and other similar liens existing solely with respect to such cash and Approved Securities on deposit in one or more accounts maintained by the Borrower or any of its Subsidiaries, in each case, granted in the ordinary course of business in favour of the Lender or Lenders with which such accounts are maintained, securing amounts owing to such Lender with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements or securing Permitted Hedging with a Lender;
- (p) Security Interests securing a Purchase Money Obligation, provided that such Security Interests shall attach only to the property acquired in connection with which such Purchase Money Obligation was incurred (and proceeds thereof) and provided further that such Purchase Money Obligation is Permitted Debt;
- (q) Security Interests securing the Permitted Debt referenced in subparagraph (i) in the definition thereof or other obligations of the Borrower or its Subsidiaries provided that, (i) subject to subparagraph (ii) hereof, the Total Debt or other obligations secured do not, in the aggregate exceed [*Redacted*] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and (ii) notwithstanding subparagraph (i) hereof, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds [*Redacted*] (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed [*Redacted*]), the Total Debt or other obligations secured do not, in the aggregate exceed [*Redacted*] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);
- (r) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Borrower or any Subsidiary;
- (s) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower or a Subsidiary is a party;
- (t) Security Interests resulting from the deposit of cash or Approved Securities or Security Interests on other assets as security when the Borrower or a Subsidiary is required to provide such deposits or security so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by Applicable Law;

- (u) Security Interests securing (i) the 2020 1.5 Lien Convertible Notes provided, for certainty, such Security Interests are, at all times, subject to the 2020 1.5 Lien Intercreditor Agreement and rank junior in priority to the Security, and (ii) the 2020 Second Lien Notes provided, for certainty, such Security Interests are, at all times, subject to the 2020 Second Lien Intercreditor Agreement and rank junior in priority to the Security; and
- (v) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (a) to (u) inclusive of this definition, so long as any such extension, renewal or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased,

provided that nothing in this definition shall in and of itself cause the Obligations hereunder to be subordinated in priority of payment to any such Permitted Encumbrance or cause any Security Interests in favour of the Lenders or the Agent on behalf of the Lenders to rank subordinate to any such Permitted Encumbrance.

“Permitted Factoring Transactions” means transactions pursuant to which the Borrower or any Subsidiary of the Borrower sells Accounts Receivable owing to the Borrower or any Subsidiary of the Borrower from Account Debtors to Citibank, N.A., its branches and subsidiaries and affiliates or another purchaser acceptable to the Agent and the Majority of the Lenders, acting reasonably; provided that (a) not less than 3 Banking Days prior to the initial sale of any Accounts Receivable owing by an Account Debtor, the Borrower shall have delivered to the Agent an Officer’s Certificate attaching a true, correct and complete copy of the applicable supplier agreement (or other document, agreement or instrument evidencing such sale transaction) in respect of such Account Debtor which shall be in form and substance acceptable to the Agent and the Majority of the Lenders, acting reasonably, including, for certainty, but without limitation, with respect to the discount and pricing applicable to the sale of the subject Accounts Receivable, (b) in connection with any sale of Accounts Receivable owing by an Account Debtor in excess of [Redacted] (or the Equivalent Amount thereof) in aggregate with all other Accounts Receivable subject to Permitted Factoring Transactions at such time, either (i) the Borrower shall deliver a revised Borrowing Base Certificate within 5 Banking Days of such sale (with the only adjustments from the previously effective Borrowing Base Certificate being adjustments to take into account the disposition of Eligible Accounts Receivable and, if applicable, the receipt of Unencumbered Cash from the proceeds of such sale) and the new Borrowing Base shall take effect immediately subject to the provisions of Section 2.22(2) or (ii) the Accounts Receivable sold shall be immediately excluded from the Borrowing Base without any further notice or documentation, (c) the maximum aggregate amount of Accounts Receivable sold in any rolling sixty (60) day period (in respect of all Account Debtors) does not exceed [Redacted], (d) at the time of entering into any such transaction and any sale of Accounts Receivable, no Default or Event of Default shall have occurred and be continuing and shall not result in the occurrence of a Default or an Event of Default and (e) the entering into of such transaction and sale of Accounts Receivable is not for the purpose of avoiding the occurrence of any Default or Event of Default.

“Permitted Hedging” means Financial Instruments entered into by the Borrower and its Subsidiaries:

- (a) which are entered into in the ordinary course of business and for hedging purposes and not for speculative purposes (determined, where relevant, by reference to generally accepted accounting principles); for certainty, Interest Hedging Agreements having as a subject matter principal amounts (either individually or in the aggregate, but determined on a net basis taking into account transactions or agreements entered into to reverse the position or limit the exposure under an existing Interest Hedging Agreement) greater than the aggregate liability of the Borrower and its Subsidiaries for borrowed money shall be deemed to be for speculative purposes; and
- (b) which have a term of 4 years or less (for certainty, for all purposes relating hereto and to the other Documents, (i) the term of any Financial Instrument shall commence on the date that the Financial Instrument in question is entered into notwithstanding the fact that the effective date of such Financial Instrument, or other date from which payments or deliveries are to be made or determined thereunder, is subsequent to the date such Financial Instrument is entered into and (ii) without limiting the foregoing, and in addition thereto, the term of a swap transaction or other transaction entered into pursuant to or governed by a Master Agreement published by the International Swaps and Derivatives Association, Inc. (including by International Swap Dealers Association, Inc.) or any successor thereto shall commence on the trade date thereof), except for Financial Instruments which have a term of 3 years or less and which are entered into with the intention of hedging underlying currency or interest exposure under or pursuant to the 2020 1.5 Lien Convertible Notes or the 2020 Second Lien Notes.

“Permitted Replacement” means the replacement of those directors who have died or have been found to be of unsound mind by a court of competent jurisdiction.

“Power of Attorney” means a power of attorney provided by the Borrower to a Lender with respect to Bankers’ Acceptances in accordance with and pursuant to Section 6.4 hereof.

“Purchase Money Obligation” means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property which has been acquired by the Borrower or a Subsidiary (including a lease of such property) which is subject to a Security Interest in respect of such obligation, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon and the proceeds thereof.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Subsidiary or Affiliate of the Borrower (that provides a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates) and that has total assets exceeding [*Redacted*] at the time the

relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Quarter End**” means March 31, June 30, September 30 and December 31 in each year.

“**Rateable**” and “**Rateably**” means, at any date of determination, the proportion that the Equivalent Amount in Canadian Dollars of the amount of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments of any Lender, Bank Product Affiliate thereof and Hedging Affiliates thereof bears to the aggregate of the Equivalent Amount in Canadian Dollars of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments of all Lenders, the Bank Product Affiliates and the Hedging Affiliates, as determined at the Adjustment Time.

“**Rateable Portion**”, as regards any Lender, with regard to any amount of money, means (subject to Section 6.5 in respect of the rounding of allocations of Bankers’ Acceptances):

- (a) in respect of the Syndicated Facility and Drawdowns, Conversions, Rollovers and Loans and other amounts payable thereunder, the product obtained by multiplying that amount by the quotient obtained by dividing (i) that Lender’s Syndicated Facility Commitment by (ii) the aggregate of all of the Lenders’ Syndicated Facility Commitments; and
- (b) in respect of the Operating Facility and Drawdowns, Conversions, Rollovers and Loans and other amounts payable thereunder, the product obtained by multiplying that amount by the quotient obtained by dividing (i) that Lender’s Operating Facility Commitment by (ii) the aggregate of all of the Lenders’ Operating Facility Commitments.

“**Realization Proceeds**” has the meaning set out in Section 12.7.

“**Related Party**” means any person which is any one or more of the following:

- (a) an Affiliate of the Borrower or any Subsidiary;
- (b) a unitholder, shareholder or partner of the Borrower or any Subsidiary which, together with all Affiliates of such person, owns or controls, directly or indirectly, more than 10% of the units, shares, capital or other ownership interests (however designated) of the Borrower or any Subsidiary, or an Affiliate of any such unitholder, shareholder or partner;
- (c) an officer, director or trustee of any of the foregoing; and
- (d) a person which is not at arm’s length from the Borrower and its Subsidiaries.

“**Release**” means any release, spill, emission, leak, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or sub surface strata.

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“**Repayment Notice**” means a notice substantially in the form annexed hereto as Schedule F to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

“**Requested Lenders**” has the meaning set out in Section 2.19.

“**Required Permits**” means all Governmental Authorizations which are necessary at any given time for the Borrower and each of its Material Subsidiaries to own and operate its property, assets, rights and interests or to carry on its business and affairs.

“**Resolution Authority**” means, with respect to an EEA Financial Institution, an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Rollover**” means:

- (a) with respect to any SOFR Loan, the continuation of all or a portion of such Loan (subject to the provisions hereof) for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto;
- (b) with respect to Bankers’ Acceptances, the issuance of new Bankers’ Acceptances or the making of new BA Equivalent Advances (subject to the provisions hereof) in respect of all or any portion of Bankers’ Acceptances (or BA Equivalent Advances made in lieu thereof) maturing at the end of the Interest Period applicable thereto, all in accordance with Article 6 hereof; and
- (c) with respect to Letters of Credit, the extension or replacement of an existing Letter of Credit, provided the beneficiary thereof (including any successors or permitted assigns thereof) remains the same, the maximum amount available to be drawn thereunder is not increased, the currency in which the same is denominated remains the same and the terms upon which the same may be drawn remain the same;

in each case, under the same Credit Facility under which the maturing Loan was made.

“**Rollover Date**” means the date of commencement of a new Interest Period applicable to a Loan and which shall be a Banking Day.

“**Rollover Notice**” means a notice substantially in the form annexed hereto as Schedule G to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

“**Sanctioned Country**” means, at any time, a country or territory that is itself the subject of Sanctions Laws including, without limitation, subject to comprehensive, territorial sanctions administered by OFAC, the United Nations Security Council, the European Union or Canada.

“**Sanctioned Person**” means any of the following currently or in the future: (i) an entity or individual named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC currently available at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> or in any Sanctions-related list of designated persons maintained by OFAC or the U.S. Department of State or on the “Designated Persons” lists maintained by Canada under the *Special Economic Measures Act*, the *United Nations Act*, the *Criminal Code* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act*, the *Proceeds of Crime Act*, the *Terrorism Financing Act* and the regulations promulgated thereunder or (ii) anyone more than 50 percent (50%) owned, in the aggregate, by an entity or entities or individuals, described in clause (i) above.

“**Sanctions Laws**” means any sanction laws and regulations issued by the United States of America, Canada, the European Union or the United Nations and includes, without limitation, the laws, regulations, and rules promulgated or administered by OFAC to implement U.S. sanctions programs, including any enabling legislation or Executive Order related thereto, as amended from time to time.

“**S&P**” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc. and any successors thereto.

“**Schedule I Lender**” means a Lender which is a Canadian chartered bank listed on Schedule I to the *Bank Act* (Canada).

“**Schedule II Lender**” means a Lender which is a Canadian chartered bank listed on Schedule II to the *Bank Act* (Canada).

“**Schedule III Lender**” means a Lender which is an authorized foreign bank listed on Schedule III to the *Bank Act* (Canada).

“**Security**” means, collectively, the guarantees, debentures, debenture pledge agreements, pledge agreements, assignments, mortgages, deeds of trust and other security agreements executed and delivered, or required to be executed and delivered, by the Borrower and the Material Subsidiaries and shall include (a) in respect of the Borrower, the floating charge demand debenture, the debenture pledge agreement and the general security agreement substantially in the forms of Schedules H-1, H-2 and H-3, respectively, annexed hereto and fixed and floating charge debentures, mortgages or equivalent documentation related to real property located in Canada including, without limitation, the existing fixed and floating charge debentures, in respect of real property located in the Provinces of Alberta and British Columbia, in each case, with such modifications and insertions as may be required by the Agent, acting reasonably, (b) in respect of each Material Subsidiary domiciled in Canada, a guarantee, a floating charge demand debenture, a debenture pledge agreement and a general security agreement substantially in the forms of Schedules H-4, H-5, H-6 and H-7, respectively, annexed hereto with such modifications and insertions as may be required by the Agent, acting reasonably, (c) in respect of each United States of America domiciled Material Subsidiary, a guarantee and a general security agreement in

substantially the form of the Guarantee and General Security Agreement both dated September 29, 2009 executed by Calfrac U.S., and mortgages, fixed charged mortgages, deeds of trust or equivalent documentation required in connection with real property located in the United States of America including, without limitation, the existing mortgages of Calfrac U.S. in respect of real property located in the States of Arkansas, Pennsylvania and North Dakota and the existing deed of trust in respect of real property located in the State of Texas, with such modifications as may be required by the Agent, acting reasonably.

“**Security Interest**” means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

- (a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;
- (b) (i) rights of set-off or (ii) any other right of or arrangement of any kind with any creditor, which in any case are made, created or entered into, as the case may be, for the purpose of or having the effect (directly or indirectly) of (A) securing Total Debt, (B) preferring some holders of Total Debt over other holders of Total Debt or (C) having the claims of any creditor be satisfied prior to the claims of other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or later acquired (other than, with respect to (C) only, rights of set-off granted or arising in the ordinary course of business);
- (c) the rights of lessors under finance leases, operating leases as determined under generally accepted accounting principles as in effect on December 31, 2018 and any other lease financing; and
- (d) absolute assignments of accounts receivable.

“**SOFR**” means, with respect to any Banking Day, a rate per annum equal to the secured overnight financing rate for such Banking Day published by the SOFR Administrator on the SOFR Administrator’s Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Banking Day.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**SOFR Loan**” means an Advance that bears interest based on Adjusted Term SOFR, other than pursuant to subparagraph (c) of the definition of “U.S. Base Rate”.

“**Subsidiary**” means, with respect to any person (“X”):

- (a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;
- (b) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or
- (c) any other person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to “Subsidiary” or “Subsidiaries” shall be and shall be deemed to be references to Subsidiaries of the Borrower.

“**Successor Agent**” has the meaning set out in Section 15.10.

“**Swap Obligation**” means, with respect to any person that has provided a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“**Syndicated Facility**” means the credit facility in the maximum principal amount of Cdn.\$250,000,000 or the Equivalent Amount in United States Dollars to be made available to the Borrower by the Syndicated Facility Lenders in accordance with the provisions hereof, subject to any reduction in accordance with the provisions hereof.

“**Syndicated Facility Commitment**” means the commitment by each Syndicated Facility Lender under the Syndicated Facility to provide the amount of Canadian Dollars (or the Equivalent Amount thereof) set forth opposite its name in Schedule A annexed hereto, subject to any reduction in accordance with the provisions hereof.

“**Syndicated Facility Extension Request**” has the meaning set out in Section 2.19.

“**Syndicated Facility Lenders**” means, collectively, the Lenders which have a Syndicated Facility Commitment.

“**Syndicated Facility Maturity Date**” means, in respect of the Obligations outstanding to a given Syndicated Facility Lender, July 1, 2024 (or such later date to which the same may be extended from time to time in accordance with Section 2.19).

“**Taxes**” means all taxes, levies, imposts, stamp taxes, duties, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof now or at any time in the future, together with interest thereon and penalties, charges or other amounts with respect thereto, if any, and “Tax” and “Taxation” shall be construed accordingly.

“**Term CORRA**” means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the BA Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of an Interest Period determined by the Agent in its reasonable discretion in a manner substantially consistent with market practice.

“**Term CORRA Notice**” means the notification by the Agent to the Lenders and the Borrower of the occurrence of a Term CORRA Transition Event.

“**Term CORRA Transition Date**” means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrower, for the replacement of the then-current BA Benchmark with the BA Benchmark Replacement described in subparagraph (a)(i) of such definition, which date shall be at least thirty (30) Banking Days from the date of the Term CORRA Notice.

“**Term CORRA Transition Event**” means the determination by the Agent that (a) Term CORRA has been recommended for use by the BA Relevant Governmental Body, and is determinable for any BA Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Agent and (c) a BA Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance Section 13.7(1).

“**Term SOFR**” means, for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to (a) in the case of SOFR Loans, the first day of such applicable Interest Period, or (b) with respect to U.S. Base Rate, such day of determination of the U.S. Base Rate, in each case, as such rate is published by the Term SOFR Administrator; provided, however, that, (i) if as of 5:00p.m. (New York City time) on any Periodic Term SOFR Determination Day, the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Periodic Term SOFR

Determination Day, and (ii) if the applicable Term SOFR Reference Rate is not available or a period that is longer than five (5) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the percentage rate per annum which is the aggregate of:

- (A) the Central Bank Rate prevailing on the first day of such applicable Interest Period, as determined by the Agent; and
- (B) the applicable Central Bank Rate Adjustment,
(rounded if necessary to five (5) decimal places with 0.000005 being rounded upwards) shall be used,

provided, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“**Term SOFR Adjustment**” means a rate per annum equal to 0.10% (10 basis points) for one-month, 0.15% (15 basis points) for three-months, and 0.25% (25 basis points) for six-months.

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” means the per annum forward-looking term rate based on SOFR.

“**Termination Event**” means an automatic early termination of obligations relating to a Lender Financial Instrument under any agreement relating thereto without any notice being required from a Lender.

“**Titled Assets**” means any vehicles or other assets of the Borrower and its Subsidiaries to which any Certificates of Title legislation of the United States of America or any state or district thereof applies.

“**Total Debt**” means, with respect to any person (“X”), all obligations, liabilities and indebtedness of X and its Subsidiaries which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of X as indebtedness for borrowed money of X and its Subsidiaries and, whether or not so classified, shall include (without duplication):

- (a) indebtedness of X and its Subsidiaries for borrowed money;
- (b) obligations of X and its Subsidiaries arising pursuant or in relation to: (i) bankers’ acceptances (including payment and reimbursement obligations in respect thereof), or (ii) letters of credit and letters of guarantee supporting obligations which would otherwise constitute Total Debt within the meaning of this definition or indemnities issued in connection therewith;

- (c) obligations of X and its Subsidiaries with respect to drawings under all other letters of credit and letters of guarantee;
- (d) obligations of X and its Subsidiaries under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness or other obligations of any other person which would otherwise constitute Total Debt within the meaning of this definition and all other obligations incurred for the purpose of or having the effect of providing financial assistance to another person in respect of such indebtedness or such other Total Debt obligations, including, without limitation, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);
- (e) (i) all indebtedness of X and its Subsidiaries representing the deferred purchase price of any property to the extent that such indebtedness is or remains unpaid after the expiry of the customary time period for payment, provided however that such time period shall in no event exceed 90 days, and (ii) all obligations of X and its Subsidiaries created or arising under any conditional sales agreement or other title retention agreement;
- (f) all Attributable Debt of X and its Subsidiaries other than in respect of (i) leases of office space or (ii) operating leases as determined under generally accepted accounting principles as in effect on December 31, 2018, in each case entered into in the ordinary course of business;
- (g) all other long term obligations (including the current portion thereof) upon which interest charges are customarily paid prior to default by X; and
- (h) all indebtedness of other persons secured by a Security Interest on any asset of X and its Subsidiaries, whether or not such indebtedness is assumed thereby; provided that the amount of such indebtedness shall be the lesser of (i) the fair market value of such asset at such date of determination, and (ii) the amount of such indebtedness shall only be Total Debt to the extent recorded as a liability in accordance with generally accepted accounting principles,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to “Total Debt” shall be and shall be deemed to be references to Total Debt of the Borrower and its Subsidiaries.

For certainty, with respect to the bilateral credit facility established by HSBC Bank Argentina S.A. in favour of Calfrac Well Services (Argentina) S.A., only outstanding balances and other obligations (including, for certainty, outstanding principal, interest and fees due) shall be included in the determination of Total Debt and the standby letter of credit issued in connection with such credit facility shall not be included in such determination.

“**Total Debt to EBITDA Ratio**” means, as at a Quarter End, the ratio of (a) Total Debt less Unencumbered Cash, as at such Quarter End to (b) EBITDA for the twelve months ending on such Quarter End.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**U.S. Base Rate**” means, for any day, the greatest of:

- (a) the rate of interest per annum established from time to time by the Agent or the Operating Lender, as applicable, as the reference rate of interest for the determination of interest rates that the Agent or the Operating Lender, as applicable, will charge to customers of varying degrees of creditworthiness in Canada for United States Dollar demand loans in Canada;
- (b) the rate of interest per annum for such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, equal to the sum of the Federal Funds Rate (expressed for such purpose as a yearly rate per annum in accordance with Section 5.4), plus [Redacted]; and
- (c) the sum of (i) Term SOFR for a period of one-month tenor in effect on such day plus (ii) [Redacted],

provided that if the U.S. Base Rate is being used as an alternative rate of interest pursuant to Sections 13.1 and 13.6(5), then the U.S. Base Rate shall be the greater of subparagraphs (a) and (b) above and shall be determined without reference to subparagraph (c) above, provided that if U.S. Base Rate as determined above shall ever be less than the Floor, then U.S. Base Rate shall be deemed to be the Floor.

“**U.S. Base Rate Loan**” means an Advance in, or Conversion into, United States Dollars made by the Lenders to the Borrower with respect to which the Borrower has specified or a provision hereof requires that interest is to be calculated by reference to the U.S. Base Rate.

“**U.S. Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“**Unencumbered Cash**” means all unencumbered cash of the Borrower and its Subsidiaries which have provided Security (determined in accordance with generally accepted accounting principles

and which, for certainty, shall deduct therefrom all issued and outstanding cheques which have not cleared) and which (a) is on deposit or invested with the Agent, a Lender or a deposit holding Affiliate of a Lender in Canada or the United States of America, (b) for certainty, is not held in trust for the benefit of another person or in a segregated account or similar type account (including, for certainty, any Common Share Proceeds held in an account pursuant to Section 10.3(3) of this Agreement), (c) is subject to the Security, (d) to the extent held with a Lender or an Affiliate of a Lender outside of Canada, the Borrower or the applicable Subsidiary and such Lender shall have executed and delivered a deposit account control agreement in form satisfactory to the Agent, acting reasonably and (e) shall not include any cash subject to a Security Interest other than (i) pursuant to the Security, (ii) in favour of the holders of the 2020 1.5 Lien Convertible Notes or (iii) in favor of the holders of the 2020 Second Lien Notes.

“United States Dollars” and **“U.S.\$”** means the lawful money of the United States of America.

“Voting Shares” means capital stock of any class of any corporation which carries voting rights to elect the board of directors thereof under any circumstances, provided that, for purposes hereof, shares which carry the right to so vote conditionally upon the happening of an event shall not be considered Voting Shares until the occurrence of such event.

“Wholly-Owned Subsidiary” means, with respect to any person (“X”):

- (a) a corporation, all of the issued and outstanding shares in the capital of which are beneficially held by:
 - (i) X;
 - (ii) X and one or more corporations, all of the issued and outstanding shares in the capital of which are held by X; or
 - (iii) two or more corporations, all of the issued and outstanding shares in the capital of which are held by X;
- (b) a corporation which is a Wholly-Owned Subsidiary of a corporation that is a Wholly-Owned Subsidiary of X; or
- (c) a partnership, all of the partners of which are X and/or Wholly-Owned Subsidiaries of X,

provided that unless otherwise expressly provided or the context otherwise requires, references herein to “Wholly-Owned Subsidiary” or “Wholly-Owned Subsidiaries” shall be and shall be deemed to be references to Wholly-Owned Subsidiaries of the Borrower.

“Write-Down and Conversion Powers” means:

- (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule; and

- (b) with respect to the United Kingdom, any powers of the applicable UK Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or a part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Number; persons; including

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 Accounting Principles

(1) Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute (including, for certainty, IFRS) applicable on a consolidated basis (unless otherwise specifically provided or contemplated herein to be applicable on a non-consolidated basis) as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense or amount of equity is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any other Document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis (subject to paragraphs (2) to (5) of this Section 1.4).

(2) If:

- (a) there occurs a material change in generally accepted accounting principles; or

- (b) the Borrower or any of the Material Subsidiaries adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements,

and the above change would require disclosure under generally accepted accounting principles in the consolidated financial statements of the Borrower and would cause an amount required to be determined for the purposes of the financial covenants in Section 10.3 or any financial term or threshold used in the Credit Agreement (each a “**Financial Covenant/Term**”) to be materially different than the amount that would be determined without giving effect to such change, the Borrower shall notify the Agent of such change (an “**Accounting Change**”). Such notice (an “**Accounting Change Notice**”) shall describe the nature of the Accounting Change, its effect on the current and immediately prior year’s financial statements in accordance with generally accepted accounting principles and state whether the Borrower desires to revise the method of calculating one or more of the Financial Covenants/Terms (including the revision of any of the defined terms used in the determination of such Financial Covenant/Term) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such Financial Covenant/Term will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such Financial Covenant/Term. The Accounting Change Notice shall be delivered to the Agent within sixty (60) days after the end of the fiscal quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in the fourth fiscal quarter or in respect of an entire fiscal year, within 120 days after the end of such period.

(3) If, pursuant to the Accounting Change Notice, the Borrower does not indicate that it desires to revise the method of calculating one or more of the Financial Covenants/Terms, a Majority of the Lenders may within thirty (30) days after receipt of the Accounting Change Notice notify the Borrower that they wish to revise the method of calculating one or more of the Financial Covenants/Terms in the manner described above.

(4) If either the Borrower or a Majority of the Lenders so indicate that they wish to revise the method of calculating one or more of the Financial Covenants/Terms, the Borrower and a Majority of the Lenders shall in good faith attempt to agree on a revised method of calculating such Financial Covenants/Terms so as to reflect equitably such Accounting Change with the desired result that the criteria for evaluating the Borrower’s financial condition shall be substantially the same after such Accounting Change as if such Accounting Change had not been made. Until the Borrower and a Majority of the Lenders have reached agreement in writing on such revised method of calculation, all amounts to be determined hereunder shall continue to be determined without giving effect to the Accounting Change. For greater certainty, if no notice of a desire to revise the method of calculating the Financial Covenants/Terms in respect of an Accounting Change is given by either the Borrower or a Majority of the Lenders within the applicable time period described above, then the method of calculating the Financial Covenants/Terms shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Financial Covenants/Terms shall be determined after giving effect to such Accounting Change.

(5) If a Compliance Certificate is delivered in respect of a fiscal quarter or fiscal year in which an Accounting Change is implemented without giving effect to any revised method of calculating any of the Financial Covenants/Terms, and subsequently, as provided above, the method of calculating one or more of the Financial Covenants/Terms is revised in response to such Accounting Change, or the amounts to be determined pursuant to any of the Financial Covenants/Terms are to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.4 shall be deemed to have never occurred.

(6) In addition to the foregoing, the parties hereto agree and confirm that, for all purposes hereof, including, without limitation, in connection with the calculation of “Interest Expense”, “Total Debt”, “Funded Debt”, “Consolidated Net Tangible Assets” and “EBITDA”, the classification and effect of leases (whether entered into before or after December 31, 2018) shall be made with regard to generally accepted accounting principles in effect on December 31, 2018.

1.5 References to Agreements and Enactments

Reference herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated in accordance with the provisions of this Agreement if and to the extent such provisions are applicable; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

1.6 Per Annum Calculations

Unless otherwise stated, wherever in this Agreement reference is made to a rate “per annum” or a similar expression is used, such rate shall be calculated on the basis of a year of 365 days.

1.7 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule A	-	Lenders and Commitments
Schedule B	-	Assignment Agreement
Schedule C	-	Compliance Certificate
Schedule D	-	Conversion Notice
Schedule E	-	Drawdown Notice
Schedule F	-	Repayment Notice
Schedule G	-	Rollover Notice
Schedules H-1 to H -7	-	Security
Schedule I	-	Borrowing Base Certificate.

1.8 Refunding and Amendment and Restatement of the Existing Credit Agreement

(1) The parties acknowledge and agree that this Agreement and the Credit Facilities established pursuant hereto are a refunding, replacement and refinancing of the amended and restated credit agreement dated as of December 18, 2020, as amended or amended and restated from time to time, by and among the Borrower, HSBC Bank Canada and the other lenders party thereto and the credit facilities provided thereunder. Accordingly, it is the intention of the parties hereto that, for purposes of (a) the indenture dated as of December 18, 2020 between the Borrower as the Issuer and Computershare Trust Company of Canada, as trustee, (which is the note indenture referred to in the definition of the 2020 1.5 Lien Convertible Note Documentation) and (b) the indenture dated as of February 14, 2020 between Calfrac LP as the Issuer and Wilmington Bank, National Association, as trustee, (which is the note indenture referred to in the definition of the 2020 Second Lien Note Documentation), this Agreement and the Credit Facilities are included in the definitions of “First Lien Credit Agreement” and “Credit Facilities”, as those terms are defined in each such indenture.

(2) On the date on which all of the conditions set forth in Section 3.2 have been satisfied (or waived in writing by the Agent and Lenders in accordance with Section 3.3):

- (a) the Existing Credit Agreement shall be and is hereby amended and restated in the form of this Agreement;
- (b) all Loans, including, for certainty, Bankers’ Acceptances and Letters of Credit (as such terms are defined in the Existing Credit Agreement) and other amounts outstanding under the Existing Credit Agreement prior to the date hereof shall continue to be outstanding under this Agreement and shall be deemed to be Loans and other Obligations owing by the Borrower to the Agent, the Operating Lender and the Lenders, as applicable, under this Agreement;
- (c) the Lenders hereby agree to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required by the Agent or any of the Lenders (including the assignment of interests in, or the purchase of participations in, such outstanding Loans) to give effect to the foregoing and to ensure that the aggregate Obligations owing to each Lender under the Credit Facilities are outstanding in proportion to each Lender’s Rateable Portion of all outstanding Obligations under the Credit Facilities after giving effect to the foregoing;
- (d) notwithstanding the foregoing, it is hereby acknowledged that, on the date hereof, Bankers’ Acceptances accepted by the Lenders under the Credit Facilities provided for in the Existing Credit Agreement and having terms to maturity ending on or after the date hereof may be outstanding (collectively, the “**Outstanding BAs**”). Notwithstanding any provision of the Existing Credit Agreement or this Agreement, the right, title, benefit and interest of each Lender in or to any Outstanding BAs shall remain with reference to each Lender’s pro rata share thereof based on their Commitments under the applicable Credit Facility prior to the amendment and restatement of the Existing Credit Agreement in the form

hereof. From time to time, as the Outstanding BAs mature and Rollovers and Conversions are made by the Borrower in respect thereof, each Lender shall participate in the Loans effecting such Rollovers and Conversions to the full extent of its Commitment under the applicable Credit Facility hereunder; and

- (e) notwithstanding the foregoing, it is hereby acknowledged that, on the date hereof, Libor Loans (as such term is defined in the Existing Credit Agreement) accepted by the Lenders under the Credit Facilities provided for in the Existing Credit Agreement and having terms to maturity ending on or after the date hereof may be outstanding and shall be deemed to be SOFR Loans outstanding hereunder (collectively, the “**Outstanding SOFR Loans**”). Notwithstanding any provision of the Existing Credit Agreement or this Agreement, the right, title, benefit and interest of each Lender in or to any Outstanding SOFR Loans shall remain with reference to each Lender’s pro rata share thereof based on their Commitments under the applicable Credit Facility prior to the amendment and restatement of the Existing Credit Agreement in the form hereof. From time to time, as the Outstanding SOFR Loans mature and Rollovers and Conversions are made by the Borrower in respect thereof, each Lender shall participate in the Loans effecting such Rollovers and Conversions to the full extent of its Commitment under the applicable Credit Facility hereunder.

(3) Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Borrower under the Existing Credit Agreement and all of the claims and causes of action arising against the Borrower in connection therewith, in respect of all matters, events, circumstances and obligations arising or existing prior to the date hereof shall continue, survive and shall not be merged in the execution of this Agreement or any other Documents or any advance or provision of any Loan hereunder.

(4) References herein to the “date hereof” or similar expressions shall be and shall be deemed to be to the date of the execution and delivery hereof, being September 29, 2022.

1.9 Confirmation of Security

The Security to which the Borrower is a party and all covenants, terms and provisions thereof shall be and continue to be in full force and effect and such Security, notwithstanding the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement, shall continue to exist and apply to the obligations, liabilities and indebtedness secured thereunder, including, without limitation, the obligations, liabilities and indebtedness owing by the Borrower under the Existing Credit Agreement, as amended and restated by this Agreement.

1.10 Rates

The Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such

alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability or (b) the effect, implementation or composition of any Conforming Changes. The Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its reasonable discretion to ascertain the Benchmark or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 2 - THE CREDIT FACILITIES

2.1 The Credit Facilities

Subject to the terms and conditions hereof, each of the Lenders shall make available to the Borrower such Lender's Rateable Portion of each Credit Facility. Subject to Section 2.17, the Outstanding Principal under a given Credit Facility shall not exceed the maximum principal amount of such Credit Facility.

2.2 Types of Availments; Overdraft Loans

(1) The Borrower may, in Canadian Dollars, make Drawdowns, Conversions and Rollovers under either of the Credit Facilities of Canadian Prime Rate Loans and Bankers' Acceptances and may, in United States Dollars, make Drawdowns, Conversions and Rollovers under either of the Credit Facilities of U.S. Base Rate Loans and SOFR Loans. In addition, the Borrower may make Drawdowns and Rollovers under the Credit Facilities of Letters of Credit denominated in Canadian Dollars or United States Dollars; provided that, the Outstanding Principal of Letters of Credit outstanding under the Operating Facility shall not exceed Cdn.\$5,000,000 and the Outstanding Principal of Letters of Credit outstanding under the Syndicated Facility shall not exceed U.S.\$5,000,000. The Borrower shall have the option, subject to the terms and conditions hereof, to determine which types of Loans shall be drawn down and in which combinations or proportions.

(2) In addition to the foregoing, overdrafts arising from clearance of cheques or drafts drawn on the Canadian Dollar accounts and United States Dollar accounts of the Borrower maintained with the Operating Lender, and designated by the Operating Lender for such purpose, shall be deemed to be outstanding as Canadian Prime Rate Loans and U.S. Base Rate Loans, respectively under the Operating Facility (each, an "**Overdraft Loan**") and all references to Canadian Prime Rate Loans and U.S. Base Rate Loans (as applicable) shall include Overdraft

Loans. For certainty, notwithstanding Section 2.7 or 2.14, no Drawdown Notice or Repayment Notice need be delivered by the Borrower in respect of Overdraft Loans.

2.3 Purpose

(1) The Syndicated Facility is being made available for the general corporate purposes of the Borrower and its Subsidiaries including, without limitation, financing capital expenditures and financing potential acquisitions.

(2) The Operating Facility is being made available for the general corporate purposes of the Borrower and its Subsidiaries.

(3) Notwithstanding the foregoing, the proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility shall not be used to repay or pay, as applicable, any obligations, liabilities and indebtedness under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Convertible Notes, except, for certainty, proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility may be used to make scheduled interest payments due and payable under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Convertible Notes.

2.4 Availability and Nature of the Credit Facilities

(1) Subject to the terms and conditions hereof, the Borrower may make Drawdowns under a Credit Facility prior to the Maturity Date applicable thereto.

(2) Prior to the Maturity Date applicable to a Credit Facility such Credit Facility shall be a revolving credit facility: that is, the Borrower may increase or decrease Loans under such Credit Facility by making Drawdowns, repayments and further Drawdowns.

(3) For certainty, in no event shall a Lender be required to fund, participate in, or otherwise provide any portion of a Loan which has a maturity or expiry date, or which has an Interest Period which will expire, after the Maturity Date applicable to such Credit Facility. In no event shall the Borrower request, or be entitled to obtain, a Loan which has a maturity or expiry date, or which has an Interest Period which will expire after the Maturity Date for such Credit Facility.

2.5 Minimum Drawdowns

(1) Each Drawdown under the Syndicated Facility of the following types of Loans shall be in the following amounts indicated:

- (a) Bankers' Acceptances in minimum aggregate amounts of Cdn.\$1,000,000 at maturity and Drawdowns in excess thereof in integral multiples of Cdn.\$100,000;
- (b) SOFR Loans in minimum principal amounts of U.S.\$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.\$100,000;

- (c) Canadian Prime Rate Loans in minimum principal amounts of Cdn.\$1,000,000 and Drawdowns in excess thereof in integral multiples of Cdn.\$100,000;
- (d) U.S. Base Rate Loans in minimum principal amounts of U.S.\$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.\$100,000.

(2) Each Drawdown under the Operating Facility of the following types of Loans shall be in the following amounts indicated:

- (a) Bankers' Acceptances in minimum aggregate amounts of Cdn.\$1,000,000 at maturity and Drawdowns in excess thereof in integral multiples of Cdn.\$100,000; and
- (b) SOFR Loans in minimum principal amounts of U.S.\$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.\$100,000.

2.6 Notice Periods for Drawdowns, Conversions and Rollovers

(1) Subject to the provisions hereof, the Borrower may make a Drawdown, Conversion or Rollover under the Syndicated Facility by delivering a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be (executed in accordance with the definition of Officer's Certificate), with respect to a specified type of Loan to the Agent not later than:

- (a) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of SOFR Loans;
- (b) 10:00 a.m. (Calgary time) two Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or Rollover of Bankers' Acceptances;
- (c) 10:00 a.m. (Calgary time) one Banking Day prior to the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into Canadian Prime Rate Loans and/or U.S. Base Rate Loans; and
- (d) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date or Rollover Date, as the case may be, for the Drawdown or Rollover of Letters of Credit under the Syndicated Facility.

(2) Subject to the provisions hereof, the Borrower may make a Drawdown, Conversion or Rollover under the Operating Facility by delivering a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be (executed in accordance with the definition of Officer's Certificate), with respect to a specified type of Loan to the Operating Lender not later than:

- (a) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of SOFR Loans;

- (b) 10:00 a.m. (Calgary time) one Banking Day prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or Rollover of Bankers' Acceptances;
- (c) 10:00 a.m. (Calgary time) on the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into Canadian Prime Rate Loans and/or U.S. Base Rate Loans; and
- (d) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of Letters of Credit under the Operating Facility.

2.7 Conversion Option

Subject to the provisions of this Agreement and except for Letters of Credit, the Borrower may convert the whole or any part of any type of Loan under a Credit Facility into any other type of permitted Loan under the same Credit Facility by giving the Agent or the Operating Lender, as applicable, a Conversion Notice in accordance herewith; provided that:

- (a) Conversions of SOFR Loans and Bankers' Acceptances may only be made on the last day of the Interest Period applicable thereto;
- (b) the Borrower may not convert a portion only or the whole of an outstanding Loan unless both the unconverted portion and converted portion of such Loan are equal to or exceed, in the relevant currency of each such portion, the minimum amounts required for Drawdowns of Loans of the same type as that portion (as set forth in Section 2.5);
- (c) in respect of Conversions of a Loan denominated in one currency to a Loan denominated in another currency, the Borrower shall at the time of the Conversion repay the Loan or portion thereof being converted in the currency in which it was denominated; and
- (d) a Conversion shall not result in an increase in Outstanding Principal; increases in Outstanding Principal may only be effected by Drawdowns.

2.8 SOFR Loan Rollovers; Selection of SOFR Interest Periods

At or before 10:00 a.m. (Toronto time) three Banking Days prior to the expiration of each Interest Period of each SOFR Loan, the Borrower shall, unless it has delivered a Conversion Notice pursuant to Section 2.7 and/or a Repayment Notice pursuant to Section 2.14 (together with a Rollover Notice if a portion only is to be converted or repaid; provided that a portion of a SOFR Loan may be converted or rolled over only if the portion which is to remain outstanding is equal to or exceeds the minimum amount required hereunder for Drawdowns of SOFR Loans) with respect to the aggregate amount of such Loan, deliver a Rollover Notice to the Agent, or the Operating Lender, as applicable, selecting the next Interest Period applicable to the SOFR Loan, which new Interest Period shall commence on and include the last day of such prior Interest Period. If the Borrower fails to deliver a Rollover Notice to the Agent, or the Operating Lender, as applicable, as

provided in this Section, the Borrower shall be deemed to have given a Conversion Notice to the Agent, or the Operating Lender, as applicable, electing to convert the entire amount of the maturing SOFR Loan into a U.S. Base Rate Loan.

2.9 Rollovers and Conversions not Repayments

Any amount converted shall be a Loan of the type converted to upon such Conversion taking place, and any amount rolled over shall continue to be the same type of Loan under the same Credit Facility as before the Rollover, but such Conversion or Rollover (to the extent of the amount converted or rolled over) shall not of itself constitute a repayment or a fresh utilization of any part of the amount available under the relevant Credit Facility.

2.10 Agent's Obligations with Respect to Canadian Prime Rate Loans, U.S. Base Rate Loans and SOFR Loans

Upon receipt of a Drawdown Notice, Rollover Notice or Conversion Notice with respect to a Canadian Prime Rate Loan, U.S. Base Rate Loan or SOFR Loan under the Syndicated Facility, the Agent shall forthwith notify the relevant Lenders of the requested type of Loan, the proposed Drawdown Date, Rollover Date or Conversion Date, each Lender's Rateable Portion of such Loan and, if applicable, the account of the Agent to which each Lender's Rateable Portion is to be credited.

2.11 Lenders' and Agent's Obligations with Respect to Canadian Prime Rate Loans, U.S. Base Rate Loans and SOFR Loans

(1) Each Lender shall, for same day value on the Drawdown Date specified by the Borrower in a Drawdown Notice with respect to a Canadian Prime Rate Loan, a U.S. Base Rate Loan or a SOFR Loan under the Syndicated Facility, credit the Agent's account specified in the Agent's notice given under Section 2.10 with such Lender's Rateable Portion of each such requested Loan and for same day value on the same date the Agent shall pay to the Borrower the full amount of the amounts so credited in accordance with any payment instructions set forth in the applicable Drawdown Notice.

(2) On the Drawdown Date specified by the Borrower in a Drawdown Notice with respect to a Canadian Prime Rate Loan, U.S. Base Rate Loan or SOFR Loan under the Operating Facility, for same day value the Operating Lender shall pay to the Borrower the full amount of the requested Drawdown in accordance with any payment instructions set forth in the applicable Drawdown Notice.

2.12 Irrevocability

A Drawdown Notice, Rollover Notice, Conversion Notice or Repayment Notice given by the Borrower hereunder shall be irrevocable and, subject to any options the Lenders may have hereunder in regard thereto and the Borrower's rights hereunder in regard thereto, shall oblige the Borrower to take the action contemplated on the date specified therein.

2.13 Optional Cancellation or Reduction of Credit Facilities

The Borrower may, at any time, upon giving at least 5 Banking Days prior written notice to the Agent or the Operating Lender, as applicable, cancel in full or, from time to time, permanently reduce in part the unutilized portion of a Credit Facility; provided, however, that any such reduction shall be in a minimum amount of Cdn.\$5,000,000 and reductions in excess thereof shall be in integral multiples of Cdn.\$1,000,000. If a Credit Facility is so reduced, the Commitments of each of the Lenders under such Credit Facility shall be reduced *pro rata* in the same proportion that the amount of the reduction in the Credit Facility bears to the amount of such Credit Facility in effect immediately prior to such reduction.

2.14 Optional Repayment of Credit Facilities

The Borrower may at any time and from time to time repay, without penalty, to the Agent for the account of the Lenders or, in connection with the Operating Facility, the Operating Lender or, in the case of Letters of Credit return the same to the Operating Lender or the Fronting Lender, as applicable, for cancellation or provide for the funding of, the whole or any part of any Loan owing by it together with accrued interest thereon to the date of such repayment provided that:

- (a) the Borrower shall give a Repayment Notice (executed in accordance with the definition of Officer's Certificate) to the Agent or the Operating Lender, as applicable, not later than:
 - (i) 10:00 a.m. (Calgary time) three Banking Days prior to the date of the proposed repayment, for SOFR Loans;
 - (ii) 10:00 a.m. (Calgary time) two Banking Days prior to the date of the proposed repayment, for Letters of Credit and Banker's Acceptances;
 - (iii) 10:00 a.m. (Calgary time) one Banking Day prior to the date of the proposed repayment, for Canadian Prime Rate Loans and U.S. Base Rate Loans under the Syndicated Facility; and
 - (iv) 10:00 a.m. (Calgary time) on the date of the proposed repayment, for Canadian Prime Rate Loans and U.S. Base Rate Loans under the Operating Facility;
- (b) repayments pursuant to this Section may only be made on a Banking Day;
- (c) a SOFR Loan may only be repaid on the last day of the applicable Interest Period, unless the Borrower pays the applicable expenses and fees in accordance with Section 2.16(1).
- (d) a Bankers' Acceptance may only be repaid on its maturity unless collateralized in accordance with Section 2.16(3);

- (e) unexpired Letters of Credit may only be prepaid by the return thereof to the Operating Lender or the Fronting Lender, as applicable, for cancellation or providing funding therefor in accordance with Section 2.16;
- (f) except in the case of Letters of Credit and Canadian Prime Rate Loans and U.S. Base Rate Loans under the Operating Facility, each such repayment shall be in a minimum amount of the lesser of: (i) the minimum amount required pursuant to Section 2.5 for Drawdowns of the type of Loan proposed to be repaid and (ii) the Outstanding Principal of all Loans outstanding under the Credit Facilities immediately prior to such repayment; any repayment in excess of such amount shall be in integral multiples of the amounts required pursuant to Section 2.5 for multiples in excess of the minimum amounts for Drawdowns; and
- (g) except in the case of Letters of Credit and Canadian Prime Rate Loans and U.S. Base Rate Loans under the Operating Facility, the Borrower may not repay a portion only of an outstanding Loan unless the unpaid portion is equal to or exceeds, in the relevant currency, the minimum amount required pursuant to Section 2.5 for Drawdowns of the type of Loan proposed to be repaid.

2.15 Mandatory Repayment and Reduction of Credit Facilities

(1) Subject to Section 12.2 and Article 7, the Borrower shall repay or pay, as the case may be, to the Agent, on behalf of the Lenders, or, in connection with the Operating Facility, to the Operating Lender, all Loans and other Obligations outstanding under each Credit Facility on or before the Maturity Date applicable to such Credit Facility.

(2) To the extent the Outstanding Principal of the Loans exceeds [Redacted], upon receipt by the Borrower or any of its Subsidiaries of net proceeds from a sale or disposition of any property or assets located outside of Canada or the United States of America by the Borrower or such Subsidiary, funds from such net proceeds shall be utilized to repay Loans outstanding under the Credit Facilities in order to reduce the Outstanding Principal of the Loans to less than [Redacted]. Any such repayment shall not result in a permanent reduction of the respective Credit Facilities to the extent of such repayment.

(3) Additionally, all proceeds of any insurance claim by the Borrower or any Subsidiary (which are not utilized to repair or replace the damaged property which is the subject of the casualty giving rise to the insurance proceeds) which are not reinvested in property and assets of the Borrower or a Subsidiary within 12 months from the receipt of such proceeds, shall be utilized to repay Loans outstanding under, firstly, the Syndicated Facility and, secondly, the Operating Facility. Any such repayment shall result in a permanent reduction of the respective Credit Facilities to the extent of such repayment.

(4) The Borrower shall comply with the provisions of Sections 2.14 and 2.16 with respect to each repayment required pursuant to Sections 2.15(2) and 2.15(3) and the provisions of Sections 2.14 and 2.16 shall apply thereto, *mutatis mutandis*, including (for certainty) the obligation of the Borrower to make payments pursuant to Section 2.16(1) in respect of the repayment of any SOFR Loan on other than the last day of the applicable Interest Period and the

obligation of the Borrower to provide cash collateral pursuant to Section 2.16(3) in respect of the repayment of any unmatured Bankers' Acceptances.

(5) If there is a Borrowing Base Shortfall, the Borrower will, in accordance with Section 2.22(4), repay Loans under the Credit Facilities to the extent necessary to reduce the Outstanding Principal of Loans under the Credit Facilities by not less than the amount of the Borrowing Base Shortfall.

2.16 Additional Repayment Terms

(1) If the Borrower shall (a) repay or prepay any SOFR Loan on any day other than the last day of the Interest Period for such SOFR Loan (whether an options prepayment or a mandatory prepayment), (b) fail to borrow any SOFR Loan in accordance with a Drawdown Notice delivered to the Agent or Operating Lender, as applicable, (whether as a result of the failure to satisfy any applicable conditions or otherwise), (c) fail to convert any Loan into a SOFR Loan in accordance with a Conversion Notice delivered to the Agent or the Operating Lender, as applicable (whether as a result of the failure to satisfy any applicable conditions or otherwise), (d) fail to make any prepayment in accordance with any notice of prepayment delivered to the Agent or the Operating Lender, as applicable, (e) fail to pay when due the principal amount of or interest on any SOFR Loan, or (f) convert a SOFR Loan on a day other than on the last day of an Interest Period, then such Borrower shall with regard to any SOFR Loan, within three Banking Days after demand by the Agent or any Lender, pay any reasonable costs, expenses, losses, liabilities and fees charged by the Agent or such Lender as a result of such failure, together with accrued interest on such SOFR Loan which is repaid or converted prior to the last day of the Interest Period of such SOFR Loan. Any Lender, upon becoming entitled to be paid such costs, losses, premiums and expenses, shall deliver to the Borrower and the Agent a certificate of such Lender certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

(2) With respect to the funding of the repayment of unexpired Letters of Credit, it is agreed that the Borrower shall provide for the funding in full of the repayment of unexpired Letters of Credit by paying to and depositing with the Operating Lender or the Fronting Lender, as applicable, cash collateral for each such unexpired Letter of Credit equal to the maximum amount thereof, in each case, in the respective currency which the relevant Letter of Credit is denominated; such cash collateral deposited by the Borrower shall be held by the Operating Lender or the Fronting Lender, as applicable, in an interest bearing cash collateral account with interest to be credited to the Borrower at rates prevailing at the time of deposit for similar accounts with the Operating Lender or the Fronting Lender, as applicable. Such cash collateral accounts shall be assigned to the Operating Lender or the Fronting Lender, as applicable, as security for the obligations of the Borrower in relation to such Letters of Credit and the Security Interest of the Operating Lender or the Fronting Lender, as applicable, thereby created in such cash collateral shall rank in priority to all other Security Interests and adverse claims against such cash collateral. Such cash collateral shall be applied to satisfy the obligations of the Borrower for such Letters of Credit as payments are made thereunder and the Operating Lender or the Fronting Lender, as applicable, is hereby irrevocably directed by the Borrower to so apply any such cash collateral. Amounts held in such cash collateral accounts may not be withdrawn by the Borrower without the consent of the Lenders; however, interest on such deposited amounts shall be for the account of the

Borrower and may be withdrawn by the Borrower so long as no Default or Event of Default is then continuing. If after expiry of the Letters of Credit for which such funds are held and application by the Operating Lender or the Fronting Lender, as applicable, of the amounts in such cash collateral accounts to satisfy the obligations of the Borrower hereunder with respect to the Letters of Credit being repaid, any excess remains, such excess shall be promptly paid by the Operating Lender or the Fronting Lender, as applicable, to the Borrower so long as no Default or Event of Default is then continuing.

(3) In lieu of providing cash collateral as aforesaid, the Borrower may provide to the Operating Lender irrevocable standby letter or letters of credit in an aggregate amount equal to the aggregate maximum amount of all unexpired Letters of Credit being repaid and for a term which expires not sooner than 10 Banking Days after the expiry of the Letters of Credit in respect of which such letter(s) of credit are provided; such letters of credit shall be denominated and payable in the currency of the relevant unexpired Letters of Credit and shall be issued by a financial institution and on terms and conditions acceptable to the Operating Lender, in its sole discretion. The Operating Lender is hereby irrevocably authorized and directed to draw upon such letters of credit and apply the proceeds of the same to satisfy the obligations of the Borrower for such unexpired Letters of Credit as payments are made by the Operating Lender or the Fronting Lender, as applicable, thereunder.

(4) With respect to the repayment of unmatured Bankers' Acceptances it is agreed that the Borrower shall provide for the funding in full of the unmatured Bankers' Acceptances to be repaid by paying to and depositing with the Agent or the Operating Lender, as applicable, cash collateral (the "**Cash Collateral**") for each such unmatured Bankers' Acceptances equal to the face amount payable at maturity thereof; such Cash Collateral deposited by the Borrower shall be invested by the Agent or the Operating Lender, as applicable, in Approved Securities as may be directed in writing by the Borrower from time to time (the "**Collateral Investments**"), provided that the Borrower shall direct said investments so that they mature in amounts sufficient to permit payment of the Obligations for maturing Bankers' Acceptances on the maturity dates thereof, with interest thereon to be credited to the Borrower. In the event that the Agent or the Operating Lender, as applicable, is not provided with instructions from the Borrower to make Collateral Investments as provided herein, the Agent or the Operating Lender, as applicable, shall hold such Cash Collateral in an interest bearing cash collateral account (the "**Cash Collateral Account**") at rates prevailing at the time of deposit for similar accounts with the Agent or the Operating Lender, as applicable. The (a) Cash Collateral, (b) Cash Collateral Accounts, (c) Collateral Investments, (d) any accounts receivable, claims, instruments or securities evidencing or relating to the foregoing, and (e) any proceeds of any of the foregoing (collectively the "**Outstanding BAs Collateral**") shall be assigned to the Agent or the Operating Lender, as applicable, as security for the obligations of the Borrower in relation to such Bankers' Acceptances and the Security Interest of the Agent or the Operating Lender, as applicable, thereby created in such Outstanding BAs Collateral shall rank in priority to all other Security Interests and adverse claims against such Outstanding BAs Collateral. Such Outstanding BAs Collateral shall be applied to satisfy the obligations of the Borrower for such Bankers' Acceptances as they mature and the Agent or the Operating Lender, as applicable, is hereby irrevocably directed by the Borrower to apply any such Outstanding BAs Collateral to such maturing Bankers' Acceptances. The Outstanding BAs Collateral created herein shall not be released to the Borrower without the consent of the applicable Lenders; however, interest on such deposited amounts shall be for the account of the Borrower and

may be withdrawn by the Borrower so long as no Default or Event of Default is then continuing. If, after maturity of the Bankers' Acceptances for which such Outstanding BAs Collateral is held and application by the Agent or the Operating Lender, as applicable, of the Outstanding BAs Collateral to satisfy the obligations of the Borrower hereunder with respect to the Bankers' Acceptances being repaid, any interest or other proceeds of the Outstanding BAs Collateral remains, such interest or other proceeds shall be promptly paid and transferred by the Agent or the Operating Lender, as applicable, to the Borrower so long as no Default or Event of Default is then continuing.

2.17 Currency Excess

(1) If the Agent or, in the case of the Operating Facility, the Operating Lender, shall determine that the aggregate Outstanding Principal of the outstanding Loans under a given Credit Facility exceeds the maximum amount of such Credit Facility (the amount of such excess is herein called the "**Currency Excess**"), then, upon written request by the Agent or the Operating Lender, as applicable, (which request shall detail the applicable Currency Excess), the Borrower shall repay an amount of Canadian Prime Rate Loans or U.S. Base Rate Loans under such Credit Facility within (i) if the Currency Excess exceeds [Redacted], 5 Banking Days, and (ii) in all other cases, 20 Banking Days after receipt of such request, such that, except as otherwise contemplated in Section 2.17(2), the Equivalent Amount in Canadian Dollars of such repayments is, in the aggregate, at least equal to the Currency Excess.

(2) If, in respect of any Currency Excess, the repayments made by the Borrower have not completely removed such Currency Excess (the remainder thereof being herein called the "**Currency Excess Deficiency**"), the Borrower shall within the aforementioned 5 or 20 Banking Days, as the case may be, after receipt of the aforementioned request of the Agent or Operating Lender, as applicable, place an amount equal to the Currency Excess Deficiency on deposit with the Agent or Operating Lender, as applicable, in an interest bearing account with interest at rates prevailing at the time of deposit for the account of the Borrower, to be assigned to the Agent on behalf of the Lenders or to the Operating Lender, as applicable, by instrument satisfactory to the Agent or Operating Lender, as applicable and, if applicable, to be applied to maturing Bankers' Acceptances or SOFR Loans (converted if necessary at the exchange rate for determining the Equivalent Amount on the date of such application). The Agent or Operating Lender, as applicable is hereby irrevocably directed by the Borrower to apply any such sums on deposit to maturing Loans as provided in the preceding sentence. In lieu of providing funds for the Currency Excess Deficiency, as provided in the preceding provisions of this Section, the Borrower may within the said period of 5 or 20 Banking Days, as the case may be, provide to the Agent or Operating Lender, as applicable an irrevocable standby letter of credit in an amount equal to the Currency Excess Deficiency and for a term which expires not sooner than 10 Banking Days after the date of maturity or expiry, as the case may be, of the relevant Bankers' Acceptances, SOFR Loans or Letters of Credit, as the case may be; such letter of credit for the Currency Excess Deficiency shall be issued by a financial institution, and shall be on terms and conditions, acceptable to the Agent or Operating Lender, as applicable in each of its sole discretion. The Agent or Operating Lender, as applicable, is hereby authorized and directed to draw upon such letter of credit and apply the proceeds of the same to Bankers' Acceptances or SOFR Loans as they mature. Upon the Currency Excess Deficiency being eliminated as aforesaid or by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no

Default or Event of Default is then continuing, such funds on deposit, together with interest thereon, or such letters of credit shall be returned to the Borrower, in the case of funds on deposit, or shall be cancelled or reduced in amount, in the case of letters of credit.

2.18 Hedging with Lenders and Hedging Affiliates

If a Lender or Hedging Affiliate enters into a Financial Instrument with the Borrower which such Lender or Hedging Affiliate (as the case may be) believes, acting reasonably, in good faith and without any actual notice or knowledge to the contrary, is Permitted Hedging, then each such Lender Financial Instrument and the Lender Financial Instrument Obligations under such Financial Instrument shall be secured by the Security equally and rateably with the Obligations, regardless of whether the Borrower has complied herewith (but, for certainty, without in any manner lessening or relieving the Borrower from its obligation to comply therewith).

2.19 Extension of Syndicated Facility Maturity Date

(1) In this Section:

“**Syndicated Facility Extension Request**” means a written request by the Borrower to the Requested Lenders to extend the Syndicated Facility Maturity Date applicable to such Lenders by one or more years (or any portion thereof), which request shall include an Officer’s Certificate certifying that no Default or Event of Default has occurred and is continuing; and

“**Requested Lenders**” means those Syndicated Facility Lenders which are not then Non-Extending Lenders.

(2) The Borrower may, once in each calendar year, by delivering to the Agent an executed Syndicated Facility Extension Request, request the Requested Lenders to extend the Syndicated Facility Maturity Date applicable to such Lenders by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 30 days before July 1 in each calendar year; and (b) the Syndicated Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than two (2) years after the effectiveness of such extension.

(3) Upon receipt from the Borrower of an executed Syndicated Facility Extension Request, the Agent shall promptly deliver to each Requested Lender a copy of such request, and each Requested Lender shall, within 30 days after receipt of the Syndicated Facility Extension Request by the Agent, provide to the Agent and the Borrower either (a) written notice that such Requested Lender (each, an “**Extending Lender**”) agrees, subject to Section 2.19(4) below, to the requested extension of the current Syndicated Facility Maturity Date applicable to it or (b) written notice (each, a “**Notice of Non-Extension**”) that such Requested Lender (each, a “**Non-Extending Lender**”) does not agree to such requested extension; provided that, if any Requested Lender shall fail to so notify the Agent and the Borrower, then such Requested Lender shall be deemed to have delivered a Notice of Non-Extension and shall be deemed to be a Non-Extending Lender. The determination of each Syndicated Facility Lender whether or not to extend the Syndicated Facility Maturity Date applicable to it shall be made by each individual Syndicated Facility Lender in its sole discretion.

(4) If the Extending Lenders have Syndicated Facility Commitments which, in aggregate, represent more than 66 $\frac{2}{3}$ % of all outstanding Syndicated Facility Commitments, the Syndicated Facility Maturity Date shall be extended in accordance with the Syndicated Facility Extension Request for each of the Extending Lenders. If the Extending Lenders do not have Syndicated Facility Commitments which, in aggregate, represent more than 66 $\frac{2}{3}$ % of all outstanding Syndicated Facility Commitments, the Syndicated Facility Maturity Date shall not be extended for any of the Requested Lenders. For certainty, the Syndicated Facility Maturity Date for a Non-Extending Lender shall not be extended, regardless of whether or not the Syndicated Facility Maturity Date is extended for the Extending Lenders as aforesaid.

(5) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the Syndicated Facility Maturity Date. If, as of the current Syndicated Facility Maturity Date (before an agreement of the Extending Lenders to the extension thereof in accordance with the foregoing provisions of this Section 2.19), a Default or Event of Default exists, the Syndicated Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary, for any Extending Lender unless (a) such Extending Lender has waived such Default or Event of Default in writing and (b) Extending Lenders having Syndicated Facility Commitments which, in aggregate, represent more than 66 $\frac{2}{3}$ % of all outstanding Syndicated Facility Commitments have waived such Default or Event of Default in writing.

(6) A Non-Extending Lender may, with the prior written consent of the Borrower, become an Extending Lender with respect to any prior extension of the Syndicated Facility Maturity Date by providing written notice to the Agent revoking the Notice of Non-Extension provided by such Syndicated Facility Lender; such revocation shall be effective from and after receipt by the Agent of such notice from such Syndicated Facility Lender together with a copy of the Borrower's consent in relation thereto.

(7) To the extent the Syndicated Facility Maturity Date has been extended in accordance with this Section 2.19 but there are Non-Extending Lenders, the Borrower may require any Non-Extending Lender to assign its Syndicated Facility Commitment, its Rateable Portion of all Loans and other Obligations outstanding under the Syndicated Facility and all of its rights, benefits and interests under the Documents relating thereto (collectively, the "**Assigned Interests**") to (i) any Extending Lenders which have agreed to increase their Commitments and purchase Assigned Interests, and (ii) to the extent the Assigned Interests are not transferred to Extending Lenders, financial institutions selected by the Borrower and acceptable to the Agent, acting reasonably. Such assignments shall be effective upon: (a) execution of assignment documentation satisfactory to the relevant Non-Extending Lender, the assignee, the Borrower and the Agent (each acting reasonably); (b) payment to the relevant Non-Extending Lender (in immediately available funds) by the relevant assignee of an amount equal to its Rateable Portion of all Obligations being assigned and all accrued but unpaid interest and fees hereunder in respect of those portions of the Loans and Commitments being assigned; (c) payment by the relevant assignee to the Agent (for the Agent's own account) of the recording fee contemplated in Section 16.6, and (d) provision satisfactory to the Non-Extending Lender (acting reasonably) being made for (i) payment at maturity of outstanding Bankers' Acceptances accepted by it and (ii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of SOFR Loans outstanding hereunder. Upon such assignment and transfer, the Non-Extending Lender shall have no further right, interest, benefit or obligation in respect of

the Assigned Interests and the assignee thereof shall succeed to the position of such Lender as if the same was an original party hereto in the place and stead of such Non-Extending Lender and shall be deemed to be an Extending Lender; for such purpose, to the extent that the assignee is not already a party hereto, the assignee shall execute and deliver an Assignment Agreement and such other documentation as may be reasonably required by the Agent and the Borrower to confirm its agreement to be bound by the provisions hereof and to give effect to the foregoing; and

(8) To the extent that any Non-Extending Lender has not assigned its rights and interests to an Extending Lender or other financial institution as provided Section 2.19(7), the Borrower may, notwithstanding any other provision hereof, repay the Non-Extending Lender's Rateable Portion of all Loans outstanding under the Syndicated Facility, together with all accrued but unpaid interest and fees thereon with respect to its Commitments, without making corresponding repayment to the Extending Lenders and, upon such repayment and provision satisfactory to the relevant Non-Extending Lender being made for (i) payment at maturity of all outstanding Bankers' Acceptances accepted by such Lender and (ii) any costs, losses, premiums or expenses incurred by such Lender by reason of a liquidation or re-deployment of deposits or other funds in respect of SOFR Loans outstanding hereunder, the Borrower may cancel such Lender's Commitments. Upon completion of the foregoing, such Non-Extending Lender shall have no further right, interest, benefit or obligation in respect of the Syndicated Facility and the Syndicated Facility shall be reduced by the amount of such Lender's cancelled Syndicated Facility Commitment.

2.20 Extension of Operating Facility Maturity Date

(1) In this Section "**Operating Facility Extension Request**" means a written request by the Borrower to the Operating Lender to extend the Operating Facility Maturity Date by one or more years (or any portion thereof), which request shall include an Officer's Certificate certifying that no Default or Event of Default has occurred and is continuing.

(2) The Borrower may, once in each calendar year, by delivering to the Operating Lender an executed Operating Facility Extension Request, request the Operating Lender to extend the Operating Facility Maturity Date by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 30 days before July 1 in each calendar year; and (b) the Operating Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than two (2) years after the effectiveness of such extension.

(3) Upon receipt from the Borrower of an executed Operating Facility Extension Request, the Operating Lender shall, within 30 days after receipt of the Operating Facility Extension Request, provide to the Agent and the Borrower either (a) written notice that the Operating Lender agrees to the requested extension of the current Operating Facility Maturity Date in which case the Operating Facility Maturity Date shall be extended in accordance with the Operating Facility Extension Request or (b) written notice that the Operating Lender does not agree to such requested extension, in which case the Operating Facility Maturity Date shall not be extended; provided that, if the Operating Lender shall fail to so notify the Agent and the Borrower, then the Operating Lender shall be deemed to have denied the request to extend the Operating Facility Maturity Date. The determination of the Operating Lender whether or not to extend the Operating Facility Maturity Date shall be made by the Operating Lender in its sole discretion.

(4) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the Operating Facility Maturity Date. If, as of the current Operating Facility Maturity Date (before an agreement of the Operating Lender to the extension thereof in accordance with the foregoing provisions of this Section 2.20), a Default or Event of Default exists, the Operating Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary unless the Operating Lender has waived such Default or Event of Default in writing.

2.21 Replacement of Lenders

(1) In addition to and not in limitation of or derogation from Section 2.19(6), the Borrower shall have the right, at its option, to (a) replace (by causing a Lender to assign its rights and interests under the Credit Facilities to additional financial institutions or to existing Lenders which have agreed to increase their Commitments) or (b) provided that no Default or Event of Default has occurred and is continuing, repay the Obligations outstanding and cancel the Commitments of (without corresponding repayment to or cancellation of the Commitments of other Lenders) or (c) do any combination thereof with respect to: (i) those Lenders which have not agreed to a consent under, waiver of or proposed amendment to the provisions of the Documents (each, a “**Dissenting Lender**”) requested by the Borrower, (ii) those Lenders which have notified the Borrower and the Agent of an entitlement to receive Additional Compensation under Section 13.3; (iii) those Lenders which, pursuant to Section 13.5, have declared their obligations under this Agreement in respect of any Loan to be terminated; and (iv) any Lender who is a Defaulting Lender, for such purposes, the provisions of Section 2.19(6) shall apply thereto, *mutatis mutandis*; provided that, notwithstanding the foregoing:

- (a) if applicable, the Borrower shall not be entitled to replace or repay a Dissenting Lender unless, after doing so, the requested consent, waiver or amendment would be approved in accordance with the Documents; and
- (b) for certainty, the addition of new financial institutions as Lenders shall require the consent of the Agent and the Fronting Lender, such consents not to be unreasonably withheld.

(2) For the purposes of Section 2.21(1), the Borrower may require any such Lender to assign its Commitments, its Rateable Portion of all Loans and other Obligations outstanding under the relevant Credit Facilities and all of its rights, benefits and interests under the Documents relating thereto (collectively, the “**Lender Assigned Interests**”) to (i) any other Lenders which have agreed to increase their applicable Commitments and purchase the Lender Assigned Interests, and (ii) to the extent the Lender Assigned Interests are not transferred to such other Lenders, financial institutions selected by the Borrower and acceptable to the Agent and the Fronting Lender, each acting reasonably. Such assignments shall be effective upon execution of assignment documentation satisfactory to the relevant Lender, the assignee, the Borrower and the Agent (each acting reasonably), upon payment to the relevant Lender (in immediately available funds) by the relevant assignee of an amount equal to its Rateable Portion of all Obligations being assigned and all accrued but unpaid interest and fees hereunder in respect of those portions of the Loans and Commitments being assigned, upon payment by the relevant assignee to the Agent (for the Agent’s own account) of the transfer fee contemplated in Section 16.6, and upon provision satisfactory to

the relevant Lender (acting reasonably) being made for (i) payment at maturity of outstanding Bankers' Acceptances accepted by it, (ii) indemnity in respect of its share of outstanding Letters of Credit or, with respect to outstanding Fronted LCs, release by the Fronting Lender of its obligations in respect thereof and (iii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of SOFR Loans outstanding hereunder. Upon such assignment and transfer, the relevant Lender shall have no further right, interest, benefit or obligation in respect of the Credit Facilities and the assignee thereof shall succeed to the position of such Lender as if the same was an original party hereto in the place and stead of such Lender and shall be deemed to be a Lender hereunder; for such purpose, to the extent that the assignee is not already a party hereto, the assignee shall execute and deliver an Assignment Agreement and such other documentation as may be reasonably required by the Agent, the Fronting Lender and the Borrower to confirm its agreement to be bound by the provisions hereof and to give effect to the foregoing.

(3) To the extent that any such Lender has not assigned its rights and interests to another Lender or other financial institution as provided in subparagraph (2) above, the Borrower may, notwithstanding any other provision hereof, repay such Lender's Rateable Portion of all Loans outstanding under the relevant Credit Facility, together with all accrued but unpaid interest and fees thereon with respect to its Commitments, without making corresponding repayment to the other Lenders and, upon such repayment and provision satisfactory to the relevant Lender (acting reasonably) being made for (i) payment at maturity of all outstanding Bankers' Acceptances accepted by such Lender, (ii) indemnity in respect of its share of outstanding Letters of Credit or, with respect to outstanding Fronted LCs, release by the Fronting Lender of its obligations in respect thereof and (iii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of SOFR Loans outstanding hereunder. Upon completion of the foregoing, such Lender shall have no further right, interest, benefit or obligation in respect of the relevant Credit Facility and the relevant Credit Facility shall be reduced by the amount of such Lender's cancelled Commitment.

2.22 Borrowing Base Limit; Determinations of Borrowing Base

(1) The Borrower shall not, at any time, have or allow the Outstanding Principal of all Loans under the Credit Facilities to exceed the Borrowing Base then in effect.

- (2) The Borrowing Base shall be determined and re-determined as follows:
- (a) subject to the other provisions of this Section 2.22, the Borrowing Base shall be the amount certified as such in the most recent Borrowing Base Certificate delivered by the Borrower to the Agent;
 - (b) within 5 days after receipt by the Lenders of each Borrowing Base Certificate required to be delivered hereunder, each Lender shall advise the Agent if it agrees with the certification of the Borrowing Base provided in the Borrowing Base Certificate (such determination to be made by each Lender acting reasonably); provided that, if a Lender shall not so advise the Agent, then such Lender shall be deemed to have agreed with the certification of the Borrower in the Borrowing Base Certificate;

- (c) if all of the Lenders do not agree to the amount of the Borrowing Base as certified in the Borrowing Base Certificate, the Lenders may re-determine the Borrowing Base (acting reasonably) and the Agent shall deliver to the Borrower written notice of the re-determination of the Borrowing Base (each such notice, a “**Borrowing Base Notice**”) (with a copy thereof to each Lender) specifying such re-determined Borrowing Base;
- (d) if all of the Lenders cannot agree on the re-determination of the Borrowing Base within 10 days after receipt of the Borrowing Base Certificate, then the Borrowing Base shall be deemed to have been determined by the Lenders as the amount agreed to by the Majority of the Lenders and if the Majority of the Lenders cannot agree on the re-determination of the Borrowing Base within 10 days after receipt of the Borrowing Base Certificate, then the Borrowing Base shall be deemed to have been determined by the Lenders as the average amount proposed by all the Lenders to the Agent and promptly after the expiry of such 10 day period the Agent shall deliver a Borrowing Base Notice to the Borrower (with a copy thereof to each Lender) specifying such Borrowing Base; and
- (e) for certainty, the re-determined Borrowing Base shall be effective immediately upon receipt by the Borrower of a Borrowing Base Notice delivered pursuant to Section 2.22(2)(c) or 2.22(2)(d), as applicable.

(3) In addition to and without limiting the foregoing or any other provision hereof, in connection with each Permitted Factoring Transaction and any sale of Accounts Receivable owing by an Account Debtor in excess of [Redacted] (or the Equivalent Amount thereof) either (a) the Borrower shall deliver a revised Borrowing Base Certificate within 5 Banking Days of such sale (with the only adjustments from the previously effective Borrowing Base Certificate being adjustments to take into account the disposition of Eligible Accounts Receivable and, if applicable, the receipt of Unencumbered Cash from the proceeds of such sale) and the new Borrowing Base shall take effect immediately subject to the provisions of Section 2.22(2)) or (b) the Accounts Receivable sold shall be immediately excluded from the Borrowing Base without any further notice or documentation.

(4) If, after a Borrowing Base determination or re-determination, the aggregate Outstanding Principal of all Loans under the Credit Facilities exceeds the Borrowing Base then in effect (a “**Borrowing Base Shortfall**”), the Borrower will within 15 Banking Days repay Loans under the Credit Facilities to the extent necessary to reduce the Outstanding Principal of Loans under the Credit Facilities by not less than the amount of the Borrowing Base Shortfall.

2.23 Permitted Increase in Syndicated Facility

The Borrower may, at any time and from time to time, increase the maximum amount of the Syndicated Facility by (i) adding additional financial institutions as Syndicated Facility Lenders, (ii) increasing the Syndicated Facility Commitments of existing Lenders with the consent of such existing Lenders or (iii) any combination thereof. The right to increase the maximum principal amount of the Syndicated Facility as aforesaid shall be subject to the following (for each such increase):

- (a) no Default or Event of Default shall have occurred and be continuing and the Borrower shall have delivered to the Agent a certificate of an officer of the Borrower confirming the same and confirming (i) its corporate authorization to make such increase, (ii) the truth and accuracy in all material respects of its representations and warranties contained in Section 9.1 hereof as of such date, other than any such representations and warranties which expressly speak as of an earlier date and (iii) that no consents, approvals or authorizations are required for such increase (except as have been unconditionally obtained and are in full force and effect, unamended), each as at the effective date of such increase;
- (b) the Borrower shall have delivered to the Agent an opinion of its legal counsel and counsel to the Material Subsidiaries which have provided Security in form and substance as may be required by the Agent, acting reasonably (and such opinion shall, *inter alia*, opine as to the corporate authorization of the Borrower to effect such increase which authorization may be included in the resolution authorizing the execution, delivery and performance of this Agreement);
- (c) the aggregate of all increases pursuant to this Section shall not exceed Cdn.\$25,000,000 and any such purported increase over such amount shall be null and void;
- (d) each of the existing Lenders shall have consented to the increase in the aggregate Commitments;
- (e) the Agent and the Fronting Lender shall have consented to the increase in the Commitments of a Lender and any additional financial institution becoming a Lender, such consents of the Agent and the Fronting Lender not to be unreasonably withheld; and
- (f) the Borrower and the increasing existing Lender or the financial institution being added, as the case may be, shall execute and deliver such documentation as is required by the Agent, acting reasonably, to effect the increase in question (including the partial assignment of Loans or purchase of participations from Lenders to the extent necessary to ensure that, after giving effect to such increase, each Syndicated Facility Lender holds its Rateable Portion of each outstanding Loan under the Syndicated Facility) and, if applicable, to add any such new financial institution as a Lender under the Documents.

ARTICLE 3 - CONDITIONS PRECEDENT TO DRAWDOWNS

3.1 Conditions for Drawdowns

On or before each Drawdown hereunder the following conditions shall be satisfied:

- (a) the Agent or the Operating Lender, as applicable, shall have received a proper and timely Drawdown Notice from the Borrower requesting the Drawdown;
- (b) the representations and warranties set forth in Section 9.1 shall be true and accurate in all respects on and as of the date of the requested Drawdown;
- (c) no Default or Event of Default shall have occurred and be continuing nor shall the Drawdown result in the occurrence of a Default or Event of Default;
- (d) No Material Adverse Change shall have occurred;
- (e) a Borrowing Base Shortfall shall not exist and, after giving effect to the proposed Drawdown, the Outstanding Principal of all Loans shall not exceed the Borrowing Base then in effect; and
- (f) after giving effect to the proposed Drawdown, the Outstanding Principal of all Loans outstanding under the relevant Credit Facility shall not exceed the maximum amount of such Credit Facility.

3.2 Additional Conditions For Amendment and Restatement

This Agreement shall be effective upon, and the Existing Credit Agreement shall be amended and restated as herein provided upon, the following conditions being satisfied:

- (a) the Borrower shall have paid all fees and expenses previously agreed to in writing between the Borrower and each of HSBC Bank Canada, as lead arranger, the Agent and the Lenders including, without limitation, all fees payable pursuant to the Fee Letter, shall be paid by the Borrower to HSBC Bank Canada, as lead arranger, the Agent and the Lenders, as applicable;
- (b) the Borrower shall have delivered to the Agent and the Lenders a current certificate of status, compliance or good standing, as the case may be, in respect of its jurisdiction of incorporation, certified copies of its constating documents, by-laws, shareholder agreements, other organizational documents and the resolutions authorizing the Documents to which it is a party and the transactions thereunder and an Officers' Certificate as to the incumbency of the officers thereof signing the new Documents to which it is a party;
- (c) (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Section 9.1 shall be true and accurate in all respects and the Borrower shall have delivered to the Agent and the Lenders an Officer's Certificate certifying the same to the Agent and the Lenders;

- (d) the Security (or confirmations in respect of the existing guarantees and other Security, in form and substance satisfactory to the Agent, acting reasonably) shall have been fully executed and delivered, each in form and substance satisfactory to the Lenders (acting reasonably), and all registrations, filings and recordings necessary or desirable (as determined by the Lenders' Counsel, acting reasonably) in connection with the Security shall have been made and completed;
- (e) the Borrower shall have executed and delivered to the Agent the Fee Letter;
- (f) no Material Adverse Change shall have occurred and the Borrower shall have delivered to the Agent and the Lenders an Officer's Certificate certifying the same to the Agent and the Lenders;
- (g) the Borrower shall have delivered to the Agent and the Lenders an Officer's Certificate detailing the legal structure and ownership of the Borrower and its Subsidiaries, which certificate shall be in form and substance satisfactory to the Agent and Lenders' Counsel (each acting reasonably);
- (h) the Borrower shall have delivered to the Agent (i) *pro forma* consolidated financial projections of the Borrower through to the end of the current Maturity Dates, including the projected income statement, balance sheet and cash flow and (ii) the calculation of the financial covenants for each applicable Quarter End contained therein, each in form and substance satisfactory to the Agent, acting reasonably;
- (i) the Borrower shall have provided evidence to the Agent that the G2S2 Debt (as defined in the Existing Credit Agreement) has been repaid in full, which evidence shall be satisfactory to the Agent, acting reasonably; and
- (j) the Agent and the Lenders shall have received all such other documentation and information reasonably requested from the Borrower and its Subsidiaries including all documentation and other information reasonably requested by any Lender or the Agent, in order to comply with any applicable Anti-Money Laundering Laws.

3.3 Waiver

The conditions set forth in Sections 3.1 and 3.2 are inserted for the sole benefit of the applicable Lenders and, in the case of the Syndicated Facility, the Agent and may be waived by the applicable Lenders, in whole or in part (with or without terms or conditions) without prejudicing the right of the applicable Lenders or Agent at any time to assert such waived conditions in respect of any subsequent Drawdown.

ARTICLE 4 - EVIDENCE OF DRAWDOWNS

4.1 Account of Record

(1) The Agent shall open and maintain books of account or electronically stored records evidencing all Loans and all other amounts owing by the Borrower to the Syndicated Facility Lenders hereunder. The Agent shall enter in the foregoing accounts or records details of all

amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts or records shall, absent manifest error, constitute *prima facie* evidence of the obligations of the Borrower to the Syndicated Facility Lenders hereunder with respect to all Loans and all other amounts owing by the Borrower to the Syndicated Facility Lenders hereunder. After a request by the Borrower, the Agent shall promptly advise the Borrower of such entries made in the Agent's books of account or electronically stored records.

(2) The Operating Lender shall open and maintain books of account evidencing all Loans and all other amounts owing by the Borrower to the Operating Lender hereunder. The Operating Lender shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts shall, absent manifest error, constitute *prima facie* evidence of the obligations of the Borrower to the Operating Lender hereunder with respect to all Loans and all other amounts owing by the Borrower to the Operating Lender hereunder. After a request by the Borrower, the Operating Lender shall promptly advise the Borrower of such entries made in the Operating Lender's books of account.

ARTICLE 5 - PAYMENTS OF INTEREST AND FEES

5.1 Interest on Canadian Prime Rate Loans

The Borrower shall pay interest on each Canadian Prime Rate Loan owing by it during each Interest Period applicable thereto in Canadian Dollars at a rate per annum equal to the Canadian Prime Rate in effect from time to time during such Interest Period plus the Applicable Pricing Rate. Each determination by the Agent or the Operating Lender, as applicable, of the Canadian Prime Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Canadian Prime Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the Canadian Prime Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrower.

5.2 Interest on U.S. Base Rate Loans

The Borrower shall pay interest on each U.S. Base Rate Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum equal to the U.S. Base Rate in effect from time to time during such Interest Period plus the Applicable Pricing Rate. Each determination by the Agent or the Operating Lender, as applicable, of the U.S. Base Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the U.S. Base Rate Loan outstanding during such period and on the basis of the actual number of days

elapsed in a year of 365 days. Changes in the U.S. Base Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrower.

5.3 Interest on SOFR Loans

(1) Each SOFR Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date of Drawdown, Conversion or Rollover, as applicable, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Pricing Rate plus the Adjusted Term SOFR applicable to such Interest Period, payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(2) The Agent shall determine each interest rate applicable to SOFR Loans and its determination thereof shall be conclusive and binding except in the case of manifest error. In connection with the use or administration of Term SOFR, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Document. The Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

5.4 Interest Act (Canada); Conversion of 360 Day Rates

(1) Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

(2) Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year of 360 days, such rate of interest or other rate shall be expressed as a rate per annum, calculated on the basis of a 365 day year, by multiplying such rate of interest or other rate by 365 and dividing it by 360.

(3) The Borrower:

(a) confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facilities based on the methodology for calculating per annum rates provided for in this Agreement. The Agent agrees that, if requested in writing by the Borrower, it will calculate the nominal and effective per annum rate of interest on any Loan outstanding at the time of such request and provide such information to the Borrower within a reasonable time following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower of any of its obligations under this Agreement or any other Document, nor result in any liability to the Agent or any Lender; and

- (b) hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Documents, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

5.5 Nominal Rates; No Deemed Reinvestment

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

5.6 Standby Fees

(1) The Borrower shall pay to the Agent for the account of the Syndicated Facility Lenders a standby fee in Canadian Dollars in respect of the Syndicated Facility calculated at a rate per annum equal to the Applicable Pricing Rate on the amount, if any, by which the amount of the Outstanding Principal under the Syndicated Facility in question for each day in the period of determination is less than the maximum amount for each such day of the Syndicated Facility. Fees determined in accordance with this Section shall accrue daily from and after the date hereof and be payable by the Borrower quarterly in arrears and on cancellation in full of the Syndicated Facility and on the Syndicated Facility Maturity Date.

(2) The Borrower shall pay to the Operating Lender a standby fee in Canadian Dollars in respect of the Operating Facility calculated at a rate per annum equal to the Applicable Pricing Rate on the amount, if any, by which the amount of the Outstanding Principal under the Operating Facility for each day in the period of determination is less than the maximum amount for each such day of the Operating Facility. Fees determined in accordance with this Section shall accrue daily from and after the date hereof and be payable by the Borrower quarterly in arrears and on cancellation in full of the Operating Facility and on the Operating Facility Maturity Date.

(3) As of: (i) the first day of January, April, July and October in each year, (ii) the date of any cancellation in full of a Credit Facility and (iii) the Maturity Date applicable to a Credit Facility the Agent, or in the case of the Operating Facility, the Operating Lender, shall determine the standby fees under this Section in respect of the applicable Credit Facility for the period from and including the date hereof or the date of the immediately preceding determination, as the case may be, to but excluding that date of determination and shall deliver to the Borrower a written request for payment of the standby fees so determined, as detailed therein. The Borrower shall pay to the Agent for the account of the Syndicated Facility Lenders, or in the case of the Operating Facility, the Operating Lender, the standby fees referred to above within 5 Banking Days after receipt of each such written request.

(4) For certainty, no standby fees shall be payable by the Borrower in respect of a given Credit Facility for any period of time after the Maturity Date applicable to such Credit Facility.

5.7 Agent's Fees

From and after the date hereof, the Borrower shall pay to the Agent, for its own account, until the Credit Facilities have been fully cancelled and all Obligations hereunder have been paid in full, the non-refundable agency fees in the amounts specified in the Agency Fee Agreement.

5.8 Interest on Overdue Amounts

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall pay interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is received for value at the required place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to (i) in respect of amounts due in Canadian Dollars, the rate of interest then payable on Canadian Prime Rate Loans plus [Redacted] or (ii) in respect of amounts due in United States Dollars, the rate of interest then payable on U.S. Base Rate Loans plus [Redacted].

5.9 Waiver

To the extent permitted by applicable law, the covenant of the Borrower to pay interest at the rates provided herein shall not merge in any judgment relating to any obligation of the Borrower to the Lenders or the Agent and any provision of the *Interest Act* (Canada) or *Judgment Interest Act* (Alberta) which restricts any rate of interest set forth herein shall be inapplicable to this Agreement and is hereby waived by the Borrower.

5.10 Maximum Rate Permitted by Law

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by applicable law. In the event that such interest or fee exceeds such maximum rate, such interest or fees shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law.

ARTICLE 6 - BANKERS' ACCEPTANCES

6.1 Bankers' Acceptances

The Borrower may give the Agent notice that Bankers' Acceptances will be required under the Syndicated Facility pursuant to a Drawdown, Rollover or Conversion and the Borrower may give the Operating Lender notice that Bankers' Acceptances will be required under the Operating Facility pursuant to a Drawdown, Rollover or Conversion.

6.2 Fees

Upon the acceptance by a Lender of a Bankers' Acceptance, the Borrower shall pay to the Agent for the account of such Lender, or shall pay to the Operating Lender, as applicable, a fee in Canadian Dollars equal to the Applicable Pricing Rate calculated on the principal amount at maturity of such Bankers' Acceptance and for the period of time from and including the date of acceptance to but excluding the maturity date of such Bankers' Acceptance and calculated on the basis of the number of days elapsed in a year of 365 days.

6.3 Form and Execution of Bankers' Acceptances

The following provisions shall apply to each Bankers' Acceptance hereunder:

- (a) the face amount at maturity of each draft drawn by the Borrower to be accepted as a Bankers' Acceptance shall be Cdn.\$100,000 and integral multiples thereof;
- (b) the term to maturity of each draft drawn by the Borrower to be accepted as a Bankers' Acceptance shall, subject to market availability as determined by the applicable Lenders, be 1, 2 or 3 months (or such other longer or shorter term as agreed by the applicable Lenders), as selected by the Borrower in the relevant Drawdown, Rollover or Conversion Notice, and each Bankers' Acceptance shall be payable and mature on the last day of the Interest Period selected by the Borrower for such Bankers' Acceptance (which, for certainty, pursuant to the definition of "Interest Period" shall be on or prior to the Maturity Date of the Credit Facility under which the Bankers' Acceptances are proposed to be issued);
- (c) each draft drawn by the Borrower and presented for acceptance by a Lender shall be drawn on the standard form of such Lender in effect at the time; provided, however, that the Agent may require the applicable Lenders to use a generic form of Bankers' Acceptance, in a form satisfactory to each Lender, acting reasonably, provided by the Agent for such purpose in place of such Lenders' own forms;
- (d) subject to Section 6.3(e) below, Bankers' Acceptances shall be signed by duly authorized officers of the Borrower or, in the alternative, the signatures of such officers may be mechanically reproduced in facsimile thereon and Bankers' Acceptances bearing such facsimile signatures shall be binding on the Borrower as if they had been manually executed and delivered by such officers on behalf of the Borrower; notwithstanding that any person whose manual or facsimile signature appears on any Bankers' Acceptance may no longer be an authorized signatory for the Borrower on the date of issuance of a Bankers' Acceptance, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such Bankers' Acceptance shall be binding on the Borrower; and
- (e) in lieu of signing Bankers' Acceptances in accordance with Section 6.3(d) above, the Borrower may provide a Power of Attorney to a Lender; for so long as a Power of Attorney is in force with respect to a given Lender, such Lender shall execute and deliver Bankers' Acceptances on behalf of the Borrower in accordance with the

provisions thereof and, for certainty, all references herein to drafts drawn by the Borrower, Bankers' Acceptances executed by the Borrower or similar expressions shall be deemed to include Bankers' Acceptances executed in accordance with a Power of Attorney, unless the context otherwise requires.

6.4 Power of Attorney; Provision of Bankers' Acceptances to Lenders

(1) Unless revoked with respect to a given Lender in accordance herewith, the Borrower hereby appoints each Lender, acting by any authorized signatory of the Lender in question, the attorney of the Borrower:

- (a) to sign for and on behalf and in the name of the Borrower as drawer, drafts in such Lender's standard form which are depository bills as defined in the *Depository Bills and Notes Act* (Canada) (the "DBNA"), payable to a "clearing house" (as defined in the DBNA) including, without limitation, The Canadian Depository For Securities Limited or its nominee, CDS & Co. (the "clearing house");
- (b) for drafts which are not depository bills, to sign for and on behalf and in the name of the Borrower as drawer and to endorse on its behalf, Bankers' Acceptances drawn on the Lender payable to the order of the undersigned or payable to the order of such Lender;
- (c) to fill in the amount, date and maturity date of such Bankers' Acceptances; and
- (d) to deposit and/or deliver such Bankers' Acceptances which have been accepted by such Lender,

provided that such acts in each case are to be undertaken by the Lender in question strictly in accordance with instructions given to such Lender by the Borrower as provided in this Section. For certainty, signatures of any authorized signatory of a Lender may be mechanically reproduced in facsimile on Bankers' Acceptances in accordance herewith and such facsimile signatures shall be binding and effective as if they had been manually executed by such authorized signatory of such Lender.

Instructions from the Borrower to a Lender relating to the execution, completion, endorsement, deposit and/or delivery by that Lender on behalf of the Borrower of Bankers' Acceptances which the Borrower wishes to submit to the Lender for acceptance by the Lender shall be communicated by the Borrower in writing to the Agent or to the Operating Lender, as applicable, by delivery to the Agent or the Operating Lender, as applicable, of Drawdown Notices, Conversion Notices and Rollover Notices, as the case may be, in accordance with this Agreement which, in the case of Bankers' Acceptances under the Syndicated Facility, in turn, shall be communicated by the Agent, on behalf of the Borrower, to the applicable Lender.

The communication in writing by the Borrower, or on behalf of the Borrower by the Agent, to the Lender of the instructions set out in the Drawdown Notices, Conversion Notices and Rollover Notices referred to above shall constitute (a) the authorization and instruction of the Borrower to the Lender to sign for and on behalf and in the name of the Borrower as drawer the requested Bankers' Acceptances and to complete and/or endorse Bankers' Acceptances in

accordance with such information as set out above and (b) the request of the Borrower to the Lender to accept such Bankers' Acceptances and deposit the same with the clearing house or deliver the same, as the case may be, in each case in accordance with this Agreement and such instructions. The Borrower acknowledges that a Lender shall not be obligated to accept any such Bankers' Acceptances except in accordance with the provisions of this Agreement.

A Lender shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions communicated to that Lender as provided herein if the Lender reasonably believes such instructions to be genuine. If a Lender accepts Bankers' Acceptances pursuant to any such instructions, that Lender shall confirm particulars of such instructions, in the case of Bankers' Acceptances under the Syndicated Facility, and advise the Agent that it has complied therewith by notice in writing addressed to the Agent and served personally or sent by telecopier in accordance with the provisions hereof and, in the case of Bankers' Acceptances under the Operating Facility, advise the Borrower that it has complied therewith by notice in writing addressed to the Borrower and served personally or sent by telecopier in accordance with the provisions hereof. A Lender's actions in compliance with such instructions, confirmed and advised to the Agent by such notice, shall be conclusively deemed to have been in accordance with the instructions of the Borrower.

This Power of Attorney may be revoked by the Borrower with respect to any particular Lender at any time upon not less than 5 Banking Days' prior written notice served upon the Lender in question and, in the case of the Syndicated Facility, the Agent, provided that no such revocation shall reduce, limit or otherwise affect the obligations of the Borrower in respect of any Bankers' Acceptance executed, completed, endorsed, deposited and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.

(2) Unless the Borrower has provided Powers of Attorney to the applicable Lenders, to facilitate Drawdowns, Rollovers or Conversions of Bankers' Acceptances, the Borrower shall, upon execution of this Agreement and thereafter from time to time as required by the Lenders, provide to the Agent, for delivery to each Syndicated Facility Lender, and the Operating Lender drafts drawn in blank by the Borrower (pre-endorsed and otherwise in fully negotiable form, if applicable) in quantities sufficient for each Lender to fulfil its obligations hereunder. Any such pre-signed drafts which are delivered by the Borrower to the Agent or a Lender shall be held in safekeeping by the Agent or such Lender, as the case may be, with the same degree of care as if they were the Agent's or such Lender's property, and shall only be dealt with by the Lenders and the Agent in accordance herewith. No Lender shall be responsible or liable for its failure to make its share of any Drawdown, Rollover or Conversion of Bankers' Acceptances required hereunder if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide such pre signed drafts to the Agent (for delivery to such Lender) or the Operating Lender, as applicable, on a timely basis.

(3) By 10:00 a.m. (Calgary time) on the applicable Drawdown Date, Conversion Date or Rollover Date, the Borrower shall (a) either deliver to each applicable Lender in Toronto, or, if previously delivered, be deemed to have authorized each applicable Lender to complete and accept, or (b) where the Borrower has previously executed and delivered a Power of Attorney to such Lender, be deemed to have authorized each such Lender to sign on behalf of the Borrower, complete and accept, drafts drawn by the Borrower on such Lender in a principal amount at

maturity equal to such Lender's share of the Bankers' Acceptances specified by the Borrower in the relevant Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, as notified to the applicable Lenders by the Agent.

6.5 Mechanics of Issuance

(1) Upon receipt by the Agent of a Drawdown Notice, Conversion Notice or Rollover Notice from the Borrower requesting the issuance of Bankers' Acceptances, the Agent shall promptly notify the applicable Lenders thereof and advise each such Lender of the aggregate face amount of Bankers' Acceptances to be accepted by such Lender, the date of issue, the Interest Period for such Loan and, whether such Bankers' Acceptances are to be self-marketed by the Borrower or purchased by such Lender for its own account; with respect to Bankers' Acceptances under the Syndicated Facility, the apportionment among the Syndicated Facility Lenders of the face amounts of Bankers' Acceptances to be accepted by each such Lender shall be determined by the Agent by reference and in proportion to the respective Syndicated Facility Commitments of each Lender, provided that, when such apportionment cannot be evenly made, the Agent shall round allocations amongst such Lenders consistent with the Agent's normal money market practices.

(2) Unless the Borrower has elected pursuant to Section 6.5(3) to have each Lender purchase for its own account the Bankers' Acceptances to be accepted by it in respect of any Drawdown, Rollover or Conversion, on each Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances:

- (a) the Borrower shall obtain quotations from prospective purchasers regarding the sale of the Bankers' Acceptances and shall accept such offers in its sole discretion;
- (b) by no later than 9:00 a.m. (Calgary time) on such date, the Borrower shall provide the Agent or the Operating Lender, as applicable, with details regarding the sale of the Bankers' Acceptances described in (a) above whereupon, with respect to Bankers' Acceptances under the Syndicated Facility, the Agent shall promptly notify the applicable Lenders of the identity of the purchasers of such Bankers' Acceptances, the amounts being purchased by such purchasers, the Discount Proceeds and the acceptance fees applicable to such issue of Bankers' Acceptances (including each applicable Lender's share thereof);
- (c) each applicable Lender shall complete and accept in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Borrower and advised by the Agent in connection with such issue, its share of the Bankers' Acceptances to be issued on such date; and
- (d) in the case of a Drawdown, each applicable Lender shall, on receipt of the Discount Proceeds, remit the Discount Proceeds (net of the acceptance fee payable to such Lender pursuant to Section 6.2) to the Agent for the account of the Borrower; the Agent shall make such funds available to the Borrower for same day value on such date.

(3) The Borrower may, with respect to the issuance of Bankers' Acceptances hereunder from time to time, elect in the Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, delivered in respect of such issuance to have the applicable Lenders purchase such Bankers' Acceptances for their own account. In respect of the Syndicated Facility, on each such Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances being so purchased by the applicable Lenders:

- (a) before 9:00 a.m. (Calgary time) on such date, the Agent, shall determine CDOR and shall obtain quotations from each Schedule II Lender or Schedule III Lender of the Discount Rate then applicable to bankers' acceptances accepted by such Schedule II Lender or Schedule III Lender in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity to the Bankers' Acceptances proposed to be issued on such date;
- (b) on or about 9:00 a.m. (Calgary time) on such date, the Agent shall determine the BA Discount Rate applicable to each applicable Lender and shall advise each such Lender of the BA Discount Rate applicable to it;
- (c) each applicable Lender shall complete and accept, in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Borrower and advised by the Agent in connection with such issue, its share of the Bankers' Acceptances to be issued on such date and shall purchase such Bankers' Acceptances for its own account at a purchase price which reflects the BA Discount Rate applicable to such issue; and
- (d) in the case of a Drawdown, each applicable Lender shall, for same day value on the Drawdown Date, remit the Discount Proceeds or advance the BA Equivalent Advance, as the case may be, payable by such Lender (net of the acceptance fee payable to such Lender pursuant to Section 6.2) to the Agent for the account of the Borrower; the Agent shall make such funds available to the Borrower for same day value on such date.

(4) On each Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances being so purchased by the Operating Lender:

- (a) on or about 9:00 a.m. (Calgary time) on such date, the Operating Lender shall determine the BA Discount Rate applicable to it;
- (b) the Operating Lender shall complete and accept, in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Borrower, the Bankers' Acceptances to be issued on such date and shall purchase such Bankers' Acceptances for its own account at a purchase price which reflects the BA Discount Rate applicable to such issue; and
- (c) in the case of a Drawdown, the Operating Lender shall make the Discount Proceeds (net of the acceptance fee payable to the Operating Lender pursuant to Section 6.2) available to the Borrower for same day value.

(5) Each Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it for its own account.

6.6 Rollover, Conversion or Payment on Maturity

In anticipation of the maturity of Bankers' Acceptances, the Borrower shall, subject to and in accordance with the requirements hereof, do one or a combination of the following with respect to the aggregate face amount at maturity of all such Bankers' Acceptances:

- (a) (i) deliver to the Agent or the Operating Lender, as applicable, a Rollover Notice that the Borrower intends to draw and present for acceptance on the maturity date new Bankers' Acceptances (issued under the same Credit Facility as the maturing Bankers' Acceptances) in an aggregate face amount up to the aggregate amount of the maturing Bankers' Acceptances and (ii) on the maturity date pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an additional amount equal to the difference between the aggregate face amount of the maturing Bankers' Acceptances and the Discount Proceeds of such new Bankers' Acceptances;
- (b) (i) deliver to the Agent or the Operating Lender, as applicable, a Conversion Notice requesting a Conversion of the maturing Bankers' Acceptances to another type of Loan under the same Credit Facility as the maturing Bankers' Acceptances and (ii) on the maturity date pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the difference, if any, between the aggregate face amount of the maturing Bankers' Acceptances and the amount of the Loans into which Conversion is requested; or
- (c) on the maturity date of the maturing Bankers' Acceptances, pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the aggregate face amount of such Bankers' Acceptances.

If the Borrower fails to so notify the Agent or the Operating Lender, as applicable, or make such payments on maturity, the Agent or the Operating Lender, as applicable, shall effect a Conversion into a Canadian Prime Rate Loan under the same Credit Facility as the maturing Bankers' Acceptances of the entire amount of such maturing Bankers' Acceptances as if a Conversion Notice had been given by the Borrower to the Agent or the Operating Lender, as applicable, to that effect.

6.7 Restriction on Rollovers and Conversions

Subject to the other provisions hereof, Conversions and Rollovers of Bankers' Acceptances may only occur on the maturity date thereof.

6.8 Rollovers

In order to satisfy the continuing liability of the Borrower to a Lender for the face amount of maturing Bankers' Acceptances accepted by such Lender, the Lender shall receive and

retain for its own account the Discount Proceeds of new Bankers' Acceptances issued on a Rollover, and the Borrower shall on the maturity date of the Bankers' Acceptances being rolled over pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the difference between the face amount of the maturing Bankers' Acceptances and the Discount Proceeds from the new Bankers' Acceptances, together with the acceptance fees to which the Lenders are entitled pursuant to Section 6.2.

6.9 Conversion into Bankers' Acceptances

In respect of Conversions into Bankers' Acceptances, in order to satisfy the continuing liability of the Borrower to the applicable Lenders for the amount of the converted Loan, each applicable Lender shall receive and retain for its own account the Discount Proceeds of the Bankers' Acceptances issued upon such Conversion, and the Borrower shall on the Conversion Date pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the difference between the principal amount of the converted Loan and the aggregate Discount Proceeds from the Bankers' Acceptances issued on such Conversion, together with the acceptance fees to which the applicable Lenders are entitled pursuant to Section 6.2.

6.10 Conversion from Bankers' Acceptances

In order to satisfy the continuing liability of the Borrower to the applicable Lenders for an amount equal to the aggregate face amount of the maturing Bankers' Acceptances converted to another type of Loan, the Agent or the Operating Lender, as applicable, shall record the obligation of the Borrower to the applicable Lenders as a Loan of the type into which such continuing liability has been converted.

6.11 BA Equivalent Advances

Notwithstanding the foregoing provisions of this Article, a Non-Acceptance Lender shall, in lieu of accepting Bankers' Acceptances, make a BA Equivalent Advance. The amount of each BA Equivalent Advance shall be equal to the Discount Proceeds which would be realized from a hypothetical sale of those Bankers' Acceptances which, but for this Section, such Lender would otherwise be required to accept as part of such a Drawdown, Conversion or Rollover of Bankers' Acceptances. To determine the amount of such Discount Proceeds, the hypothetical sale shall be deemed to take place at the BA Discount Rate for such Loan. Any BA Equivalent Advance shall be made on the relevant Drawdown Date, Rollover Date or Conversion Date as the case may be and shall remain outstanding for the term of the relevant Bankers' Acceptances. Concurrent with the making of a BA Equivalent Advance, a Non-Acceptance Lender shall be entitled to deduct therefrom an amount equal to the acceptance fee which, but for this Section, such Lender would otherwise be entitled to receive as part of such Loan. Subject to Section 6.6, upon the maturity date for such Bankers' Acceptances, the Borrower shall pay to each Non-Acceptance Lender an amount equal to the face amount at maturity of the Bankers' Acceptances which, but for this Section, such Lender would otherwise be required to accept as part of such a Drawdown, Conversion or Rollover of Bankers' Acceptances as repayment of the amount of its BA Equivalent Advance plus payment of the interest accrued and payable thereon to such maturity date.

All references herein to “Loans” and “Bankers’ Acceptances” shall, unless otherwise expressly provided herein or unless the context otherwise requires, be deemed to include BA Equivalent Advances made by a Non-Acceptance Lender as part of a Drawdown, Conversion or Rollover of Bankers’ Acceptances.

6.12 Termination of Bankers’ Acceptances

If at any time a Lender ceases to accept bankers’ acceptances in the ordinary course of its business, such Lender shall be deemed to be a Non-Acceptance Lender and shall make BA Equivalent Advances in lieu of accepting Bankers’ Acceptances under this Agreement.

6.13 Borrower Acknowledgements

In the event that the Borrower is marketing its own Bankers’ Acceptances in accordance with Section 6.5(2), the Borrower hereby agrees that it shall make its own arrangements for the marketing and sale of the Bankers’ Acceptances to be issued hereunder and that the Lender shall have no obligation nor be responsible in that regard. The Borrower further acknowledges and agrees that the availability of purchasers for Bankers’ Acceptances requested to be issued hereunder, as well as all risks relating to the purchasers thereof, are its own risk.

ARTICLE 7 - LETTERS OF CREDIT

7.1 Availability

Subject to the provisions hereof, the Borrower may require that Letters of Credit be issued under the Operating Facility or the Syndicated Facility in accordance with the Drawdown Notices and Rollover Notices of the Borrower; provided that the aggregate Outstanding Principal represented by all outstanding Letters of Credit under the Operating Facility shall not exceed Cdn.\$5,000,000 and the aggregate Outstanding Principal represented by all outstanding Letters of Credit under the Syndicated Facility shall not exceed U.S.\$5,000,000. The issuance of Letters of Credit shall constitute Drawdowns or Rollovers (as applicable) hereunder and shall reduce the availability of applicable Credit Facility by the aggregate Outstanding Principal of Letters of Credit under such Credit Facility. References to “Lenders” in this Article are deemed to be references to the Operating Lender or the Syndicated Facility Lenders, as applicable and as the context requires.

7.2 Currency, Type, Form and Expiry

Letters of Credit issued pursuant hereto shall be denominated in Canadian Dollars or United States Dollars and amounts payable thereunder shall be paid in the currency in which the Letter of Credit is denominated. Letters of Credit issued under the Operating Facility shall be in a form satisfactory to the Operating Lender, acting reasonably, and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the then current Operating Facility Maturity Date. Letters of Credit issued under the Syndicated Facility shall be issued as a Fronted LC by the Fronting Lender and shall be in a form satisfactory to the Fronting Lender, acting reasonably, and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the then current Syndicated Facility Maturity Date. On the applicable Maturity Date, the Borrower shall provide or cause to be provided to the Operating Lender or the Fronting Lender, as applicable, cash collateral or letters of credit (or any combination

thereof) in accordance with the provisions of Section 2.16(2) in an amount equal to or greater than the aggregate undrawn amount of all unexpired Letters of Credit outstanding under the applicable Credit Facility; such cash collateral and letters of credit shall be held by the Operating Lender or the Fronting Lender, as applicable, and be applied in accordance with said Section 2.16(2) in satisfaction of and security for the Obligations of the Borrower for such unexpired Letters of Credit.

7.3 No Conversion

Except as provided in Section 7.6, the Borrower may not effect a Conversion of a Letter of Credit.

7.4 Fronted LC Provisions

(1) With respect to Fronted LCs, the Fronting Lender will exercise and give the same care and attention to each Fronted LC issued by it hereunder as it gives to its other letters of credit and similar obligations, and the Fronting Lender's sole liability to each applicable Lender shall be to promptly return to the Agent for the account of the applicable Lenders, each such Lender's Rateable Portion of any payments made to the Fronting Lender by the Borrower hereunder (other than the fees and amounts payable to the Fronting Lender for its own account) if the Borrower has made a payment to the Fronting Lender hereunder. Each applicable Lender agrees that, in paying any drawing under a Fronted LC, the Fronting Lender shall not have any responsibility to obtain any document (other than as expressly required by such Fronted LC) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of any person delivering any such document. Neither the Fronting Lender nor any of its representatives, officers, employees or agents shall be liable to any Lender for:

- (a) any action taken or omitted to be taken in connection herewith at the request or with the approval of the applicable Lenders;
- (b) any action taken or omitted to be taken in connection with any Fronted LC in the absence of gross negligence or wilful misconduct; or
- (c) the execution, effectiveness, genuineness, validity, or enforceability of any Fronted LC, or any other document contemplated thereby.

The Fronting Lender shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper person or persons.

(2) The Borrower and each Lender hereby authorize the Fronting Lender to review on behalf of each such Lender each draft and other document presented under each Fronted LC issued by the Fronting Lender. The determination of the Fronting Lender as to the conformity of any documents presented under a Fronted LC issued by it to the requirements of such Fronted LC shall, in the absence of the Fronting Lender's gross negligence or wilful misconduct, be conclusive and binding on the Borrower and each applicable Lender. The Fronting Lender shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a

demand for payment under any Fronted LC issued by it. The Fronting Lender shall promptly after such examination:

- (a) notify the Agent and the Borrower by telephone (confirmed in writing) of such demand for payment;
- (b) deliver to the Agent a copy of each document purporting to represent a demand for payment under such Fronted LC; and
- (c) notify the Agent and the Borrower whether said demand for payment was properly made under such Fronted LC.

7.5 Records

The Operating Lender and the Fronting Lender shall maintain records showing the undrawn and unexpired amount of each Letter of Credit outstanding under the applicable Credit Facility and, in the case of the Fronting Lender, each applicable Lender's share of such amount and showing for each such Letter of Credit issued hereunder:

- (a) the dates of issuance and expiration thereof;
- (b) the amount thereof; and
- (c) the date and amount of all payments made thereunder.

The Operating Lender and the Agent, on behalf of the Fronting Lender, shall make copies of such records available to the Borrower or any applicable Lender upon its request.

7.6 Reimbursement or Conversion on Presentation;

(1) On presentation of a Letter of Credit and payment thereunder by the Operating Lender, the Borrower shall forthwith pay to and reimburse the Operating Lender for all amounts paid pursuant to such Letter of Credit; failing such payment, the Borrower shall be deemed to have effected a Conversion of such Letter of Credit into a Canadian Prime Rate Loan under the Operating Facility and to the extent of the payment by the Operating Lender thereunder.

(2) On presentation of a Letter of Credit issued under the Syndicated Facility and payment thereunder by the Fronting Lender, the Borrower shall forthwith pay to and reimburse the Fronting Lender for all amounts paid pursuant to such Letter of Credit or, failing such payment, the Borrower shall be deemed to have effected a Conversion of the amount so paid pursuant to such Letter of Credit into: (a) a Canadian Prime Rate Loan, in the case of a Letter of Credit denominated in Canadian Dollars or (b) a U.S. Base Rate Loan in the case of a Letter of Credit denominated in United States Dollars, in each case, to the extent of the payment by the Fronting Lender thereunder.

7.7 Fronting Lender Indemnity

(1) If the Fronting Lender makes payment under any Fronted LC and the Borrower does not fully reimburse the Fronting Lender on or before the date of payment, then Section 7.6 shall apply to deem a Loan to be outstanding to the Borrower under this Agreement in the manner herein set out. Each applicable Lender shall, on request by the Fronting Lender, immediately pay to the Fronting Lender an amount equal to such Lender's Rateable Portion of the amount paid by the Fronting Lender such that each such Lender is participating in the deemed Loan in accordance with its Rateable Portion and, for certainty, regardless of whether any Default or Event of Default is then outstanding or whether any other condition to the making of a Loan has been satisfied or not.

(2) Each applicable Lender shall immediately on demand indemnify the Fronting Lender to the extent of such Lender's Rateable Portion of any amount paid or liability incurred by the Fronting Lender under each Fronted LC issued by it to the extent that the Borrower does not fully reimburse the Fronting Lender therefor.

(3) For certainty, the obligations in this Section 7.7 shall continue as obligations of those applicable Lenders who were Lenders at the time when each such Letter of Credit was issued notwithstanding that such Lender may assign its rights and obligations hereunder, unless the Fronting Lender specifically releases such Lender from such obligations in writing.

7.8 Fees and Expenses

(1) From and after the date hereof, the Borrower shall pay to the Operating Lender in respect of Letters of Credit issued under the Operating Facility, an issuance fee payable quarterly in arrears on the last Banking Day of each calendar quarter and payable on the date which the Operating Facility is fully cancelled, calculated at a rate per annum equal to the Applicable Pricing Rate and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued; provided that the minimum issuance fee for each such Letter of Credit shall be Cdn.\$350 for a Letter of Credit denominated in Canadian Dollars and U.S.\$350 for a Letter of Credit denominated in United States Dollars. To the extent any existing and currently outstanding Letters of Credit for which issuance fees have been paid in advance are presented, cancelled, terminated or reduced prior to their original expiry date, the Operating Lender shall reimburse the Borrower for the amount of any applicable overpayment of any such issuance fees in connection with any such presentment, cancellation, termination or reduction.

(2) The Borrower shall pay to the Agent, for the account of the Syndicated Facility Lenders, in respect of the issuance of any Fronted LC issued under the Syndicated Facility, an issuance fee payable quarterly in arrears on the last Banking Day of each calendar quarter and payable on the date which the Syndicated Facility is fully cancelled, calculated at a rate per annum equal to the Applicable Pricing Rate and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued; provided that the minimum issuance fee for each such Letter of Credit shall be Cdn.\$350 for a Letter of Credit denominated in Canadian Dollars and U.S.\$350 for a Letter of Credit denominated in United States Dollars.

(3) The Borrower shall pay to the Agent, for the account of the Fronting Lender, in respect of the issuance of any Fronted LC by the Fronting Lender, a fronting fee, payable quarterly in arrears on the last Banking Day of each calendar quarter and payable on the date which the Syndicated Facility is fully cancelled, calculated at a rate of [Redacted] on the amount of each such Fronted LC for the number of days which such Fronted LC will be outstanding.

(4) In addition, with respect to all Letters of Credit, the Borrower shall from time to time pay to the Operating Lender or the Fronting Lender, as applicable, its usual and customary fees and charges (at the then prevailing rates) for the amendment, delivery and administration of letters of credit such as the Letters of Credit and shall pay and reimburse the Operating Lender or the Fronting Lender, as applicable, for any out-of-pocket costs and expenses incurred in connection with any Letter of Credit, including in connection with any payment thereunder.

7.9 Additional Provisions

(1) Indemnity and No Lender Liability

The Borrower shall indemnify and save harmless the Lenders, the Operating Lender, the Fronting Lender and the Agent against all claims, losses, costs, expenses or damages to the Lenders, the Operating Lender, the Fronting Lender and the Agent arising out of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder or any action taken by the Lenders, the Operating Lender, the Fronting Lender, the Agent or any other person in connection therewith, including all costs relating to any legal process or proceeding instituted by any party restraining or seeking to restrain the issuer of a Letter of Credit or the Operating Lender or the Fronting Lender, as applicable, from accepting or paying any Draft or any amount under any such Letter of Credit, except as a result of such person's gross negligence or wilful misconduct. The Borrower also agrees that the Lenders, the Operating Lender, the Fronting Lender and the Agent shall have no liability to it for any reason in respect of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder or any other action taken by the Lenders, the Operating Lender, the Fronting Lender, the Agent or any other person in connection therewith, except as a result of such person's gross negligence or wilful misconduct.

(2) No Obligation to Inquire

The Borrower hereby acknowledges and confirms to the Lenders, the Operating Lender, the Fronting Lender and the Agent, as applicable, that such person shall not be obliged to make any inquiry or investigation as to the right of any beneficiary to make any claim or Draft or request any payment under a Letter of Credit and payment pursuant to a Letter of Credit shall not be withheld by reason of any matters in dispute between the beneficiary thereof and the Borrower. The sole obligation of the Lenders, the Operating Lender, the Fronting Lender and the Agent with respect to Letters of Credit is to cause to be paid a Draft drawn or purporting to be drawn in accordance with the terms of the applicable Letter of Credit and for such purpose the Lenders, the Operating Lender, the Fronting Lender and the Agent are only obliged to determine that the Draft purports to comply with the terms and conditions of the relevant Letter of Credit.

The Lenders, the Operating Lender, the Fronting Lender and the Agent shall not have any responsibility or liability for or any duty to inquire into the form, sufficiency (other than

to the extent provided in the preceding paragraph), authorization, execution, signature, endorsement, correctness (other than to the extent provided in the preceding paragraph), genuineness or legal effect of any Draft, certificate or other document presented to it pursuant to a Letter of Credit and the Borrower unconditionally assumes all risks with respect to the same. The Borrower agrees that it assumes all risks of the acts or omissions of the beneficiary of any Letter of Credit with respect to the use by such beneficiary of the relevant Letter of Credit. The Borrower further agrees that neither the Lenders, the Operating Lender, the Fronting Lender or the Agent, nor any of their respective officers, directors or correspondents will assume liability for, or be responsible for:

- (a) the validity, correctness, genuineness or legal effect of any document or instrument relating to any Letter of Credit, even if such document or instrument should in fact prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged;
 - (b) the failure of any document or instrument to bear any reference or adequate reference to any Letter of Credit;
 - (c) any failure to note the amount of any Draft on any Letter of Credit or on any related document or instrument; any failure of the beneficiary of any Letter of Credit to meet the obligations of such beneficiary to the Borrower or any other person;
 - (d) any errors, inaccuracies, omissions, interruptions or delays in transmission or delivery of any messages, directions or correspondence by mail, facsimile or otherwise, whether or not they are in cipher;
 - (e) any inaccuracies in the translation of any messages, directions or correspondence or for errors in the interpretation of any technical terms; or
 - (f) any failure by the Lenders, the Operating Lender, the Fronting Lender or the Agent to make payment under any Letter of Credit as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or government or Governmental Authority or as a result of any other cause beyond the control of such person or its officers, directors or correspondents.
- (3) Obligations Unconditional

The obligations of the Borrower hereunder with respect to all Letters of Credit shall be absolute, unconditional and irrevocable and shall not be reduced by any event, circumstance or occurrence, including any lack of validity or enforceability of a Letter of Credit, or any Draft paid or acted upon by the Lenders, the Operating Lender, the Fronting Lender or the Agent or any of their respective correspondents being fraudulent, forged, invalid or insufficient in any respect (except with respect to their gross negligence or wilful misconduct or payment under a Letter of Credit other than in substantial compliance herewith), or any set-off, defenses, rights or claims which the Borrower may have against any beneficiary or transferee of any Letter of Credit. The obligations of the Borrower hereunder shall remain in full force and effect and shall apply to any alteration to or extension of the expiration date of any Letter of Credit or any Letter of Credit issued to replace, extend or alter any Letter of Credit.

(4) Other Actions

Any action, inaction or omission taken or suffered by the Lenders, the Operating Lender, the Fronting Lender, the Agent or by any of their respective correspondents under or in connection with a Letter of Credit or any Draft made thereunder, if in good faith and in conformity with foreign or domestic laws, regulation or customs applicable thereto shall be binding upon the Borrower and shall not place the Lenders, the Operating Lender, the Fronting Lender, the Agent or any of their respective correspondents under any resulting liability to the Borrower. Without limiting the generality of the foregoing, the Lenders, the Operating Lender, the Fronting Lender, the Agent and their respective correspondents may receive, accept or pay as complying with the terms of a Letter of Credit, any Draft thereunder, otherwise in order which may be signed by, or issued to, the administrator or any executor of, or the trustee in bankruptcy of, or the receiver for any property of, or any person or entity acting as a representative or in the place of, such beneficiary or its successors and assigns. The Borrower covenants that it will not take any steps, issue any instructions to the Lenders, the Operating Lender, the Fronting Lender, the Agent or any of their respective correspondents or institute any proceedings intended to derogate from the right or ability of the Lenders, the Operating Lender, the Fronting Lender, the Agent or their respective correspondents to honour and pay any Letter of Credit or any Drafts.

(5) Payment of Contingent Liabilities

The Borrower shall pay to the Operating Lender or the Fronting Lender, as applicable, an amount equal to the maximum amount available to be drawn under any unexpired Letter of Credit which becomes the subject of any order, judgment, injunction or other such determination (an “**Order**”), or any petition, proceeding or other application for any Order by the Borrower or any other party, restricting payment under and in accordance with such Letter of Credit or extending the Lenders’, the Operating Lender’s, the Fronting Lender’s and the Agent’s liability, as the case may be, under such Letter of Credit beyond the expiration date stated therein; payment in respect of each such Letter of Credit shall be due forthwith upon demand in the currency in which such Letter of Credit is denominated.

Any amount paid to the Operating Lender or the Fronting Lender, as applicable, pursuant to the preceding paragraph shall be held by the Operating Lender or the Fronting Lender, as applicable, in interest bearing cash collateral accounts (with interest payable for the account of the Borrower at the rates and in accordance with the then prevailing practices of the Operating Lender or the Fronting Lender, as applicable, for accounts of such type) as continuing security for the Obligations and shall, prior to an Event of Default be applied by the Operating Lender or the Fronting Lender, as applicable, against the Obligations for, or (at the option of the Operating Lender or the Fronting Lender, as applicable) be applied in payment of, such Letter of Credit if payment is required thereunder; after an Event of Default the Operating Lender or the Fronting Lender, as applicable, may apply such amounts, firstly, against any Obligations in respect of the relevant Letter of Credit, and, after satisfaction of such Obligations or expiry of such Letter of Credit, against any other Obligations as it sees fit.

The Operating Lender and the Fronting Lender, as applicable, shall release to the Borrower any amount remaining in the cash collateral accounts after applying the amounts necessary to discharge the Obligations relating to such Letter of Credit, upon the later of:

- (a) the date on which any final and non-appealable order, judgment or other determination has been rendered or issued either terminating any applicable Order or permanently enjoining the Operating Lender or the Fronting Lender, as applicable, from paying under such Letter of Credit;
- (b) the earlier of:
 - (i) the date on which either the original counterpart of such Letter of Credit is returned to the Operating Lender or the Fronting Lender, as applicable, for cancellation or the Operating Lender or the Fronting Lender, as applicable, is released by the beneficiary thereof from any other obligation in respect of such Letter of Credit; and
 - (ii) the expiry of such Letter of Credit; and
- (c) if an Event of Default has occurred, the payment and satisfaction of all Obligations and the cancellation or termination of the Credit Facilities.
- (6) No Consequential Damages

Notwithstanding any other provision of the Documents to the contrary, the Lenders, the Operating Lender, the Fronting Lender and the Agent shall not be liable to the Borrower for any consequential, indirect, punitive or exemplary damages with respect to action taken or omitted to be taken by any of them under or in respect of any Letter of Credit.

- (7) ISP 98

The International Standby Practices most recently published by the International Chamber of Commerce (“**ISP 98**”) shall in all respects apply to each Letter of Credit unless expressly provided to the contrary therein and shall be deemed for such purpose to be a part of this Agreement as if fully incorporated herein. In the event of any conflict or inconsistency between ISP and the governing law of this Agreement, ISP 98 shall, to the extent permitted by applicable law, prevail to the extent necessary to remove the conflict or inconsistency.

7.10 Certain Notices with Respect to Letters of Credit.

(1) For certainty, all Rollover Notices requesting a Rollover of a Letter of Credit under the Operating Facility shall be delivered to the Operating Lender and, in addition to the other provisions hereof applicable to such a Rollover, no Rollover of a Letter of Credit issued under the Operating Facility shall be made unless a Rollover Notice is given to the Operating Lender.

(2) For certainty, all Rollover Notices requesting a Rollover of a Letter of Credit under the Syndicated Facility shall be delivered to the Agent (rather than directly to the Fronting Lender) and, in addition to the other provisions hereof applicable to such a Rollover, no Rollover of a Letter of Credit issued under the Syndicated Facility shall be made unless a Rollover Notice is given to the Agent in accordance with Section 2.7(1)(d).

7.11 Inapplicability of Fronting Mechanics and Fronting Fees

(1) At any time where there is only one (1) Lender under (which for the purposes of this Section, any Affiliate of a Lender will be deemed to be “One” Lender) the Syndicated Facility, the fronting mechanics set out in this Article 7 shall not apply to Letters of Credit issued under the Syndicated Facility and the mechanics applicable to Letters of Credit issued under the Operating Facility shall apply, *mutadis mutandis*. For certainty, at any time where there is only one (1) Lender under the Syndicated Facility, no fronting fees shall be payable in connection with Letters of Credit issued under the Syndicated Facility.

(2) The parties hereto confirm and agree that, as of the date hereof, there are no Fronting Lenders and, until such time as a Syndicated Facility Lender has agreed to become a Fronting Lender and to issue Fronted LCs under the Syndicated Facility in accordance with the terms and conditions hereof, and an amendment hereto has been executed in connection therewith by the Borrower, the Agent and such Syndicated Facility Lender, notwithstanding any other provision hereof, Letters of Credit shall not be issued under the Syndicated Facility and the Borrower shall not request a Drawdown under the Syndicated Facility by way of issuance of Letters of Credit.

ARTICLE 8 - PLACE AND APPLICATION OF PAYMENTS

8.1 Place of Payment of Principal, Interest and Fees; Payments to Agent and the Operating Lender

All payments of principal, interest, fees and other amounts to be made by the Borrower to the Agent, the Operating Lender and the Lenders pursuant to this Agreement shall be made to the Agent (for the account of the applicable Lenders or its own account) or the Operating Lender, as applicable, in the currency in which the Loan is outstanding for value on the day such amount is due, and if such day is not a Banking Day on the Banking Day next following, by deposit or transfer thereof to the Agent’s Accounts, or the applicable account of the Operating Lender or at such other place as the Borrower and the Agent or the Operating Lender, as applicable, may from time to time agree. Notwithstanding anything to the contrary expressed or implied in this Agreement, the receipt by the Agent, in accordance with this Agreement of any payment made by the Borrower for the account of any of the Syndicated Facility Lenders, shall, insofar as the Borrower’s obligations to such Lenders are concerned, be deemed also to be receipt by such Lenders and the Borrower shall have no liability in respect of any failure or delay on the part of the Agent in disbursing and/or accounting to such Lenders in regard thereto.

8.2 Designated Accounts of the Lenders

All payments of principal, interest, fees or other amounts to be made by the Agent to the applicable Lenders pursuant to this Agreement shall be made for value on the day required hereunder, provided the Agent receives funds from the Borrower for value on such day, and if such funds are not so received from the Borrower or if such day is not a Banking Day, on the Banking Day next following, by deposit or transfer thereof at the time specified herein to the account of each applicable Lender designated by such Lender to the Agent for such purpose or to such other place or account as the applicable Lenders may from time to time notify the Agent.

8.3 Funds

Each amount advanced, disbursed or paid hereunder shall be advanced, disbursed or paid, as the case may be, in such form of funds as may from time to time be customarily used in Calgary, Alberta, Toronto, Ontario and New York, New York in the settlement of banking transactions similar to the banking transactions required to give effect to the provisions of this Agreement on the day such advance, disbursement or payment is to be made.

8.4 Application of Payments

Except as otherwise agreed in writing by the Lenders, if any Event of Default shall occur and be continuing, all payments made by the Borrower to the Agent and the Lenders shall be applied in the following order:

- (a) to amounts due hereunder as fees other than acceptance fees for Bankers' Acceptances or issuance fees for Letters of Credit;
- (b) to amounts due hereunder as costs and expenses;
- (c) to amounts due hereunder as default interest;
- (d) to amounts due hereunder as interest or acceptance fees for Bankers' Acceptances or issuance fees for Letters of Credit; and
- (e) to amounts due hereunder as principal (including reimbursement obligations in respect of Bankers' Acceptances and Letters of Credit).

8.5 Payments Clear of Taxes

(1) Any and all payments by the Borrower to the Agent or the Lenders hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future Taxes and all liabilities with respect thereto imposed, levied, collected, withheld or assessed by any Governmental Authority or under the laws of any international tax authority imposed on the Agent or the Lenders, or by or on behalf of the foregoing excluding any Taxes arising from a Lender's failure to properly comply with such Lender's obligations imposed under the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) or any similar provision of legislation of any other jurisdiction that has entered into an agreement with the United States of America to provide for the implementation of FATCA-based reporting in that jurisdiction (such excluded Taxes being referred to herein as "**Excluded Taxes**") (and, for greater certainty, nothing in this Section 8.5(1) shall make the Borrower liable for any Taxes imposed on or measured by the recipient's overall net income or capital). In addition, the Borrower agrees to pay any present or future stamp, transfer, registration, excise, issues, documentary or other Taxes, charges or similar levies which arise from any payment made under this Agreement or the Loans or in respect of the execution, delivery or registration or the compliance with this Agreement or the other Documents contemplated hereunder other than Taxes imposed on or measured by the recipient's overall net income or capital. The Borrower shall indemnify and hold harmless the Agent and the Lenders for the full amount of all of the foregoing Taxes or other amounts paid or payable by the Agents or the Lenders and any liability (including

penalties, interest, additions to Tax and reasonable out-of-pocket expenses) resulting therefrom or with respect thereto which arise from any payment made under or pursuant to this Agreement or the Loans or in respect of the execution, delivery or registration of, or compliance with, this Agreement or the other Documents other than Excluded Taxes and any Taxes imposed on or measured by the recipient's overall net income or capital.

(2) If the Borrower shall be required by law to deduct or withhold any amount from any payment or other amount required to be paid to the Agent or the Lenders hereunder, or if any liability therefor shall be imposed or shall arise from or in respect of any sum payable hereunder, then the sum payable to the Agent or the Lenders hereunder shall be increased as may be necessary so that after making all required deductions, withholdings, and additional income Tax payments attributable thereto (including deductions, withholdings or income Tax payable for additional sums payable under this provision) the Agent or the Lenders, as the case may be, receive an amount equal to the amount they would have received had no such deductions or withholdings been made or if such additional Taxes had not been imposed; in addition, the Borrower shall pay the full amount deducted or withheld for such liabilities to the relevant taxation authority or other authority in accordance with applicable law, such payment to be made (if the liability is imposed on the Borrower) for its own account or (if the liability is imposed on the Agent or the Lenders) on behalf of and in the name of the Agent or the Lenders, as the case may be. If the liability is imposed on the Agent or the Lenders, the Borrower shall deliver to the Agent or the Lenders evidence satisfactory to the Agent or the Lenders, acting reasonably, of the payment to the relevant taxation authority or other authority of the full amount deducted or withheld.

(3) Each Lender shall use reasonable efforts to contest (to the extent contestation is reasonable) such imposition or assertion of such Taxes and shall reimburse to the Borrower the amount of any reduction of Taxes, to the extent of amounts that have been paid by the Borrower in respect of such Taxes in accordance with this Agreement, as a result of such contestation and, provided that, no Lender shall have any obligation to expend its own funds, suffer any economic hardship or take any action detrimental to its interests (as determined by the relevant Lender in its sole discretion, acting reasonably) in connection therewith unless it shall have received from the Borrower payment therefor or an indemnity with respect thereto, satisfactory to it.

(4) If a payment made to a Lender under any Document would be subject to U.S. federal withholding Tax imposed by FATCA or any Canadian-equivalent legislation, regulations or other guidance if such Lender were to fail to comply with the applicable reporting requirements of FATCA or any Canadian-equivalent legislation, regulations or other guidance (including those contained in Section 1471(b) or 1472(b) of the U.S. Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times requested by the Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the U.S. Code) and such additional documentation requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent (and the Operating Lender, if applicable) to comply with their obligations under FATCA or any Canadian-equivalent legislation, regulations or other guidance and to determine that such Lender has complied with such Lender's obligations under FATCA or any Canadian-equivalent legislation, regulations or other guidance or to determine the amount to deduct and withhold from such payment. Each Lender shall promptly advise the Borrower and the Agent when it becomes aware of any non-compliance.

8.6 Set Off

(1) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of an Event of Default which remains unremedied (whether or not the Loans have been accelerated hereunder), the Agent and each Lender shall have the right (and are hereby authorized by the Borrower) at any time and from time to time to combine all or any of the Borrower's accounts with the Agent or the Lender, as the case may be, and to set off and to appropriate and to apply any and all deposits (general or special, term or demand) including, but not limited to, indebtedness evidenced by certificates of deposit whether matured or unmatured, and any other indebtedness at any time held by the Borrower or owing by such Lender or the Agent, as the case may be, to or for the credit or account of the Borrower against and towards the satisfaction of any Obligations owing by the Borrower, and may do so notwithstanding that the balances of such accounts and the liabilities are expressed in different currencies, and the Agent and each Lender are hereby authorized to effect any necessary currency conversions at the rate of exchange announced by the Bank of Canada at approximately the end of business (Toronto time) on the Banking Day before the day of conversion.

(2) The Agent or the applicable Lender, as the case may be, shall notify the Borrower of any such set off from the Borrower's accounts within a reasonable period of time thereafter, although the Agent or the Lender, as the case may be, shall not be liable to the Borrower for its failure to so notify.

8.7 Margin Changes; Adjustments for Margin Changes

- (1) Changes in the Applicable Pricing Rate shall be effective:
 - (a)
 - (i) with respect to Compliance Certificates delivered in connection with the Quarter Ends March 31, June 30 and September 30, from and as of the first Banking Day of the third month following such Quarter End in respect of which a change in the Funded Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition and
 - (ii) with respect to Compliance Certificates delivered in connection with the Quarter End December 31, from and as of the earlier of (A) the fifth Banking Day following delivery of such Compliance Certificate and (B) 95 days following such Quarter End in respect of which a change in the Funded Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition;
 - (b)
 - (i) with respect to Compliance Certificates delivered in connection with the Quarter Ends March 31, June 30 and September 30, from and as of the first Banking Day of the third month following such Quarter End in respect of which a change in the Total Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition and
 - (ii) with respect to Compliance Certificates delivered in connection with the Quarter End December 31, from and as of the earlier of (A) the fifth Banking Day following delivery of such Compliance Certificate and (B) 95 days following such Quarter End in respect of which a change in the Total Debt to EBITDA Ratio as at

such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition; and

(c) without the necessity of notice to the Borrower.

(2) For any Loans outstanding as of the effective date of a change in an Applicable Pricing Rate:

(a) in the case of increases in such rates per annum, the Borrower shall pay to the Agent for the account of the Lenders or the Operating Lender, as applicable, such additional interest or fees, as the case may be, as may be required to give effect to the relevant increases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant increase in rates; and

(b) in the case of decreases in such rates per annum, the Borrower shall receive a credit against subsequent interest payable on Loans or fees payable pursuant to Section 5.6 or Section 6.2, as the case may be, to the extent necessary to give effect to the relevant decreases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant decrease in rates.

(3) The additional payments required by Section 8.7(2)(a) shall be made on the first Banking Day of the calendar month immediately following the calendar month in which the changes in the Applicable Pricing Rate are effective. The adjustments required by Section 8.7(2)(b) shall be accounted for in successive interest and fee payments by the Borrower until the amount of the credit therein contemplated has been fully applied; provided that, upon satisfaction in full of all Obligations and cancellation of all Credit Facilities in accordance herewith, the Lenders shall pay to the Borrower an amount equal to any such credit which remains outstanding.

(4) Notwithstanding the foregoing provisions of this Section 8.7, if the Borrower has failed to deliver a Compliance Certificate for the immediately preceding fiscal quarter in accordance with the provisions hereof, then the Funded Debt to EBITDA Ratio shall be deemed to be 3.00:1.00 for the purposes of determining the Applicable Pricing Rate until the Borrower has remedied such failure and delivered such Compliance Certificate (and, from and after such delivery, the Applicable Pricing Rate shall be based upon the Funded Debt to EBITDA Ratio set forth in such Compliance Certificate for the remainder of the period until the next such Compliance Certificate is required to be delivered hereunder).

ARTICLE 9 - REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties

The Borrower represents and warrants as follows to the Agent and to each of the Lenders and acknowledges and confirms that the Agent and each of the Lenders is relying upon such representations and warranties:

(a) Existence and Good Standing

The Borrower and each of its Material Subsidiaries is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation or is a partnership or trust validly existing under the laws of its jurisdiction of organization; each is duly registered in all other jurisdictions where the nature of its property or character of its business requires registration, except for jurisdictions where the failure to be so registered or qualified would not have a Material Adverse Effect, and has all necessary power and authority to own its properties and carry on its business as presently carried on or as contemplated by the Documents.

(b) Authority

The Borrower and each of its Material Subsidiaries which is a party to any of the Documents has full power, legal right and authority to enter into the Documents to which it is a party and do all such acts and things as are required by such Documents to be done, observed or performed, in accordance with the terms thereof.

(c) Valid Authorization and Execution

The Borrower and each of its Material Subsidiaries which is a party to any of the Documents has taken all necessary corporate, partnership, trust and other action (as applicable) of its directors, shareholders, partners, trustees and other persons (as applicable) to authorize the execution, delivery and performance of the Documents to which it is a party and to observe and perform the provisions thereof in accordance with the terms therein contained.

(d) Validity of Agreement – Non-Conflict

None of the authorization, execution or delivery of this Agreement or the other Documents or performance of any obligation pursuant hereto or thereto requires or will require, pursuant to applicable law now in effect, any approval or consent of any Governmental Authority having jurisdiction (except such as has already been obtained and are in full force and effect) nor is in conflict with or contravention of (i) the Borrower's or any of its Material Subsidiaries' articles, by-laws or other constating documents or any resolutions of directors or shareholders or the provisions of its partnership agreement or declaration of trust or trust indenture (as applicable) or (ii) the provisions of any other indenture, instrument, undertaking or other agreement to which any of the Borrower or any of its Material Subsidiaries is a party or by which they or their properties or assets are bound, the contravention of which would have or would reasonably be expected to have a Material Adverse Effect. The Documents when executed and delivered will constitute valid and legally binding obligations of each of the Borrower and each of its Material Subsidiaries which is a party thereto enforceable against each such party in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

(e) Ownership of Property

The Borrower and each of its Material Subsidiaries which has granted Security has good and marketable title to its property, assets and undertaking, subject to Permitted Encumbrances and to minor defects of title which, individually and in the aggregate, do not materially affect their respective rights of ownership therein or the value thereof.

(f) Debt

Neither the Borrower nor any of its Subsidiaries has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, the Borrower or any of its Subsidiaries is now or may hereafter become liable for any Total Debt except for Permitted Debt.

(g) Encumbrances

Neither the Borrower nor any of its Material Subsidiaries has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, any person may have or be entitled to any Security Interest on or in respect of its property and assets or any part thereof except for Permitted Encumbrances.

(h) No Material Adverse Change

No Material Adverse Change has occurred.

(i) No Omissions

The Borrower and each of its Subsidiaries has made available to the Agent all material information necessary to make any representations, warranties and statements contained in this Agreement not misleading in any material respect in light of the circumstances in which they are given.

(j) Non-Default

No Default or Event of Default has occurred or is continuing or would occur following any Drawdown hereunder.

(k) Financial Condition

(i) The audited and unaudited consolidated financial statements of the Borrower delivered to the Lenders and the Agent pursuant hereto present fairly, in all material respects, the consolidated financial condition of the Borrower as at the date thereof and the results of the consolidated operations thereof for the fiscal year or fiscal quarter (as applicable) then ending, all in accordance with generally accepted accounting principles consistently applied.

- (ii) Except as has been disclosed to the Agent by written notice in accordance with the provisions of this Agreement, no filing is imminent of a report of a material change as required to be filed by the Borrower or any Subsidiary with any securities commission or exchange or with any Governmental Authority having jurisdiction over the issuance and sale of securities of the Borrower or any Subsidiary and which material change would have or would reasonably be expected to have a Material Adverse Effect.

(l) Information Provided

All information, materials and documents, including all cash flow projections, economic models, capital and operating budgets and other information and data:

- (i) prepared and provided to the Agent by the Borrower or any Subsidiary in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were in the case of financial projections, prepared in good faith based upon reasonable assumptions at the date of preparation and in all other cases, true, complete and correct in all material respects as of the respective dates thereof; and
- (ii) prepared by persons other than the Borrower or a Subsidiary and provided to the Agent by or on behalf of the Borrower or any Subsidiary in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were, to the best of the knowledge of the Borrower, after due inquiry, in the case of financial projections, prepared in good faith based upon reasonable assumptions at the date of preparation and in all other cases, true, complete and correct in all material respects as of the respective dates thereof.

(m) Absence of Litigation

Except for the Disclosed Litigation Matters, there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Material Subsidiaries, their property or any of their undertakings and assets, at law, in equity or before any arbitrator or before or by any Governmental Authority having jurisdiction in the premises in respect of which there is a reasonable likelihood of a determination adverse to the Borrower or any Material Subsidiary and which, if determined adversely, would have or would reasonably be expected to have a Material Adverse Effect.

(n) Compliance with Applicable Laws, Court Orders and Agreements

The Borrower and each of its Material Subsidiaries and their respective property, businesses and operations are in compliance with all Applicable Laws (including, without limitation, all applicable Environmental Laws), all applicable directives, judgments, decrees, injunctions and orders rendered by any Governmental Authority or court of competent jurisdiction, its articles, by laws and other constating documents, all agreements or instruments to which it is a party or by

which its property or assets are bound, and any employee benefit plans, except to the extent that failure to so comply would not have and would not reasonably be expected to have a Material Adverse Effect.

(o) Required Permits in Effect

All Required Permits for the Borrower and all Material Subsidiaries are in full force and effect, except to the extent that the failure to have or maintain the same in full force and effect would not, when taken in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

(p) Remittances Up to Date

All of the material remittances required to be made by the Borrower and its Material Subsidiaries to Governmental Authorities have been made, are currently up to date and there are no outstanding arrears, other than those which are being contested by a Permitted Contest.

(q) Environmental

(i) To the best of the knowledge and belief of the Borrower, after due inquiry, the Borrower, its Subsidiaries and their respective properties, assets and undertakings taken as a whole comply in all respects and the businesses, activities and operations of same and the use of such properties, assets and undertakings and the processes and undertakings performed thereon comply in all respects with all Environmental Laws except to the extent that failure to so comply would not have and would not reasonably be expected to have a Material Adverse Effect; further, the Borrower does not know, and has no reasonable grounds to know, of any facts which result in or constitute or are likely to give rise to non-compliance with any Environmental Laws, which facts or non-compliance have or would reasonably be expected to have a Material Adverse Effect.

(ii) The Borrower and its Subsidiaries have not received written notice and, except as previously disclosed to the Agent in writing, the Borrower has no knowledge after due inquiry, of any facts which could give rise to any notice of non-compliance with any Environmental Laws, which non-compliance has or would reasonably be expected to have a Material Adverse Effect and neither the Borrower nor any Subsidiary has received any notice that the Borrower or any of its Subsidiaries is a potentially responsible party for a federal, provincial, regional, municipal or local clean up or corrective action in connection with their respective properties, assets and undertakings where such clean up or corrective action has or would reasonably be expected to have a Material Adverse Effect.

(r) Taxes

The Borrower and each of its Material Subsidiaries has duly filed on a timely basis all tax returns required to be filed and have paid all material Taxes which are due and payable, and have paid all material assessments and reassessments, and all other material Taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against them, other than those which are being contested by them by Permitted Contest; they have made adequate provision for, and all required instalment payments have been made in respect of, Taxes payable for the current period for which returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by them or the payment of any Taxes; there are no actions or proceedings being taken by any taxation authority in any jurisdictions where the Borrower or any Subsidiary carries on business to enforce the payment of any Taxes by them other than those which are being contested by them by Permitted Contest.

(s) Material Subsidiaries

As at the date hereof, the only Material Subsidiaries of the Borrower are Calfrac U.S. and Calfrac LP.

(t) Ownership of Calfrac U.S.

As at the date hereof, the Borrower owns 100% of the issued and outstanding shares of Calfrac U.S.

(u) Intellectual Property

The Borrower and its Subsidiaries have or have the legal right to use all Intellectual Property necessary for the operation and conduct of their business, affairs, operations and processes, except to the extent that the failure to have the same would not have or reasonably be expected to have a Material Adverse Effect and, to the best of their knowledge and belief, no person has asserted any claim or taken any step or proceedings to prohibit or limit the use of such Intellectual Property by the Borrower and its Subsidiaries, in respect of which claim, step or proceedings there is a reasonable likelihood of a determination adverse to the Borrower or any Subsidiary and which, if determined adversely, would have or would reasonably be expected to have a Material Adverse Effect.

(v) Insurance

The Borrower and each Subsidiary maintains, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses and against such casualties and contingencies and in such types and amounts as are in accordance with customary business practices for corporations of the size and type of business and operations as the Borrower and each such Subsidiary, to the extent such insurance is available on reasonable commercial terms, provided that the Borrower and the Material Subsidiaries may elect to self-insure where the

Borrower, acting reasonably, determines that self-insurance is appropriate and in accordance with sound industry practice.

(w) Sanctions Laws and Anti-Money Laundering Laws

- (i) Neither the Borrower nor any of its Subsidiaries is in breach of or is the subject of any action or, to its knowledge, any investigation under any Anti-Money Laundering Laws. The Borrower and its Subsidiaries have taken reasonable measures to ensure compliance in all material respects with Anti-Money Laundering Laws.
- (ii) Neither the Borrower nor any of its Subsidiaries nor, to the knowledge of the Borrower, any director, officer, agent or employee of the Borrower or any of its Subsidiaries (i) is a Sanctioned Person, (ii) has any business affiliation or commercial dealings with a Sanctioned Person to the extent such business affiliation or commercial dealings breaches Sanctions Laws or (iii) is in breach of or, to its knowledge, the subject of any action or investigation under, any Sanctions Laws. Neither the Borrower nor any of its Subsidiaries has knowingly engaged in any dealings or transactions with or in a country or territory in violation of any Sanctions Laws, in the preceding three years.
- (iii) No proceeds from any Loan have been used, directly or, to its knowledge, indirectly, to lend, contribute, provide, or have otherwise been made available to fund, any activity or business with or related to any Sanctioned Person in breach of Sanctions Laws, or in any other manner that will result in any violation or breach by the Borrower or any of its Subsidiaries of Sanctions Laws.

(x) Pension Plans

The Borrower and the Material Subsidiaries do not have, and do not contribute to, any employee pension benefit plans or similar type pension plans.

(y) Interest Act (Canada)

This Agreement, including, without limitation, Article 5 hereof, and the constituent definitions herein and under the other Documents relating to interest and other amounts payable hereunder and thereunder, satisfies the requirements of section 4 of the *Interest Act* (Canada) to the extent that such section 4 of the *Interest Act* (Canada) applies to the expression, statement or calculation of any rate of interest or other rate per annum hereunder or under any other Document and the Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facilities based on the methodology for calculating per annum rates provided for in this Agreement.

9.2 Deemed Repetition

On the date of delivery by the Borrower of a Drawdown Notice to the Agent or the Operating Lender, as applicable, and again on the date of any Drawdown made by the Borrower pursuant thereto:

- (a) except those representations and warranties which are stated to be made as at a specific date or which the Borrower has notified the Agent in writing cannot be repeated for such Drawdown and in respect of which the applicable Lenders have waived in writing (with or without terms or conditions) the application of the condition precedent in Section 3.1(b) for such Drawdown, each of the representations and warranties contained in Section 9.1 shall be deemed to be repeated; and
- (b) the Borrower shall be deemed to have represented to the Agent and the Lenders that, except as has otherwise been notified to the Agent in writing and has been waived in accordance herewith, no event has occurred and remains outstanding which would constitute a Default or an Event of Default nor will any such event occur as a result of the aforementioned Drawdown.

9.3 Other Documents

All representations, warranties and statements of the Borrower or any Subsidiary contained in any other Document delivered pursuant hereto or thereto shall be deemed to constitute representations and warranties made by the Borrower to the Agent and the Lenders under Section 9.1 of this Agreement.

9.4 Effective Time of Repetition

All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the date hereof or as at another date.

9.5 Nature of Representations and Warranties

The representations and warranties set out in this Agreement or deemed to be made pursuant hereto shall survive the execution and delivery of this Agreement and the making of each Drawdown, notwithstanding any investigations or examinations which may be made by the Agent, the Lenders or Lenders' Counsel. Such representations and warranties shall survive until this Agreement has been terminated, provided that the representations and warranties relating to environmental matters shall survive the termination of this Agreement.

ARTICLE 10 - GENERAL COVENANTS

10.1 Affirmative Covenants of the Borrower

So long as any Obligation is outstanding or either Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and the Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

(a) **Punctual Payment and Performance**

It shall duly and punctually pay the principal of all Loans, all interest thereon and all fees and other amounts required to be paid by the Borrower hereunder in the manner specified hereunder and the Borrower shall perform and observe all of its obligations under this Agreement and under any other Document to which it is a party and shall cause each of its Material Subsidiaries to perform and observe all of their obligations under any Documents to which each is a party.

(b) **Books and Records**

It shall, and shall cause each of its Subsidiaries, to keep proper books of record and account in which complete and correct entries will be made of its transactions in accordance with generally accepted accounting principles.

(c) **Maintenance and Operation**

It shall do or cause to be done, and will cause each Subsidiary to do or cause to be done, all things necessary or required to have all its properties, assets and operations owned, operated and maintained in accordance with diligent and prudent industry practice and Applicable Laws except to the extent that the failure to do or cause to be done the same would not have and would not reasonably be expected to have a Material Adverse Effect, and at all times cause the same to be owned, operated, maintained and used in compliance with all terms of any applicable insurance policy.

(d) **Maintain Existence; Compliance with Legislation Generally; Required Permits**

Except as otherwise permitted by Section 10.2(c) and 10.2(j), the Borrower shall, and shall cause each of its Material Subsidiaries, to preserve and maintain its corporate, partnership or trust existence (as the case may be) as a corporation, partnership or trust existing under the laws of its applicable jurisdiction of organization. The Borrower shall do or cause to be done, and shall cause its Material Subsidiaries to do or cause to be done, all acts necessary or desirable to comply with all Applicable Laws, except (other than in the case of laws relating to corruption and bribery) where such failure to comply does not and would not reasonably be expected to have a Material Adverse Effect, and to preserve and keep in full force and effect all Required Permits and all other franchises, licences, rights, privileges, permits and Governmental Authorizations necessary to enable the Borrower and each of its Material Subsidiaries to operate and conduct their

respective businesses in accordance with prudent industry practice, except to the extent that the failure to have any of the same does not and would not reasonably be expected to have a Material Adverse Effect.

(e) Budgets, Financial Statements and Other Information

The Borrower shall deliver to the Agent with sufficient copies for each of the Lenders:

- (i) Annual Business Plan / Capital and Operating Budgets - as soon as available and, in any event, within 90 days after the end of each of its fiscal years, copies of (A) its annual business plan for the next fiscal year, including *pro forma* consolidated financial statements for the Borrower prepared on a quarterly basis for such period (including a *pro forma* balance sheet, *pro forma* statement of operations and *pro forma* statement of cash flows), (B) its annual consolidated capital budget (which segregates those capital expenditures attributed to maintenance and to growth) for the next fiscal year and (C) its annual operating budget for the next fiscal year (approved by its board of directors);
- (ii) Annual Financials - as soon as available and, in any event, within 90 days after the end of each of its fiscal years, copies of the Borrower's audited annual financial statements on a consolidated basis consisting of a balance sheet, statement of operations, statement of comprehensive income, statement of cash flows and statement of changes in equity for each such year, together with the notes thereto in the case of the audited annual financial statements, all prepared in accordance with generally accepted accounting principles consistently applied, together with a report and an audit opinion of the Borrower's auditors thereon in the case of audited annual financial statements of the Borrower; provided that, notwithstanding the foregoing;
- (iii) Quarterly Financials - as soon as available and, in any event within 45 days after the end of each of its first, second and third fiscal quarters, copies of each of the Borrower's unaudited quarterly financial statements on a consolidated basis, in each case consisting of a balance sheet, statement of operations, statement of comprehensive income, statement of cash flows and statement of changes in equity for each such period all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year, all prepared in accordance with generally accepted accounting principles consistently applied;
- (iv) Compliance Certificate - concurrently with furnishing the financial statements pursuant to Sections 10.1(e)(ii) and (iii), a Compliance Certificate (including a report on the status of all outstanding Financial Instruments) signed by any one of the president, chief financial officer, vice president finance or treasurer of the Borrower and stating that, *inter alia*,

the representations and warranties in Section 9.1 are true and accurate in all respects (or, if applicable, specifying those that are not), that no Default or Event of Default has occurred and is continuing (or, if applicable, specifying those defaults or events notified in accordance with Section 10.1(h) below) and demonstrating compliance with all covenants contained herein including the financial covenants contained in Section 10.3;

- (v) Borrowing Base Certificate - within 30 days of each calendar month end, a Borrowing Base Certificate for (and as of the end of) the immediately preceding calendar month; and
- (vi) Other - at the request of the Agent or any Lender, such other information, reports, certificates, projections of income and cash flow or other matters affecting the business, affairs, financial condition, property or assets of the Borrower or its Subsidiaries as the Agent or any Lender may reasonably request.

(f) Rights of Inspection

At any reasonable time and from time to time upon reasonable prior notice, the Borrower shall permit, and shall cause its Material Subsidiaries to permit, the Agent and any Lender or any representative thereof (at the expense of the Borrower during the continuance of a Default or Event of Default and, otherwise, at the expense of the Agent or such Lender, as applicable) to (i) examine and make copies of and abstracts from the records and books of account of the Borrower or any of its Material Subsidiaries, (ii) visit and inspect the premises and properties of the Borrower or any of its Material Subsidiaries (in each case at the risk of the Borrower, except for the gross negligence or wilful misconduct of the inspecting party or the failure of any such inspecting party to comply with Applicable Law and the Borrower's or any such Material Subsidiary's health and safety requirements, as advised to such inspecting party), and (iii) discuss the affairs, operations, finances and accounts of the Borrower or any of its Material Subsidiaries with any of the officers of the Borrower or any of its Material Subsidiaries.

(g) Notice of Material Litigation

The Borrower shall promptly give written notice to the Agent of any litigation, proceeding or dispute affecting the Borrower or any of its Material Subsidiaries in respect of a demand or claim in respect of which there is a reasonable likelihood of an adverse determination and which if adversely determined would reasonably be expected to result in a liability, obligation or judgment in excess of [Redacted] or to have a Material Adverse Effect, and shall from time to time furnish to the Agent all reasonable information requested by the Agent concerning the status of any such litigation, proceeding or dispute.

(h) Notice of Default or Event of Default

The Borrower shall deliver to the Agent, as soon as reasonably practicable, and in any event no later than 3 Banking Days after becoming aware of a Default or the occurrence of an Event of Default, an Officer's Certificate describing in detail such Default or such Event of Default and specifying the steps, if any, being taken to cure or remedy the same.

(i) Notice of Material Adverse Effect or Material Adverse Change

The Borrower shall, as soon as reasonably practicable, promptly notify the Agent of:

- (i) any event, circumstance or condition that has had or is reasonably likely to have a Material Adverse Effect; and
- (ii) any Material Adverse Change.

(j) Securities Disclosure

The Borrower shall promptly furnish to the Agent copies of all reports, material change reports, notices and other non-confidential information that the Borrower is required by applicable law to file with any securities commission or stock exchange, furnish to its shareholders or publicly disclose (whether by way of advertisement or otherwise), except for insider reports and other filings which are of an administrative nature and do not contain any material information with respect to the business, affairs or financial condition of the Borrower and its Subsidiaries. The Borrower shall be deemed to have satisfied its obligations under this Section 10.1(j) if and to the extent the registration materials, material change reports, circulars, reports, notices and other information, as the case may be, shall have been filed with the Canadian Securities Administrators (and are accessible to the Agent) in the SEDAR filing system at www.sedar.com, and the Borrower shall have notified the Agent of such filing.

(k) Payment of Royalties, Taxes, Withholdings, etc.

The Borrower shall, and shall cause its Material Subsidiaries to, from time to time pay or cause to be paid all material royalties, rents, Taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon the Borrower and its Material Subsidiaries or any of the assets of the Borrower and its Material Subsidiaries, as and when the same become due and payable, except when and so long as the validity of any such royalties, rents, Taxes, rates, levies, assessments, fees, dues or withholdings is being contested by the Borrower or its Material Subsidiaries by a Permitted Contest.

(l) Payment of Preferred Claims

The Borrower shall, and shall cause its Material Subsidiaries to, from time to time pay when due or cause to be paid when due all amounts related to wages, workers' compensation obligations, government royalties or pension fund obligations and any other amount which may result in a lien, charge, Security Interest or similar encumbrance against the assets of the Borrower or such Material Subsidiary arising under statute or regulation, except when and so long as the validity of any such amounts or other obligations is being contested by the Borrower or its Material Subsidiaries by a Permitted Contest.

(m) Environmental Covenants

(i) Without limiting the generality of Section 10.1(d) above, the Borrower shall, and shall cause its Subsidiaries to, conduct their business and operations so as to comply at all times with all Environmental Laws if the consequence of a failure to comply, either alone or in conjunction with any other such non compliances, would have or would reasonably be expected to have a Material Adverse Effect.

(ii) If the Borrower or its Subsidiaries shall:

(A) receive or give any notice that a violation of any Environmental Law has or may have been committed or is about to be committed by the same, and if such violation has or would reasonably be expected to have a Material Adverse Effect or a liability to the Borrower and its Subsidiaries in excess of [Redacted];

(B) receive any notice that a complaint, proceeding or order has been filed or is about to be filed against the same alleging a violation of any Environmental Law, and if such violation would reasonably be expected to have a Material Adverse Effect or a liability to the Borrower and its Subsidiaries in excess of [Redacted]; or

(C) receive any notice requiring the Borrower or a Subsidiary, as the case may be, to take any action in connection with the release of Hazardous Materials into the environment or alleging that the Borrower or the Subsidiary may be liable or responsible for costs associated with a response to or to clean up a Release of Hazardous Materials into the environment or any damages caused thereby in excess of [Redacted], or if such action or liability has or would reasonably be expected to have a Material Adverse Effect,

the Borrower shall promptly provide the Agent with a copy of such notice and shall, or shall cause such Subsidiary to, furnish to the Agent from time to time all reasonable information requested by the Agent relating to the same.

(n) Use of Loans

The Borrower shall use all Loans and the proceeds thereof solely for the purposes set forth in Section 2.3 hereof.

(o) Required Insurance

The Borrower shall, and shall cause its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and business and against such casualties and contingencies and in such types and such amounts as shall be in accordance with customary business practices for corporations of the size and type of business and operations as the Borrower and its Subsidiaries, to the extent such insurance is available on reasonable commercial terms, provided that the Borrower and the Material Subsidiaries may elect to self-insure where the Borrower, acting reasonably, determines that self-insurance is appropriate and in accordance with sound industry practice.

(p) Ownership of Consolidated Net Tangible Assets

The Borrower shall ensure, at each Quarter End, the Borrower and its Material Subsidiaries directly own not less than 75% of Consolidated Net Tangible Assets excluding their investments in any Subsidiary.

(q) Sanctions Laws and Anti-Money Laundering Laws

(i) The Borrower shall ensure that it and its Subsidiaries shall comply with Anti-Money Laundering Laws. The Borrower shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to ensure that no funds used to pay the Obligations are derived from any unlawful activity, including but not limited to, activity in material violation of Anti-Money Laundering Laws or Sanctions Laws.

(ii) The Borrower shall ensure that (i) it, and each of its Subsidiaries, shall comply with Sanctions Laws (ii) neither it nor its Subsidiaries shall become a Sanctioned Person and (iii) no proceeds from any Loan will be used, directly or, to its knowledge, indirectly, to lend, contribute, provide or otherwise be made available to fund, any activity or business with or related to any Sanctioned Person in violation of Sanctions Laws or in any other manner that will result in any violation or breach by the Borrower or its Subsidiaries of Sanctions Laws.

(iii) Notwithstanding anything else contained herein, the parties acknowledge and agree that the Borrower and its Subsidiaries conduct business in Russia and that such business shall not in itself constitute a default under the Credit Agreement whether or not Russia becomes subject to sanctions; provided, for certainty, that any specific breach of an express condition contained herein shall constitute a default under the Credit Agreement.

(r) Borrowing Base

The Borrower shall not permit, at any time, the Outstanding Principal to exceed the Borrowing Base in effect.

(s) Keepwell

The Borrower shall, and shall ensure that, to the extent any Subsidiary which has provided Security is a Qualified ECP Guarantor, such Subsidiary shall, hereby absolutely, unconditionally and irrevocably undertake to provide such funds or other support as may be needed from time to time by any Subsidiary or Affiliate of the Borrower (that provides a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates) to honour all of its obligations under its Guarantee in respect of Swap Obligations (provided, however, that the Borrower or such Subsidiary shall only be liable under this undertaking for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this undertaking, or otherwise under the Documents to which it is a party, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Borrower and such Subsidiaries under this undertaking shall remain in full force and effect until discharged in accordance with the provisions of the relevant Document. The Borrower intends that this Section and undertaking provided for shall constitute, and shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each Subsidiary or Affiliate of the Borrower (that provides a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates) for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

10.2 Negative Covenants of the Borrower

So long as any Obligation is outstanding or either Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and the Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

(a) Change of Business

The Borrower shall not, and shall not permit any Material Subsidiary to, change in any material respect the nature of its business or operations from the types of businesses and operations carried on by the Borrower and its Subsidiaries taken as a whole on the date hereof.

(b) Negative Pledge

The Borrower shall not, nor shall it permit any Material Subsidiary to, create, issue, incur, assume or permit to exist any Security Interests on any of their property, undertakings or assets other than Permitted Encumbrances.

(c) No Dissolution

The Borrower shall not, nor shall it permit any Material Subsidiary to, liquidate, dissolve or wind up or take any steps or proceedings in connection therewith except, in the case of Subsidiaries, where the successor thereto or transferee thereof is the Borrower or another Wholly-Owned Material Subsidiary of the Borrower.

(d) Limit on Sale of Assets

Except for Permitted Dispositions, the Borrower shall not, and shall not permit any Material Subsidiary to, sell, transfer or otherwise dispose of any of their respective property or assets. Notwithstanding the foregoing, the Borrower shall not, and shall not permit any Material Subsidiary to sell, transfer or otherwise dispose of any of their respective property or assets during the continuance of a Default or Event of Default or if a Default or Event of Default would arise as a result of such sale, transfer or disposition.

(e) Limitation on Debt

The Borrower shall not have or incur, or permit any Subsidiary thereof to have or incur, any Total Debt other than Permitted Debt.

(f) Limit on Financial Assistance and Investments

(i) Subject to Section 10.2(f)(ii) below, the Borrower shall not, nor shall it, permit any Subsidiary to, provide any Financial Assistance in an amount in excess, in the aggregate, in any calendar year, of [Redacted] to any person, other than (1) Financial Assistance to or for the benefit of the Borrower or a Subsidiary (including, for certainty, guarantees of the outstanding 2020 1.5 Lien Convertible Notes and the outstanding 2020 Second Lien Notes by the Borrower, Calfrac U.S. and any other Subsidiary which has guaranteed the Credit Facilities), (2) Financial Assistance permitted pursuant to Section 10.2(f)(ii)(B) below and (3) Financial Assistance outstanding on the date hereof;

(ii) Notwithstanding subparagraph (i) above, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds 5.00:1.00 (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed 5.00:1.00):

- (A) the Borrower shall not be permitted to, nor shall it permit any Subsidiary to, provide any Financial Assistance (except as expressly permitted by Section 10.2(f)(ii)(B) below for Financial Assistance which is also an Investment) to any person in an amount in excess, in the aggregate (less the amount of any Investments made under and in compliance with the threshold provided for in Section 10.2(f)(ii)(B) below), in any calendar year, of [Redacted] other than (a) Financial Assistance to or for the benefit of the Borrower or a Subsidiary (including, for certainty, guarantees of the outstanding 2020 1.5 Lien Convertible Notes and the outstanding 2020 Second Lien Notes by the Borrower, Calfrac U.S. and any other Subsidiary which has guaranteed the Credit Facilities) and (b) Financial Assistance outstanding on the date hereof; and
 - (B) the Borrower shall not be permitted to, nor shall it permit any Subsidiary to, make any Investments in any person in an amount in excess, in the aggregate, (less the amount of any Financial Assistance made under and in compliance with the threshold provided for in Section 10.2(f)(ii)(A) above), in any calendar year, of [Redacted], other than (a) Investments in the Borrower or a Subsidiary that are made in the ordinary course of business and (b) Investments outstanding on the date hereof.
- (g) Limits on Distributions
- (i) Subject to subparagraph (iii) below, the Borrower shall not make any Distributions which would have or would reasonably be expected to result in a Default or Event of Default. Notwithstanding the foregoing or any other provision of the Documents to the contrary and in addition thereto, the Borrower shall not make any Distribution during the continuance of a Default or Event of Default.
 - (ii) Subject to subparagraph (iii) below, the Borrower shall not make any Distributions (and shall not permit any Subsidiary which has provided Security to make any Distributions) other than to the Borrower or another Subsidiary which has provided Security which would result in a Borrowing Base Shortfall or at any time after receipt of a Borrowing Base Notice which indicates any Borrowing Base Shortfall exists unless and until the Borrower has repaid Loans to the extent necessary to completely eliminate the Borrowing Base Shortfall indicated in such notice.
 - (iii) Notwithstanding subparagraphs (i) and (ii) above, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds 5.00:1.00 (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed 5.00:1.00), the Borrower shall not make any Distributions except (i) Distributions in respect of performance share units,

deferred stock units and restricted stock units and (ii) Distributions to the public in respect of common shares of the Borrower provided that the Borrower shall not increase the rate of Distributions payable per common share of the Borrower above the rate that has been set by the Borrower on the date of this Agreement.

- (iv) Notwithstanding subparagraphs (i), (ii) and (iii) above, and in addition thereto, the Borrower shall not make any Distributions unless, after giving effect to such Distribution (1) the Funded Debt to EBITDA Ratio shall be less than 2.00:1.00, on a *pro forma* basis, and (2) the Borrower shall have Liquidity of not less than 25% of the lesser of (I) the most recently determined Borrowing Base and (II) the maximum availability under the Credit Facilities) and, in each case, provided evidence thereto to the Agent that is satisfactory to the Agent, acting reasonably.
- (v) Notwithstanding subparagraphs (i), (ii), (iii) and (iv) above, and in addition thereto, for the period ending July 1, 2024, the Borrower shall not make any Distributions in excess of [Redacted] per calendar year including, for certainty, the 2022 calendar year.

(h) No Financial Instruments Other Than Permitted Hedging

The Borrower shall not and shall not permit any Subsidiary to enter into, transact or have outstanding any Financial Instruments or Financial Instrument Obligations other than Permitted Hedging.

(i) Non Arm's Length Transactions

Except in respect of transactions between or among the Borrower and/or one or more of its Subsidiaries, the Borrower shall not, nor shall it permit any Subsidiary to, enter into any contract, agreement or transaction whatsoever, including for the sale, purchase, lease or other dealing in any property or the provision of any services (other than office and administration services provided in the ordinary course of business), with any Related Party except upon fair and reasonable terms, which terms are not less favourable to the Borrower or its Subsidiaries than it would obtain in an arm's length transaction and, if applicable, for consideration which equals the fair market value of such property or other than at a fair market rental as regards leased property.

(j) No Merger, Amalgamation, etc.

The Borrower shall not, nor shall it permit any Subsidiary to, enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other person whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise except where the successor thereto or transferee thereof is the Borrower or another Subsidiary and except as permitted under Section 10.2(c) or 10.2(d).

(k) No Acquisitions

The Borrower and its Subsidiaries shall not be permitted, directly or indirectly, to make or offer to make any acquisition of all or substantially all of the assets or shares (or other equity or ownership interests) of another person or entity except for Permitted Acquisitions.

(l) Anti-Cash Hoarding

The Borrower shall not, nor shall it permit any Subsidiary to, use the proceeds of any Drawdown or Advance to accumulate or maintain cash or cash equivalents in one or more accounts (including, for certainty, any depository, investment or securities account) maintained by the Borrower or any of the Subsidiaries if the result of such Drawdown or Advance would result in cash and cash equivalents in excess of [Redacted] in such account or accounts except for cash or cash equivalents accumulated or maintained therein for a specified business purpose in the ordinary course of business (other than simply accumulating a cash reserve). For certainty (i) the Agent may refuse to make any requested Drawdown under the Syndicated Facility which all of the Syndicated Facility Lenders, acting reasonably, determine would result in a contravention of this Section 10.2(l) and (ii) the Operating Lender may refuse to make any requested Drawdown under the Operating Facility which the Operating Lender, acting reasonably, determines would result in a contravention of this Section 10.2(l).

(m) Sanctions

The Borrower shall not request any Loan or the issuance, increase or extension of any Letter of Credit, and the Borrower shall not and shall not permit any Subsidiary or any of their respective directors, officers or employees to use the proceeds of any Loan or Letter of Credit (i) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Anti-Money Laundering Laws in any material respect, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country that would result in the violation of any Sanction Laws applicable to any party hereto or (iii) in any manner that would result in the violation of any Sanctions Laws applicable to any party hereto.

(n) Restricted Payments

The Borrower shall not, nor shall it permit any Subsidiary to, use (a) the proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility or (b) to the extent there is any Outstanding Principal under the Credit Facilities, any operating cash flow or cash on hand, in each case, to repay or pay, as applicable, any obligations, liabilities and indebtedness under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Convertible Notes, except, for certainty, proceeds of any Drawdown or Advance under either the Syndicated

Facility or the Operating Facility and/or operating cash flow and cash on hand may be used to make scheduled interest payments due and payable under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Convertible Notes.

(o) Capital Expenditures

The Borrower shall not, nor shall it permit any Subsidiary to make any Capital Expenditures other than Permitted Capital Expenditures.

10.3 Financial Covenants

(1) So long as any Obligation is outstanding or either Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and the Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

(a) Current Assets to Current Liabilities Ratio

As at each Quarter End, the Borrower shall not permit the ratio of Current Assets to Current Liabilities to be less than 1.15:1.00.

(b) Maximum Funded Debt to Capitalization Ratio

As at each Quarter End, the Borrower shall not permit the Funded Debt to Capitalization Ratio to exceed 0.30:1.00.

(c) Maximum Funded Debt to EBITDA Ratio

As at each Quarter End, the Borrower shall not permit the Funded Debt to EBITDA Ratio to exceed 3.00:1.00, such ratio to be calculated on a rolling four-quarter basis.

(2) The Borrower shall be permitted to apply the proceeds of an issuance of common shares (the “**Common Share Proceeds**”) of the Borrower to increase EBITDA for the purposes of Section 10.3(1)(c) as at such Quarter End, provided that (i) the common share issuance shall not result in a Change of Control, (ii) for certainty, the Common Share Proceeds shall only be applied to increase EBITDA for the purposes of Section 10.3(c) and not for any other purpose contained herein including, for certainty, in connection with the determination of the Applicable Pricing Rate, (iii) the Borrower shall only be permitted to use the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) a maximum of two times from the date hereof, (iv) the Borrower shall not be permitted to use the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) for consecutive Quarter Ends and (v) the maximum amount of proceeds of a common share issuance permitted to be attributable to EBITDA pursuant to this provision shall not exceed the greater of (A) 50% of total EBITDA on a rolling four-quarter basis, as at the relevant Quarter End and (B) [Redacted] per cure.

(3) In connection with the foregoing, the Borrower shall be permitted to have the Common Share Proceeds held in a segregated account (on terms satisfactory to the Agent, acting reasonably) including, for greater certainty, the Common Share Proceeds currently held by the

Borrower in a segregated account, and to be applied to increase EBITDA at a date following each such issuance of common shares for the purposes of Section 10.3(c) if required.

(4) For certainty, (i) the Borrower shall be permitted to apply the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) as at a Quarter End notwithstanding that the Borrower is in compliance with Section 10.3(c) as at such Quarter End, (ii) the application of the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) as provided for in such Section may be applied to EBITDA as at a Quarter End at any time up to and including the date the Compliance Certificate in connection with such Quarter End is delivered in compliance with this Agreement and (iii) to the extent the Common Share Proceeds are applied to increase EBITDA for the purpose of Section 10.3(c) as at a Quarter End (the “**Increased Quarter End**”), the increase in EBITDA as at the Increased Quarter End shall be included in the calculation of EBITDA for the purposes of Section 10.3(c) on a trailing twelve month basis to the extent the trailing twelve month period for calculating EBITDA includes the Increased Quarter End.

(5) For certainty, the Borrower shall not be permitted to use any of the proceeds of the issuance of the 2020 1.5 Lien Convertible Notes to increase EBITDA for the purposes of Section 10.3(2)

10.4 Agent May Perform Covenants

If the Borrower fails to perform any covenants on its part herein contained, subject to any consents or notice or cure periods required by Section 12.1, the Agent may give notice to the Borrower of such failure and if such covenant remains unperformed, the Agent may, in its discretion but need not, perform any such covenant capable of being performed by the Agent and if the covenant requires the payment or expenditure of money, the Agent may, upon having received approval of all Lenders, make such payments or expenditure and all sums so expended shall be forthwith payable by the Borrower to the Agent on behalf of the Lenders and shall bear interest at the applicable interest rate provided in Section 5.8 for amounts due in Canadian Dollars or United States Dollars, as the case may be. No such performance, payment or expenditure by the Agent shall be deemed to relieve the Borrower of any default hereunder or under the other Documents.

ARTICLE 11 - SECURITY

11.1 Security

(1) The Obligations, the Bank Product Obligations (excluding the Credit Card Obligations) and Lender Financial Instrument Obligations shall be secured, equally and rateably by first priority Security Interests (subject to Permitted Encumbrances) on, to and against all present and future property, assets and undertaking of the Borrower and each of the Material Subsidiaries.

(2) The Borrower shall (a) execute and deliver the floating charge demand debenture, the debenture pledge agreement and the general security agreement substantially in the forms of Schedules H-1, H-2 and H-3, respectively, annexed hereto, and, subject to the qualifications in Section 11.2 (other than in respect of the existing mortgages and the deed of trust), fixed and floating charge debentures, mortgages or equivalent documentation related to real property located in Canada requested by the Agent including, without limitation, the existing fixed and floating

charge debentures, in respect of real property located in the Provinces of Alberta and British Columbia, in each case, with such modifications and insertions as may be required by the Agent, acting reasonably, (b) cause each Material Subsidiary domiciled in Canada, to execute and deliver a guarantee, a floating charge demand debenture, a debenture pledge agreement and a general security agreement substantially in the forms of Schedules H-4, H-5, H-6 and H-7, respectively, annexed hereto with such modifications and insertions as may be required by the Agent, acting reasonably, and (c) cause each United States of America domiciled Material Subsidiary to execute and deliver a guarantee and a general security agreement in substantially the form of the Guarantee and General Security Agreement both dated September 29, 2009 executed by Calfrac U.S. and, subject to the qualifications in Section 11.2 (other than in respect of the existing mortgages), mortgages, fixed charged mortgages, deeds of trust or equivalent documentation required in connection with real property located in the United States of America including, without limitation, the existing mortgages of Calfrac U.S. in respect of real property located in the States of Arkansas, Pennsylvania and North Dakota and the existing deed of trust in respect of real property located in the State of Texas, with such modifications as may be required by the Agent, acting reasonably.

It is hereby acknowledged that the Borrower and each existing Material Subsidiary has executed and delivered the Security required pursuant to this Section 11.1 as of the date hereof.

(3) The Borrower shall (i) as soon as reasonably practicable, give written notice to the Agent of the acquisition, creation or existence of each Material Subsidiary created or acquired after the date hereof, together with such other information as the Agent may reasonably require and (ii) promptly, and in any event within 20 Banking Days of such acquisition, creation or existence, cause each new Material Subsidiary to promptly execute and deliver to the Agent the Security contemplated hereby (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably).

(4) In addition to the Security described in subsections (1), (2) and (3) of this Section 11.1, the Borrower shall, subject to Section 11.2, execute and deliver, or shall cause to be executed and delivered, all such guarantees and mortgages, debentures, pledge agreements, assignments and other security agreements as may be required by the Majority of the Lenders, acting reasonably (each in form and substance satisfactory to the Majority of the Lenders, acting reasonably) in order to, or to more effectively, charge in favour of the Agent or grant Security Interests in favour of the Agent on and against all of the undertakings, assets and property (real or personal, tangible or intangible, present or future and of whatsoever nature and kind) of the Borrower and the Material Subsidiaries as continuing collateral security for the payment and performance by the Borrower of all Obligations, the Lender Financial Instrument Obligations and the Bank Product Obligations (excluding the Credit Card Obligations). In order to give effect to the foregoing provisions of Section 11.1(3) and this Section 11.1(4), the Borrower shall cause the applicable Material Subsidiary to promptly execute and deliver Security to the Agent within the specified period (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably).

11.2 Registration

(1) The Borrower shall, at its expense, register, file or record the Security in all offices where the applicable registration, filing or recording is necessary or of advantage to the creation,

perfection and preserving of the security applicable to it; provided that the Security shall not be registered, except for registrations in respect of fixed charges on real property registered as of the date hereof, at any land registry offices in Canada or the United States of America, in each case, unless and until (A) an Event of Default has occurred and is continuing and (B) the Agent (acting reasonably) requests such registration in writing). The Borrower shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof.

(2) In addition to the foregoing, except for: (i) serial number goods registrations in Canada or any province thereof that the Borrower and its Material Subsidiaries have agreed to effect pursuant to the 2020 1.5 Lien Convertible Note Documentation; and (ii) Titled Assets for which the Borrower and its Material Subsidiaries have agreed to grant security interests over (and effect perfection) pursuant to the 2020 1.5 Lien Convertible Note Documentation, the Borrower shall not be obligated to grant security to the Agent in respect of Titled Assets and the Agent shall not register any Security by way of serial number goods registrations in Canada or any province thereof or against the certificates of title for any Titled Assets, in each case, unless and until (A) an Event of Default has occurred and is continuing and (B) the Agent (acting reasonably) requests such registration in writing). The Borrower shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof.

(3) Notwithstanding the foregoing, if any Lender determines, acting reasonably, that any applicable law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender to hold or benefit from a lien over real property pursuant to any law of the United States of America or any State thereof, such Lender may notify the Agent and disclaim any benefit of such security interest to the extent of such illegality; provided, that such determination or disclaimer shall not invalidate or render unenforceable such lien for the benefit of any other Lender.

11.3 Forms

Except for the Security to be executed and delivered by Calfrac U.S. and any future Material Subsidiary formed pursuant to the laws of the United States of America or any state thereof, which shall be prepared and based upon the laws of a jurisdiction in the United States of America at the request of the Lenders, the forms of Security shall have been or shall be prepared based upon the laws of Canada and Alberta applicable thereto in effect at the date hereof. The Agent shall have the right to require that any such Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Agent the Security Interests intended to be created thereby.

11.4 Continuing Security

Each item or part of the Security shall for all purposes be treated as a separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security or any other security now held or hereafter acquired by the Agent or the Lenders. No item or part of the Security shall be merged or be deemed to have

been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Lenders or the Agent under any security, instruments or agreements held by it or at law or in equity.

11.5 Dealing with Security

The Agent, with the consent of all of the Lenders, may grant extensions of time or other indulgences, take and give up securities (including the Security or any part or parts thereof), accept compositions, grant releases and discharges and otherwise deal with the Borrower and other parties and with security (including without limitation, the Security and each part thereof) as the Agent may see fit, without prejudice to or in any way limiting the liability of the Borrower under this Agreement or the other Documents or under any of the Security or any other collateral security.

11.6 Effectiveness

The Security and the security created by any other Document constituted or required to be created shall be effective, and the undertakings as to the Security herein or in any other Document shall be continuing, whether any Loans are then outstanding or any amounts thereby secured or any part thereof shall be owing before or after, or at the same time as, the creation of such Security Interests or before or after or upon the date of execution of any amendments to this Agreement.

11.7 Release and Discharge of Security

(1) The Borrower and its Subsidiaries shall not be discharged from the Security or any part thereof, other than to the extent that such Security applies to a Permitted Disposition (in which case the Security shall cease to apply to the subject matter thereof for the benefit of the Agent and the Lenders) except by a written release and discharge signed by the Agent with the prior written consent of the Lenders. If all of the Obligations, the Bank Product Obligations (excluding the Credit Card Obligations) and the Lender Financial Instrument Obligations have been repaid, paid, satisfied and discharged, as the case may be, in full and the Credit Facilities have been fully cancelled, then the Agent shall cause it and the Lenders' interest in the Security to be released and discharged.

(2) The Lenders hereby authorize the Agent, upon the written request of the Borrower, to subordinate the Security Interests created by the Security with respect to any property or assets subject to a Permitted Encumbrance described in subparagraph (p) of the definition thereof or release such Security Interests from any property or assets subject to a Permitted Encumbrance described in subparagraph (p) of the definition thereof.

11.8 Transfer of Security

If HSBC Bank Canada, in its capacity as Agent, or any successor thereto, in its capacity as Agent ceases to be the Agent (the "**Departing Agent**"), the Departing Agent shall transfer and assign all of its right, title and interest in its capacity as Agent in and to the Security to

the Successor Agent and the provisions of Section 11.2 shall apply, *mutatis mutandis*, with respect to such assignment and transfer.

11.9 Hedging Affiliates and Bank Product Affiliates

Each Lender hereby confirms to and agrees with the Agent and the other Lenders as follows:

- (a) such Lender is, for the purpose of securing the Bank Product Obligations (other than Credit Card Obligations) owing to or in favour of its Bank Product Affiliates and the Lender Financial Instrument Obligations owing to or in favour of its Hedging Affiliates pursuant to the Security, executing and delivering this Agreement both on its own behalf and as agent for and on behalf of such Bank Product Affiliates and Hedging Affiliates;
- (b) the Agent shall be and is hereby authorized by each such Bank Product Affiliate and Hedging Affiliate (i) to hold the Security on behalf of such Bank Product Affiliate and Hedging Affiliate as security for the Bank Product Obligations and Lender Financial Instrument Obligations owing to or in favour of it in accordance with the provisions of the Documents and (ii) to act in accordance with the provisions of the Documents (including on the instructions or at the direction of the Majority of the Lenders) in all respects with respect to the Security; and
- (c) the documents governing any Bank Product or the Bank Product Obligations owing to or in favour of any such Bank Product Affiliate, the Lender Financial Instruments of any such Hedging Affiliate and the Lender Financial Instrument Obligations owing to or in favour of any such Hedging Affiliate shall not be included or taken into account for the purposes of Section 16.10 or (for certainty) in any determination of the Majority of the Lenders or the Lenders which shall be determined solely based upon the Commitments of the Lenders hereunder or the Outstanding Principal owing to the Lenders.

11.10 Security for Hedging with Former Lenders

If a Lender ceases to be a Lender under this Agreement (a “**Former Lender**”), all Lender Financial Instrument Obligations owing to such Former Lender and its Hedging Affiliates under Lender Financial Instruments entered into while such Former Lender was a Lender shall remain secured by the Security (equally and rateably) to the extent that such Lender Financial Instrument Obligations were secured by the Security prior to such Lender becoming a Former Lender and, subject to the following provisions of this Section 11.10 and unless the context otherwise requires, all references herein to “Lender Financial Instrument Obligations” shall include such obligations to a Former Lender and its Hedging Affiliates and all references herein to “Lender Financial Instruments” shall include such Financial Instruments with a Former Lender and its Hedging Affiliates. For certainty, any Financial Instrument Obligations under Financial Instruments entered into with a Former Lender or an Affiliate thereof after the Former Lender has ceased to be a Lender shall not be secured by the Security. Notwithstanding the foregoing, no Former Lender or any Affiliate thereof shall have any right to cause or require the enforcement of

the Security or any right to participate in any decisions relating to the Security, including any decisions relating to the enforcement or manner of enforcement of the Security or decisions relating to any amendment to, waiver under, release of or other dealing with all or any part of the Security; for certainty, the sole right of a Former Lender and its Affiliates with respect to the Security is to share, on a *pari passu* basis, in any proceeds of realization and enforcement of the Security.

ARTICLE 12 - EVENTS OF DEFAULT AND ACCELERATION

12.1 Events of Default

The occurrence of any one or more of the following events (each such event being herein referred to as an “**Event of Default**”) shall constitute a default under this Agreement:

- (a) **Principal Default**: if the Borrower fails to pay the principal of any Loan hereunder when due and payable;
- (b) **Other Payment Default**: if the Borrower fails to pay:
 - (i) any interest (including, if applicable, default interest) accrued on any Loan;
 - (ii) any acceptance fee with respect to a Bankers’ Acceptance or issuance fee with respect to a Letter of Credit; or
 - (iii) any other amount not specifically referred to in paragraph (a) above or in this paragraph (b) payable by the Borrower hereunder;

in each case when due and payable, and such default is not remedied within 3 Banking Days after written notice thereof is given by the Agent to the Borrower specifying such default and requiring the Borrower to remedy or cure the same;

- (c) **Certain Covenant Defaults**: if the Borrower fails to observe or perform the covenants in Section 10.3;
- (d) **Breach of Other Covenants**: if the Borrower or a Material Subsidiary fails to observe or perform any covenant or obligation herein or in any other Document required on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section) and (i) except with respect to a breach of Section 10.1(q) or Section 10.2(m), after notice has been given by the Agent to the Borrower or such Material Subsidiary specifying such default and requiring the Borrower or such Material Subsidiary to remedy or cure the same, the Borrower or such Material Subsidiary shall fail to remedy such default within a period of 30 days after the giving of such notice and (ii) with respect to a breach of Section 10.1(q) or Section 10.2(m), upon the earlier of: (1) the time when the Borrower or such Material Subsidiary has become aware of the default and (2) the time when the Agent has notified the Borrower or such Material Subsidiary of such default requiring the Borrower or such Material Subsidiary to remedy or cure the same and the Borrower or such

Material Subsidiary shall fail to remedy such default within a period of 30 days thereafter;

- (e) Incorrect Representations: if any representation or warranty made by the Borrower or any Material Subsidiary party to any Document herein or in any other Document shall prove to have been incorrect or misleading in any respect on and as of the date made and the facts or circumstances which make such representation or warranty incorrect or misleading are not remedied and the representation or warranty in question remains incorrect or misleading (i) except with respect to Section 9.1(w), more than 30 days after the Agent notifies the Borrower of the same and (ii) in the case of Section 9.1(w), the earlier of (1) the time when the Borrower or such Material Subsidiary becomes aware of such incorrect or misleading representation or warranty and (2) the time when the Agent has notified the Borrower of such incorrect or misleading representation or warranty and the representation and warranty remains incorrect or misleading for 30 days thereafter;
- (f) Involuntary Insolvency: if a decree or order of a court of competent jurisdiction is entered adjudging the Borrower or a Material Subsidiary a bankrupt or insolvent under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or ordering the winding up or liquidation of its affairs;
- (g) Idem: if any case, proceeding or other action shall be instituted in any court of competent jurisdiction against the Borrower or any Material Subsidiary, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to the Borrower or any Material Subsidiary or of all or any substantial part of its assets, or any other like relief in respect of the Borrower or any Material Subsidiary under any bankruptcy or insolvency law and such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, which is not stayed or dismissed within 15 days;
- (h) Voluntary Insolvency: if the Borrower or any Material Subsidiary makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium,

reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding;

- (i) Dissolution: except as permitted by Sections 10.2(c) or 10.2(j), if proceedings are commenced for the dissolution, liquidation or winding up of the Borrower or any Material Subsidiary unless such proceedings are being actively and diligently contested in good faith to the satisfaction of the Majority of the Lenders;
- (j) Security Realization: if creditors of the Borrower or any Material Subsidiaries having a Security Interest against or in respect of the property and assets thereof, or any part thereof, realize upon or enforce any such security against such property and assets or any part thereof having an aggregate fair market value in excess of [Redacted] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within the lesser of 30 days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;
- (k) Seizure: if property and assets of the Borrower and its Material Subsidiaries or any part thereof having an aggregate fair market value in excess of [Redacted] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) are seized or otherwise attached by anyone pursuant to any legal process or other means, including, without limitation, distress, execution or any other step or proceeding with similar effect and such attachment, step or other proceeding shall continue in effect and not be released, discharged or stayed within the lesser of 30 days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;
- (l) Judgment: except for any judgment related to the Disclosed Litigation Matters not exceeding [Redacted], if one or more final judgments, decrees or orders (after available appeals have been exhausted) for an aggregate amount in excess of [Redacted] (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) shall be awarded against:
 - (i) the Borrower or any Material Subsidiary in Canada or the United States of America (or any province, territory, state or district thereof); or
 - (ii) the Borrower or any Material Subsidiary in the United Mexican States or the Russian Federation (or any territory, state, district or federal subject thereof) and, after taking into account any reduction of EBITDA of the Borrower or applicable Material Subsidiary in such amount as the Lenders may require up to the amount of such judgment where such reduction is deemed to be deducted from the calculation of the Borrower's EBITDA for the previous four quarters, the Borrower would not be in compliance with the financial covenant contained in Section 10.3(c) hereof,

and the Borrower or any such Material Subsidiary, as applicable, has not provided security (to the Agent, the applicable court that rendered such judgment, the judgment creditor or an agent or trustee for one of the foregoing) for any of such judgments, decrees or orders or caused such judgment decree or order to be satisfied or stayed within 30 days of such judgment, decree or order being awarded;

- (m) Payment Cross Default: if the Borrower or any of its Material Subsidiaries (or any combination thereof) defaults in the payment when due (whether at maturity, upon acceleration, or otherwise) of:
 - (i) Total Debt or Financial Instrument Obligations in aggregate in excess of 5% of Consolidated Net Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency); or
 - (ii) for certainty and without limiting the foregoing, any of the outstanding 2020 1.5 Lien Convertible Notes;
- (n) Event Cross Default: if a default, event of default or other similar condition or event (however described) in respect of the Borrower or any of its Material Subsidiaries (or any combination thereof) occurs or exists under any indentures, credit agreements, agreements or other instruments evidencing or relating to Total Debt or Financial Instrument Obligations (individually or collectively) in an aggregate amount in excess of 5% of Consolidated Net Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such default, event or condition has resulted in such Total Debt or Financial Instrument Obligations becoming, or becoming capable at such time of being declared, due and payable thereunder before it would otherwise have been due and payable;
- (o) Cease to Carry on Business: if the Borrower and its Material Subsidiaries taken as a whole cease to carry on business;
- (p) Change of Control:
 - (i) if a Change of Control referenced in subparagraph (a) of the definition thereof occurs; or
 - (ii) if a Change of Control referenced in subparagraphs (b) or (c) of the definition thereof occurs and, in the opinion of the Lenders (acting reasonably) such Change of Control would reasonably be expected to have a Material Adverse Effect.
- (q) Lender Financial Instruments: if a Financial Instrument Demand for Payment has been delivered to the Borrower or any Subsidiary and such person fails to make payment thereunder within the lesser of (i) 3 Banking Days and (ii) the time otherwise required for payment thereunder, or if a Termination Event occurs, and in any such case, such default has not been waived or cured;

- (r) Borrowing Base Shortfall: If a Borrowing Base Shortfall exists and is not remedied in accordance with Section 2.22(4);
- (s) Loss and Priority of Security: except for Permitted Encumbrances and except as otherwise permitted by this Agreement, if any of the Security shall cease to be a valid first priority Security Interest against the property, assets and undertaking of the Borrower or any Material Subsidiary party to any Document as against third parties (and the same is not forthwith effectively rectified or replaced by the Borrower or such Material Subsidiary, as applicable); or
- (t) Material Adverse Effect: if, in the opinion of the Lenders (acting reasonably), an event, which has not been approved by all Lenders in writing and which would reasonably be expected to have a Material Adverse Effect, has occurred.

12.2 Acceleration

If any Event of Default shall occur and for so long as it is continuing:

- (a) the entire principal amount of all Loans then outstanding from the Borrower and all accrued and unpaid interest thereon,
- (b) an amount equal to the face amount at maturity of all Bankers' Acceptances issued by the Borrower which are unmatured,
- (c) an amount equal to the maximum amount then available to be drawn under all unexpired Letters of Credit, and
- (d) all other Obligations outstanding hereunder,

shall, at the option of the Agent in accordance with Section 15.11 or upon the request of a Majority of the Lenders, become immediately due and payable upon written notice to that effect from the Agent to the Borrower, all without any other notice and without presentment, protest, demand, notice of dishonour or any other demand whatsoever (all of which are hereby expressly waived by the Borrower). In such event and if the Borrower does not immediately pay all such amounts upon receipt of such notice, either the Lenders (in accordance with the proviso in Section 15.11(a)) or the Agent on their behalf may, in their discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the indebtedness and liabilities of the Borrower to the Lenders and proceed to exercise any and all rights hereunder and under the other Documents and no such remedy for the enforcement of the rights of the Lenders shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

12.3 Conversion on Default

Upon the occurrence of an Event of Default in respect of the Borrower, the Agent on behalf of the Lenders, or the Operating Lender, as applicable, may convert a SOFR Loan owing by the Borrower, to a U.S. Base Rate Loan. Interest shall accrue on each such U.S. Base Rate

Loan at the rate specified in Section 5.2 with interest on all overdue interest at the same rate, such interest to be calculated daily and payable on demand.

12.4 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lenders and the Agent hereunder or under any other Document are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lenders or by the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which any one or more of the Lenders and the Agent may be lawfully entitled for such default or breach. Any waiver by, as applicable, the Majority of the Lenders, the Lenders or the Agent of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by, as applicable, the Majority of the Lenders, the Lenders or the Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lenders or the Agent under this Agreement or any other Document as a result of any other default or breach hereunder or thereunder.

12.5 Termination of Lenders' Obligations

The occurrence of a Default or Event of Default shall relieve the Lenders of all obligations to provide any further Drawdowns, Rollovers or Conversions to the Borrower hereunder; provided that the foregoing shall not prevent the Lenders or the Agent from disbursing money or effecting any Conversion which, by the terms hereof, they are entitled to effect, or any Conversion or Rollover requested by the Borrower and acceptable to the Lenders and the Agent.

12.6 Acceleration of All Lender Obligations

(1) If a Lender is actually aware of a Termination Event under Lender Financial Instruments to which it is a party or if a Lender has delivered a Financial Instrument Demand for Payment to the Borrower or a Subsidiary, then it shall promptly notify the Agent and other Lenders thereof.

(2) If an Acceleration Notice has been delivered to the Borrower, then, to the extent that it is not already the case, all Obligations, all Bank Product Obligations and all Financial Instrument Obligations under Lender Financial Instruments shall be immediately due and payable and each Lender and the Agent shall (and shall be entitled to) promptly, and in any event within 3 Banking Days of receipt of notice of the foregoing, deliver such other Demands for Payment and notices as may be necessary to ensure that all Obligations, all Bank Product Obligations and all Financial Instrument Obligations under Lender Financial Instruments are thereafter due and payable under this Agreement, the documentation relating to Bank Products and the Lender Financial Instruments, as applicable.

(3) Each agreement, indenture, instrument or other document evidencing or relating to a Lender Financial Instrument shall, notwithstanding any provision thereof to the contrary, be

deemed to be hereby amended to allow and permit the Lender which is a party thereto to comply with the provisions of this Section 12.6.

12.7 Application and Sharing of Payments Following Acceleration

Except as otherwise agreed to by all of the Lenders in their sole discretion, all monies and property received by the Lenders for application in respect of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments subsequent to the Adjustment Time and all monies received as a result of a realization upon the Security (collectively, the “**Realization Proceeds**”) shall be applied and distributed to the Lenders and the Agent in the order and manner set forth below:

- (a) firstly, distributed proportionately to the Lenders and the Agent in accordance with amounts owing to each Lender and the Agent on account of the costs and expenses of enforcement and realization upon the Security; and
- (b) secondly, distributed Rateably (subject to any applicable adjustment required to take into account the opting out of any Security by any Lender in accordance with Section 11.1(2)) to the Lenders, the Bank Product Affiliates and the Hedging Affiliates on account of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments;

and the balance of the Realization Proceeds (if any) shall be paid to the Borrower or otherwise as may be required by law.

12.8 Calculations as at the Adjustment Time

For the purposes of this Agreement, if:

- (a) a Financial Instrument Demand for Repayment has been delivered; or
- (b) a Termination Event has occurred under any agreement evidencing a permitted Lender Financial Instrument;

then any amount which is payable by the Borrower or a Subsidiary under such Lender Financial Instrument in settlement of obligations arising thereunder as a result of the early termination of the Lender Financial Instrument shall be deemed to have become payable at the time of delivery of such Financial Instrument Demand for Repayment or the time of occurrence of such Termination Event, as the case may be, notwithstanding that the amount payable by the Borrower or a Subsidiary is to be subsequently calculated and notice thereof given to the Borrower or such Subsidiary in accordance with such Lender Financial Instrument.

12.9 Sharing Repayments

To the extent necessary to ensure that, and to give effect to the agreement that, the Obligations, the Bank Product Obligations (other than the Credit Card Obligations) and the Lender Financial Instrument Obligations are secured equally and rateably, each Lender agrees that, subsequent to the Adjustment Time, it will at any time and from time to time upon the request of

the Agent purchase undivided participations in the Obligations, the Bank Product Obligations (other than the Credit Card Obligations) and the Financial Instrument Obligations under Lender Financial Instruments and make any other adjustments which may be necessary or appropriate, in order that Obligations, the Bank Product Obligations (other than the Credit Card Obligations) and the Financial Instrument Obligations under Lender Financial Instruments which remain outstanding to each Lender and its Bank Product Affiliates and Hedging Affiliates are thereafter outstanding, as adjusted pursuant to this Section, in accordance with the provisions of Section 12.7. The Borrower agrees to do, or cause to be done (whether by the Borrower or its Subsidiaries), all things reasonably necessary or appropriate to give effect to any and all purchases and other adjustments by and between the Lenders pursuant to this Section.

12.10 Pro Rata Obligations

After all Obligations are declared by the Agent to be due and payable pursuant to Section 12.2, each Lender agrees that (a) it will at any time or from time to time thereafter at the request of the Agent as required by any Lender, purchase at par on a non-recourse basis a participation in the Outstanding Principal owing to each of the other Lenders and make any other adjustments as are necessary or appropriate, in order that the Outstanding Principal owing to each of the Lenders, as adjusted pursuant to this Section 12.10, will be in the same proportion as each Lender's individual aggregate Commitments were to the overall aggregate Commitments of all Lenders immediately prior to the Event of Default resulting in such declaration and (b) the amount of any repayment made by or on behalf of the Borrower and its Subsidiaries under the Documents or any proceeds received by the Agent or the Lenders in connection therewith will be applied by the Agent in a manner such that to the extent possible the amount of the Outstanding Principal owing to each Lender after giving effect to such application will be in the same proportion as each Lender's individual aggregate Commitments were to the overall aggregate Commitments of all Lenders immediately prior to the Event of Default resulting in such declaration.

ARTICLE 13 - CHANGE OF CIRCUMSTANCES

13.1 Inability to Determine Rates Representing SOFR Loans

Subject to Section 13.6, if, on or prior to the first day of any Interest Period for any SOFR Loan:

- (a) the Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term SOFR" cannot be determined pursuant to the definition thereof; or
- (b) a Majority of the Lenders determine that for any reason in connection with any request for a SOFR Loan or a Conversion thereto or a Rollover thereof that Adjusted Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such SOFR Loan, and a Majority of the Lenders have provided notice of such determination to the Agent,

then the Agent will promptly so notify the Borrower and each Lender. Upon notice thereof by the Agent to the Borrower, any obligation of the Lenders to provide a Drawdown of, Conversion to or Rollover of SOFR Loans shall be suspended (to the extent of the affected SOFR Loans and, in the case of a SOFR Loan, the affected Interest Periods) until the Agent, and, in respect of subparagraph (b) above, at the instruction of a Majority of the Lenders, revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a Drawdown of, Conversion to or Rollover of SOFR Loans (to the extent of the affected SOFR Loans or the affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or Conversion to a Loan bearing interest at the rate determined pursuant to subsection (ii) of the definition "Term SOFR" in the amount specified therein and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into a Loan bearing interest at the rate determined pursuant to subsection (ii) of the definition "Term SOFR" at the end of the applicable Interest Period.

13.2 Market Disruption Respecting Bankers' Acceptances

If:

- (a) the Agent or the Operating Lender, as applicable, (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for bankers' acceptances accepted by the Syndicated Facility Lenders or Operating Lender, respectively; or
- (b) the Agent is advised by Syndicated Facility Lenders holding at least 35% of the Syndicated Facility Commitments by written notice (each, a "**Lender BA Suspension Notice**") that such Lenders have determined (in their sole discretion, acting in good faith) or the Operating Lender has determined (in its sole discretion, acting in good faith) that the BA Discount Rate will not or does not accurately reflect the cost of funds of such Lender or Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lender or Lenders in the market;

then:

- (c) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Advances from any applicable Lender shall be suspended until the Agent or the Operating Lender, as applicable, determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the applicable Lenders;
- (d) any outstanding Drawdown Notice requesting a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a Drawdown Notice requesting a Loan by way of Canadian Prime Rate Loans in the amount specified in the original Drawdown Notice;
- (e) any outstanding Conversion Notice requesting a Conversion of a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a

Conversion Notice requesting a Conversion of such Loan into a Loan by way of Canadian Prime Rate Loans; and

- (f) any outstanding Rollover Notice requesting a Rollover of a Loan by way of Bankers' Acceptances or BA Equivalent Advances, shall be deemed to be a Conversion Notice requesting a Conversion of such Loans into a Loan by way of Canadian Prime Rate Loans.

The Agent or the Operating Lender, as applicable shall promptly notify the Borrower (and, in respect of the Syndicated Facility, the applicable Lenders) of any suspension of the Borrower's right to request the Bankers' Acceptances or BA Equivalent Advances and of any termination of any such suspension. A Lender BA Suspension Notice shall be effective upon receipt of the same by the Agent or the Operating Lender, as applicable, if received prior to 2:00 p.m. (Toronto time) on a Banking Day and if not, then on the next following Banking Day, except in connection with an outstanding Drawdown Notice, Conversion Notice or Rollover Notice, in which case the applicable Lender BA Suspension Notice shall only be effective with respect to such outstanding Drawdown Notice, Conversion Notice or Rollover Notice if received by the Agent or the Operating Lender, as applicable, prior to 2:00 p.m. (Toronto time) two Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date (as applicable) applicable to such outstanding Drawdown Notice, Conversion Notice or Rollover Notice, as applicable.

13.3 Change in Law

(1) If the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation or administration thereof or compliance by a Lender with any request or direction (whether or not having the force of law) of any such authority or entity in each case after the date hereof:

- (a) subjects such Lender to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Taxes (other than Taxes on such Lender's overall income or capital), or changes the basis of taxation of payments due to such Lender, or increases any existing Taxes (other than Taxes on such Lender's overall income or capital) on payments of principal, interest or other amounts payable by the Borrower to such Lender under this Agreement;
- (b) imposes, modifies or deems applicable any reserve, liquidity, special deposit, regulatory or similar requirement against assets or liabilities held by, or deposits in or for the account of, or loans by such Lender, or any acquisition of funds for loans or commitments to fund loans or obligations in respect of undrawn, committed lines of credit or in respect of Bankers' Acceptances accepted by such Lender;
- (c) imposes on such Lender or requires there to be maintained by such Lender any capital adequacy or additional capital requirements (including, without limitation, a requirement which affects such Lender's allocation of capital resources to its obligations) in respect of any Loan or obligation of such Lender hereunder, or any other condition with respect to this Agreement; or

- (d) directly or indirectly affects the cost to such Lender of making available, funding or maintaining any Loan or otherwise imposes on such Lender any other condition or requirement affecting this Agreement or any Loan or any obligation of such Lender hereunder;

and the result of (a), (b), (c) or (d) above, in the sole determination of such Lender acting in good faith, is:

- (e) to increase the cost to such Lender of performing its obligations hereunder with respect to any Loan;
- (f) to reduce any amount received or receivable by such Lender hereunder or its effective return hereunder or on its capital in respect of any Loan or either Credit Facility; or
- (g) to cause such Lender to make any payment with respect to or to forego any return on or calculated by reference to, any amount received or receivable by such Lender hereunder with respect to any Loan or either Credit Facility;

such Lender shall determine that amount of money which shall compensate the Lender for such increase in cost, payments to be made or reduction in income or return or interest foregone (herein referred to as “**Additional Compensation**”). Upon a Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower and, in the case of the Syndicated Facility, the Agent. The relevant Lender shall provide the Borrower and, in the case of the Syndicated Facility, the Agent with a photocopy of the relevant law, rule, guideline, regulation, treaty or official directive (or, if it is impracticable to provide a photocopy, a written summary of the same) and a certificate of a duly authorized officer of such Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The Borrower shall pay to such Lender within 10 Banking Days of the giving of such notice such Lender’s Additional Compensation. Each of the Lenders shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that any Lender has previously been paid any Additional Compensation.

(2) Notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all regulations, requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America, Canadian or other regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “change in law” for the purposes of this Section 13.3, regardless of the date enacted, adopted or issued, in each case to the extent materially different from that in effect of the date hereof.

(3) Each Lender agrees that it will not claim Additional Compensation from the Borrower under Section 13.3(1) if it is not generally claiming similar compensation from its other customers in similar circumstances or in respect of any period greater than 3 months prior to the

delivery of notice in respect thereof by such Lender, unless, in the latter case, the adoption, change or other event or circumstance giving rise to the claim for Additional Compensation is retroactive or is retroactive in effect.

13.4 Prepayment of Portion

In addition to the other rights and options of the Borrower hereunder and notwithstanding any contrary provisions hereof, if a Lender gives the notice provided for in Section 13.3 with respect to any Loan (an “**Affected Loan**”), the Borrower may, upon 2 Banking Days’ notice to that effect given to such Lender and, in the case of the Syndicated Facility, the Agent (which notice shall be irrevocable), prepay in full without penalty such Lender’s Rateable Portion of the Affected Loan outstanding together with accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment, such Additional Compensation as may be applicable to the date of such payment and all costs, losses and expenses incurred by such Lender by reason of the liquidation or re deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Affected Loan or any part thereof on other than the last day of the applicable Interest Period, and upon such payment being made that Lender’s obligations to make such Affected Loans to the Borrower under this Agreement shall terminate.

13.5 Illegality

If a Lender determines, in good faith, that (a) the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation or administration thereof or compliance by a Lender or its Lender Parent with any request or direction (whether or not having the force of law) of any such authority or entity, now or hereafter makes it unlawful or impossible for any Lender or for its Lender Parent to permit such Lender to make, fund or maintain a Loan under either Credit Facility or to give effect to its obligations in respect of such a Loan or (b) the making, funding, maintaining or continuance of any Loan is or becomes unlawful or impossible as a result of compliance by such Lender with any Sanctions Laws, such Lender may, by written notice thereof to the Borrower and the Agent declare its obligations under this Agreement in respect of such Loan to be terminated whereupon the same shall forthwith terminate, and the Borrower shall, within the time required by such law (or at the end of such longer period as such Lender at its discretion has agreed), either effect a Conversion of such Loan in accordance with the provisions hereof (if such Conversion would resolve the unlawfulness or impossibility) or prepay the principal of such Loan together with accrued interest, such Additional Compensation as may be applicable with respect to such Loan to the date of such payment and all costs, losses and expenses incurred by the Lenders by reason of the liquidation or re deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. If any such change shall only affect a portion of such Lender’s obligations under this Agreement which is, in the opinion of such Lender and the Agent, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Agent, the other Lenders or the Borrower hereunder, such Lender shall only declare its obligations under that portion so terminated.

13.6 Benchmark Replacement

Notwithstanding anything herein or in any other Document:

(1) If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (i) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Document and (ii) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Document in respect of any Benchmark setting at or after 5:00 p.m. (New York time) on the fifth (5th) Banking Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising Majority of the Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(2) In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Document.

(3) The Agent will promptly notify the Borrower and the Lenders of (a) the implementation of any Benchmark Replacement and (b) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will promptly notify the Borrower of (i) the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 13.6, and (ii) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 13.6, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Document, except, in each case, as expressly required pursuant to this Section 13.6.

(4) Notwithstanding anything to the contrary herein or in any other Document, at any time (including in connection with the implementation of a Benchmark Replacement), (a) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (i) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (ii) the administration of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any

tenor for such Benchmark is not or will not be representative, then the Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (b) if a tenor that was removed pursuant to clause (a) above either (i) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (ii) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(5) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Drawdown of, Conversion to or Rollover of SOFR Loans to be drawn down, converted or rolled over during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Drawdown of, or Conversion to U.S. Base Rate Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the U.S. Base Rate.

13.7 CDOR Replacement

Notwithstanding anything herein or in any other Document:

(1) On May 16, 2022 RBSL, the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all CDOR Available Tenors have either permanently or indefinitely ceased to be provided by RBSL (the “**CDOR Cessation Date**”), if the then-current BA Benchmark is CDOR, the BA Benchmark Replacement will replace such BA Benchmark for all purposes hereunder and under any Document in respect of any setting of such BA Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Document. If the BA Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a quarterly basis.

(2) Upon the occurrence of a BA Benchmark Transition Event, the BA Benchmark Replacement will replace the then-current BA Benchmark for all purposes hereunder and under any Document in respect of any BA Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Banking Day after the date notice of such BA Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Document so long as the Agent has not received, by such time, written notice of objection to such BA Benchmark Replacement from Lenders comprising the Majority of the Lenders. At any time that the administrator of the then-current BA Benchmark has permanently or indefinitely ceased to provide such BA Benchmark or such BA Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such BA Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such BA Benchmark is intended

to measure and that representativeness will not be restored, the Borrower may revoke any request for a Drawdown of, Conversion to or Rollover of Loans to be made, converted or rolled over that would bear interest by reference to such BA Benchmark until the Borrower's receipt of notice from the Agent that a BA Benchmark Replacement has replaced such BA Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or Conversion to Canadian Prime Rate Loans. During the period referenced in the foregoing sentence, the component of Canadian Prime Rate based upon the BA Benchmark will not be used in any determination of the Canadian Prime Rate.

(3) In connection with the implementation and administration of a BA Benchmark Replacement, the Agent will have the right to make BA Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such BA Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(4) The Agent will promptly notify the Borrower and the Lenders of (a) the implementation of any BA Benchmark Replacement, (b) any occurrence of a Term CORRA Transition Event and (c) the effectiveness of any BA Benchmark Replacement Conforming Changes, by delivering a BA Cessation Notice pursuant to this Section 13.7(4), its intention to terminate the obligation of the Lenders to make or maintain Bankers' Acceptances. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

(5) At any time (including in connection with the implementation of a BA Benchmark Replacement), if the then-current BA Benchmark is a term rate (including Term CORRA or CDOR), then (a) the Agent may remove any tenor of such BA Benchmark that is unavailable or non-representative for BA Benchmark (including BA Benchmark Replacement) settings and (b) the Agent may reinstate any such previously removed tenor for BA Benchmark (including BA Benchmark Replacement) settings.

(6) Notwithstanding anything to the contrary herein or in any Document and subject to the proviso below in this Section 13.7(6), if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (a) the BA Benchmark Replacement described in subsection (a)(i) of such definition will replace the then-current BA Benchmark for all purposes hereunder or under any Document in respect of any setting of such BA Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Document and (b) each Bankers' Acceptance outstanding on the Term CORRA Transition Date shall convert, at the start of the next Interest Period, into a Loan bearing interest at the Benchmark Replacement described in clause (a)(i) of such definition having a tenor approximately the same length as the Interest Period applicable to such Loan immediately prior to the Conversion or such other BA Available Tenor as may be selected by the Borrower and agreed by the Agent; provided that, this

Section 13.7(6) shall not be effective unless the Agent has delivered to the Borrower a Term CORRA Notice, and so long as the Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Banking Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA from the Borrower.

(7) The Agent shall have the option to, effective as of the date set out in the BA Cessation Notice, which shall be a date on or after the CDOR Cessation Date (the “**BA Cessation Effective Date**”), terminate the obligation of the Lenders to make or maintain Bankers’ Acceptances, provided that the Agent shall give notice to the Borrower and the Lenders at least thirty (30) Banking Days prior to the BA Cessation Effective Date (“**BA Cessation Notice**”). If the BA Cessation Notice is provided, then as of the BA Cessation Effective Date (a) any Conversion Notice or Rollover Notice that requests the Conversion of any Loan to, or Rollover of any Loans as, a Bankers’ Acceptance shall be ineffective, and (b) if any Drawdown Notice requests a Bankers’ Acceptance such Loan shall be made as a CORRA Loan of the same tenor. For the avoidance of doubt, any outstanding Bankers’ Acceptance shall remain in effect following the CDOR Cessation Date until such Bankers’ Acceptance’s stated maturity.

ARTICLE 14 - COSTS, EXPENSES AND INDEMNIFICATION

14.1 Costs and Expenses

The Borrower shall pay promptly upon notice from the Agent all reasonable out-of-pocket costs and expenses of the Lenders and the Agent, including travel expenses of HSBC Bank Canada, in connection with the Documents and the establishment and syndication of the applicable Credit Facilities, including in connection with preparation, printing, execution and delivery of this Agreement and the other Documents whether or not any Drawdown has been made hereunder, and also including, without limitation, the reasonable fees and out-of-pocket costs and expenses of Lenders’ Counsel with respect thereto and with respect to advising the Agent and the Lenders as to their rights and responsibilities under this Agreement and the other Documents. Except for ordinary expenses of the Lenders and the Agent relating to the day to day administration of this Agreement, the Borrower further agrees to pay within 30 days of demand by the Agent all reasonable out-of-pocket costs and expenses in connection with the preparation or review of waivers, consents and amendments pertaining to this Agreement, and in connection with the establishment of the validity and enforceability of this Agreement and the preservation or enforcement of rights of the Lenders and the Agent under this Agreement and other Documents, including, without limitation, all reasonable out-of-pocket costs and expenses sustained by the Lenders and the Agent as a result of any failure by the Borrower to perform or observe any of its obligations hereunder or in connection with any action, suit or proceeding (whether or not an Indemnified Party is a party or subject thereto), together with interest thereon from and after such 30th day if such payment is not made by such time.

14.2 General Indemnity

In addition to any liability of the Borrower to any Lender or the Agent under any other provision hereof, the Borrower shall indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including, without limitation, any expense or cost incurred in the liquidation and re deployment of funds

acquired to fund or maintain any portion of a Loan and reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the same as a result of or in connection with the Credit Facilities or the Documents, including, without limitation, as a result of or in connection with:

- (a) any cost or expense incurred by reason of the liquidation or re deployment in whole or in part of deposits or other funds required by any Lender to fund any Bankers' Acceptance or to fund or maintain any Loan as a result of the Borrower's failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;
- (b) subject to permitted or deemed Rollovers and Conversions, the Borrower's failure to provide for the payment to the Agent for the account of the Lenders or the Operating Lender, as applicable, of the full principal amount of each Bankers' Acceptance on its maturity date;
- (c) the Borrower's failure to pay any other amount, including without limitation any interest or fee, due hereunder on its due date after the expiration of any applicable grace or notice periods (subject, however, to the interest obligations of the Borrower hereunder for overdue amounts);
- (d) the Borrower's repayment or prepayment of a SOFR Loan otherwise than on the last day of its Interest Period;
- (e) the prepayment of any outstanding Bankers' Acceptance before the maturity date of such Bankers' Acceptance;
- (f) the Borrower's failure to give any notice required to be given by it to the Agent, the Operating Lender or the Lenders hereunder;
- (g) the failure of the Borrower to make any other payment due hereunder;
- (h) any inaccuracy or incompleteness of the Borrower's representations and warranties contained in Article 9;
- (i) any failure of the Borrower to observe or fulfil its obligations under Article 10;
- (j) any failure of the Borrower to observe or fulfil any other Obligation not specifically referred to above including, without limitation, its obligations under Section 5.4(3)(b) hereof;
- (k) any failure of the Borrower to observe or fulfil any other Obligation not specifically referred to above; or
- (l) the occurrence of any Default or Event of Default in respect of the Borrower,

provided that this Section shall not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section shall survive repayment of the Obligations.

14.3 Environmental Indemnity

The Borrower shall indemnify and hold harmless the Indemnified Parties forthwith on demand by the Agent from and against any and all claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including without limitation, all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by the Indemnified Parties or any of them in connection with either Credit Facility, whether as beneficiaries under the Documents, as successors in interest of the Borrower or any of its Subsidiaries, or voluntary transfer in lieu of foreclosure, or otherwise howsoever, with respect to any Environmental Claims relating to the property of the Borrower or any of its Subsidiaries arising under any Environmental Laws as a result of the past, present or future operations of the Borrower or any of its Subsidiaries (or any predecessor in interest to the Borrower or its Subsidiaries) relating to the property of the Borrower or its Subsidiaries, or the past, present or future condition of any part of the property of the Borrower or its Subsidiaries owned, operated or leased by the Borrower or its Subsidiaries (or any such predecessor in interest), including any liabilities arising as a result of any indemnity covering Environmental Claims given to any person by the Lenders or the Agent or a receiver, receiver manager or similar person appointed hereunder or under applicable law (collectively, the “**Indemnified Third Party**”); but excluding any Environmental Claims or liabilities relating thereto to the extent that such Environmental Claims or liabilities arise by reason of the gross negligence or wilful misconduct of the Indemnified Party or the Indemnified Third Party claiming indemnity hereunder. The provisions of this Section shall survive the repayment of the Obligations.

14.4 Judgment Currency

(1) If for the purpose of obtaining or enforcing judgment against the Borrower in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section referred to as the “**Judgment Currency**”) an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date; or
- (b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section being hereinafter in this Section referred to as the “**Judgment Conversion Date**”).

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 14.4(1)(b), there is a change in the rate of exchange prevailing between the Judgment

Conversion Date and the date of actual payment of the amount due, the Borrower shall pay such additional amount (if any) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from the Borrower under the provisions of Section 14.4(2) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(4) The term “rate of exchange” in this Section 14.4 means the rate of exchange for Canadian interbank transactions in Canadian Dollars or United States Dollars, as the case may be, in the Judgment Currency published by the Bank of Canada at approximately the end of business (Toronto time) on the Banking Day immediately preceding the day in question, or if such rate is not so published by the Bank of Canada, such term shall mean the Equivalent Amount of the Judgment Currency.

ARTICLE 15 - THE AGENT AND ADMINISTRATION OF THE CREDIT FACILITIES

15.1 Authorization and Action

(1) Each Lender hereby irrevocably appoints and authorizes the Agent to be its agent in its name and on its behalf to exercise such rights or powers granted to the Agent or the Lenders under this Agreement to the extent specifically provided herein and on the terms hereof, together with such powers as are reasonably incidental thereto and the Agent hereby accepts such appointment and authorization. As to any matters not expressly provided for by this Agreement, the Agent shall not be required to exercise any discretion or take any action, but, subject to Section 16.10, shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority of the Lenders and such instructions shall be binding upon all Lenders; provided, however, that the Agent shall not be required to take any action which exposes the Agent to liability in such capacity or which could result in the Agent’s incurring any costs and expenses, without provision being made for indemnity of the Agent by the Lenders against any loss, liability, cost or expense incurred, or to be incurred or which is contrary to this Agreement or applicable law.

(2) The Lenders agree that all decisions as to actions to be or not to be taken, as to consents or waivers to be given or not to be given, as to determinations to be made and otherwise in connection with this Agreement and the Documents, shall be made upon the decision of the Majority of the Lenders except in respect of a decision or determination where it is specifically provided in this Agreement that “all of the Lenders” or “the Lenders” or words to similar effect, or the Agent alone, is to be responsible for same. Each of the Lenders shall be bound by and agrees to abide by and adopt all decisions made as aforesaid and covenants in all communications with the Borrower to act in concert and to join in the action, consent, waiver, determination or other matter decided as aforesaid.

(3) For certainty, the Agent is authorized to execute and deliver the Security, the 2020 1.5 Lien Intercreditor Agreement, the 2020 Second Lien Intercreditor Agreement and any joinders thereto.

15.2 Procedure for Making Loans

(1) With respect to the Syndicated Facility, the Agent shall make Loans available to the Borrower as required hereunder by debiting the account of the Agent to which the Lenders' Rateable Portions of such Loans have been credited in accordance with Section 2.11 (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent and the Borrower in writing, by crediting the account of the Borrower or, at the expense of the Borrower, transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Drawdown Notice, Rollover Notice or Conversion Notice, as the case may be, in respect of each Loan; provided that the obligation of the Agent hereunder to effect such a transfer shall be limited to taking such steps as are commercially reasonable to implement such instructions, which steps once taken shall constitute conclusive and binding evidence that such funds were advanced hereunder in accordance with the provisions relating thereto and the Agent shall not be liable for any damages, claims or costs which may be suffered by the Borrower and occasioned by the failure of such Loan to reach the designated destination.

(2) With respect to the Syndicated Facility, unless the Agent has been notified by a Lender at least one Banking Day prior to the Drawdown Date, Rollover Date or Conversion Date, as the case may be, requested by the Borrower that such Lender will not make available to the Agent its Rateable Portion of such Loan, the Agent may assume that such Lender has made or will make such portion of the Loan available to the Agent on the Drawdown Date, Rollover Date or Conversion Date, as the case may be, in accordance with the provisions hereof and the Agent may, but shall be in no way obligated to, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent such Lender shall not have so made its Rateable Portion of a Loan available to the Agent, such Lender agrees to pay to the Agent forthwith on demand such Lender's Rateable Portion of the Loan and all reasonable costs and expenses incurred by the Agent in connection therewith together with interest thereon (at the rate payable hereunder by the Borrower in respect of such Loan or, in the case of funds made available in anticipation of a Lender remitting proceeds of a Bankers' Acceptance, at the rate of interest per annum applicable to Canadian Prime Rate Loans) for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Agent; provided, however, that notwithstanding such obligation if such Lender fails to so pay, the Borrower covenants and agrees that, without prejudice to any rights the Borrower may have against such Lender, it shall repay such amount to the Agent forthwith after demand therefor by the Agent. The amount payable to the Agent pursuant hereto shall be set forth in a certificate delivered by the Agent to such Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall be *prima facie* evidence thereof, in the absence of manifest error. If such Lender makes the payment to the Agent required herein, the amount so paid shall constitute such Lender's Rateable Portion of the Loan for purposes of this Agreement. The failure of any Lender to make its Rateable Portion of any Loan shall not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of such Loan on the Drawdown Date, Rollover Date or Conversion Date, as the case may be, but no Lender shall be responsible for the failure of any other

Lender to make the Rateable Portion of any Loan to be made by such other Lender on the date of any Drawdown, Rollover or Conversion, as the case may be.

15.3 Remittance of Payments

Except for amounts payable to the Agent for its own account, forthwith after receipt of any repayment pursuant hereto or payment of interest or fees pursuant to Article 5 or payment pursuant to Article 8, the Agent shall remit to each applicable Lender its Rateable Portion of such payment; provided that, if the Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits to a Lender its Rateable Portion of such payment and the Borrower fails to make such payment, each of the Lenders on receipt of such remittance from the Agent agrees to repay to the Agent forthwith on demand an amount equal to the remittance together with all reasonable costs and expenses incurred by the Agent in connection therewith and interest thereon at the rate and calculated in the manner applicable to the Loan in respect of which such payment is made, or, in the case of a remittance in respect of Bankers' Acceptances, at the rate of interest applicable to Canadian Prime Rate Loans for each day from the date such amount is remitted to the Lenders without prejudice to any right such Lender may have against the Borrower. The exact amount of the repayment required to be made by the Lenders pursuant hereto shall be as set forth in a certificate delivered by the Agent to each Lender, which certificate shall be conclusive and binding for all purposes in the absence of manifest error.

15.4 Redistribution of Payment

To the extent permitted by applicable law, each Lender agrees that:

- (a) if the Lender exercises any security against or right of counter claim, set off or banker's lien or similar right with respect to the property of the Borrower or any Subsidiary or if under any applicable bankruptcy, insolvency or other similar law it receives a secured claim and collateral for which it is, or is entitled to exercise any set off against, a debt owed by it to the Borrower or any Subsidiary, the Lender shall apportion the amount thereof proportionately between:
 - (i) such Lender's Rateable Portion of all outstanding Obligations owing by the Borrower (including the face amounts at maturity of Bankers' Acceptances accepted by the Lenders), which amounts shall be applied in accordance with Section 15.4(b); and
 - (ii) amounts otherwise owed to such Lender by the Borrower and its Subsidiaries,

provided that (i) any cash collateral account held by such Lender as collateral for a letter of credit or bankers' acceptance issued or accepted by such Lender on behalf of the Borrower or a Subsidiary which is Permitted Debt may be applied by such Lender to such amounts owed by the Borrower or a Subsidiary, as the case may be, to such Lender pursuant to such letter of credit or in respect of any such bankers' acceptance without apportionment and (ii) these provisions do not apply to:

- (A) a right or claim which arises or exists in respect of a loan or other debt in respect of which the relevant Lender holds a Security Interest which is a Permitted Encumbrance;
 - (B) cash collateral provided, or the exercise of rights of counterclaim, set-off or banker's lien or similar rights, in respect of account positioning arrangements for the Borrower and its Subsidiaries provided by a Lender in the ordinary course of business or in respect of other Bank Products provided by a Lender in the ordinary course of business;
 - (C) any reduction in amounts owing by a Lender (or its Hedging Affiliates) to the Borrower or a Subsidiary upon the termination of Lender Financial Instruments entered into with the relevant Lender (or its Hedging Affiliates); or
 - (D) any payment to which a Lender is entitled as a result of any credit derivative or other form of credit protection obtained by such Lender;
- (b) if, in the aforementioned circumstances, the Lender, through the exercise of a right, or the receipt of a secured claim described in Section 15.4(a) above or otherwise, receives payment of a proportion of the aggregate amount of Obligations due to it hereunder which is greater than the proportion received by any other Lender in respect of the aggregate Obligations due to the Lenders (having regard to the respective Rateable Portions of the Lenders), the Lender receiving such proportionately greater payment shall purchase, on a non-recourse basis at par, and make payment for a participation (which shall be deemed to have been done simultaneously with receipt of such payment) in the outstanding Loans of the other Lender or Lenders so that their respective receipts shall be pro rata to their respective Rateable Portions; provided, however, that if all or part of such proportionately greater payment received by such purchasing Lender shall be recovered by or on behalf of the Borrower or any trustee, liquidator, receiver or receiver manager or person with analogous powers from the purchasing Lender, such purchase shall be rescinded and the purchase price paid for such participation shall be returned to the extent of such recovery, but without interest unless the purchasing Lender is required to pay interest on such amount, in which case each selling Lender shall reimburse the purchasing Lender pro rata in relation to the amounts received by it. Such Lender shall exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claims; and
- (c) if the Lender does, or is required to do, any act or thing permitted by Section 15.4(a) or (b) above, it shall promptly provide full particulars thereof to the Agent.

15.5 Duties and Obligations

Neither the Agent nor any of its directors, officers, agents or employees (and, for purposes hereof, the Agent shall be deemed to be contracting as agent and trustee for and on behalf of such persons) shall be liable to the Lenders for any action taken or omitted to be taken by it or them under or in connection with this Agreement except for its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Agent:

- (a) may assume that there has been no assignment or transfer by any means by the Lenders of their rights hereunder, unless and until the Agent receives written notice of the assignment thereof from such Lender and the Agent receives from the assignee an executed Assignment Agreement providing, *inter alia*, that such assignee is bound hereby as it would have been if it had been an original Lender party hereto;
- (b) may consult with legal counsel (including receiving the opinions of Borrower's counsel and Lenders' Counsel required hereunder), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;
- (c) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable, telecopier or telex) believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of the Borrower made or deemed to be made hereunder;
- (d) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary;
- (e) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any person upon a certificate signed by or on behalf of such person;
- (f) shall not be bound to disclose to any other person any information relating to the Borrower, any of its Subsidiaries or any other person if such disclosure would or might in its opinion constitute a breach of any applicable law, be in default of the provisions hereof or be otherwise actionable at the suit of any other person; and
- (g) may refrain from exercising any right, power or discretion vested in it which would or might in its reasonable opinion be contrary to any applicable law or any directive or otherwise render it liable to any person, and may do anything which is in its reasonable opinion necessary to comply with such applicable law.

Further, the Agent (i) does not make any warranty or representation to any Lender nor shall it be responsible to any Lender for the accuracy or completeness of the representations and warranties of the Borrower herein or the data made available to any of the Lenders in connection with the negotiation of this Agreement, or for any statements, warranties or

representations (whether written or oral) made in or in connection with this Agreement; (ii) shall not have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries; and (iii) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any instrument or document furnished pursuant hereto.

15.6 Prompt Notice to the Lenders

Notwithstanding any other provision herein, the Agent agrees to provide to the Lenders, with copies where appropriate, all information, notices and reports required to be given to the Agent by the Borrower, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of Agent hereunder.

15.7 Agent's and Lenders' Authorities

With respect to its Commitments and the Drawdowns, Rollovers, Conversions and Loans made by it as a Lender, the Agent shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent. Subject to the express provisions hereof relating to the rights and obligations of the Agent and the Lenders in such capacities, the Agent and each Lender may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower and its Subsidiaries or any corporation or other entity owned or controlled by any of them and any person which may do business with any of them without any duties to account therefor to the Agent or the other Lenders and, in the case of the Agent, all as if it was not the Agent hereunder.

15.8 Lender Credit Decision

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrower and its Subsidiaries. Each Lender represents to the Agent that it is engaged in the business of making and evaluating the risks associated with commercial revolving loans or term loans, or both, to corporations similar to the Borrower, that it can bear the economic risks related to the transaction contemplated hereby, that it has had access to all information deemed necessary by it in making such decision (provided that this representation shall not impair its rights against the Borrower) and that it is entering into this Agreement in the ordinary course of its commercial lending business. Accordingly, each Lender confirms with the Agent that it has not relied, and will not hereafter rely, on the Agent (i) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower or any other person under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Lender by the Agent), or (ii) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrower or any of its Subsidiaries. Each Lender acknowledges that a copy of this Agreement has been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of this Agreement. Each Lender hereby covenants and agrees that, subject to

Section 15.4, it will not make any arrangements with the Borrower for the satisfaction of any Loans or other Obligations without the consent of all the other Lenders.

15.9 Indemnification of Agent

The Lenders hereby agree to indemnify the Agent (to the extent not reimbursed by the Borrower), on a *pro rata* basis in accordance with their respective Commitments as a proportion of the aggregate of all outstanding Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under or in respect of this Agreement in its capacity as Agent; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct. If the Borrower subsequently repays all or a portion of such amounts to the Agent, the Agent shall reimburse the Lenders their *pro rata* shares (according to the amounts paid by them in respect thereof) of the amounts received from the Borrower. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its portion (determined as above) of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower.

15.10 Successor Agent

The Agent may, as hereinafter provided, resign at any time by giving 45 days' prior written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Lenders shall, after soliciting the views of the Borrower, have the right to appoint another Lender as a successor agent (the "**Successor Agent**") who shall be acceptable to the Borrower, acting reasonably. If no Successor Agent shall have been so appointed by the Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent shall, on behalf of the Lenders, appoint a Successor Agent who shall be a Lender acceptable to the Borrower, acting reasonably. Upon the acceptance of any appointment as Agent hereunder by a Successor Agent, such Successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall thereupon be discharged from its further duties and obligations as Agent under this Agreement. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall continue to enure to its benefit as to any actions taken or omitted to be taken by it as Agent or in its capacity as Agent while it was Agent hereunder.

15.11 Taking and Enforcement of Remedies

Each of the Lenders hereby acknowledges that, to the extent permitted by applicable law, the remedies provided hereunder to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder are to be exercised not severally, but collectively by the Agent upon the decision of the Majority of the Lenders regardless of whether acceleration was made pursuant to Section 12.2. Notwithstanding

any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it shall not be entitled to individually take any action with respect to either Credit Facility, including, without limitation, any acceleration under Section 12.2, but that any such action shall be taken only by the Agent with the prior written agreement or instructions of the Majority of the Lenders; provided that, notwithstanding the foregoing, if (a) the Agent, having been adequately indemnified against costs and expenses of so doing by the Lenders, shall fail to carry out any such instructions of a Majority of the Lenders, any Lender may do so on behalf of all Lenders and shall, in so doing, be entitled to the benefit of all protections given the Agent hereunder or elsewhere, and (b) in the absence of instructions from the Majority of the Lenders and where in the sole opinion of the Agent the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders or any of them take such action on behalf of the Lenders as it deems appropriate or desirable in the interests of the Lenders. Each of the Lenders hereby further covenants and agrees that upon any such written consent being given by the Majority of the Lenders, or upon a Lender or the Agent taking action as aforesaid, it shall cooperate fully with the Lender or the Agent to the extent requested by the Lender or the Agent in the collective realization including, without limitation, and, if applicable, the appointment of a receiver, or receiver and manager to act for their collective benefit. Each Lender covenants and agrees to do all acts and things and to make, execute and deliver all agreements and other instruments, including, without limitation, any instruments necessary to effect any registrations, so as to fully carry out the intent and purpose of this Section; and each of the Lenders hereby covenants and agrees that, subject to Section 5.7, Section 15.4 and Section 10.2(b) it has not heretofore and shall not seek, take, accept or receive any security for any of the obligations and liabilities of the Borrower hereunder or under any other document, instrument, writing or agreement ancillary hereto and shall not enter into any agreement with any of the parties hereto or thereto relating in any manner whatsoever to the Credit Facilities, unless all of the Lenders shall at the same time obtain the benefit of any such security or agreement.

With respect to any enforcement, realization or the taking of any rights or remedies to enforce the rights of the Lenders hereunder, the Agent shall be a trustee for each Lender, and all monies received from time to time by the Agent in respect of the foregoing shall be held in trust and shall be trust assets within the meaning of applicable bankruptcy or insolvency legislation and shall be considered for the purposes of such legislation to be held separate and apart from the other assets of the Agent, and each Lender shall be entitled to their Rateable Portion of such monies. In its capacity as trustee, the Agent shall be obliged to exercise only the degree of care it would exercise in the conduct and management of its own business and in accordance with its usual practice concurrently employed or hereafter instituted for other substantial commercial loans.

15.12 Reliance Upon Agent

The Borrower shall be entitled to rely upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent pursuant to this Agreement, and the Borrower shall generally be entitled to deal with the Agent with respect to matters under this Agreement which the Agent is authorized to deal with without any obligation whatsoever to satisfy itself as to the authority of the Agent to act on behalf of the Lenders and without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent, notwithstanding any lack of authority of the Agent to provide the same.

15.13 No Liability of Agent

The Agent shall have no responsibility or liability to the Borrower on account of the failure of any Lender to perform its obligations hereunder (unless such failure was caused, in whole or in part, by the Agent's failure to observe or perform its obligations hereunder), or to any Lender on account of the failure of the Borrower or any Lender to perform its obligations hereunder.

15.14 The Agent and Defaulting Lenders

(1) Each Defaulting Lender shall be required to provide to the Agent cash in an amount, as shall be determined from time to time by the Agent in its discretion, equal to all obligations of such Defaulting Lender to the Agent that are owing or, in the case of contingent obligations under any outstanding Fronted LCs (after giving effect to the reallocation provisions in Section 16.2), may become owing to the Agent or the Fronting Lender, as applicable, pursuant to this Agreement, including such Defaulting Lender's obligation to pay its Rateable Portion of any indemnification or expense reimbursement amounts not paid by the Borrower. Such cash shall be held by the Agent in one or more cash collateral accounts, which accounts shall be in the name of the Agent and shall not be required to be interest bearing. The Agent shall be entitled to apply the foregoing cash in accordance with Section 15.9.

(2) In addition to the indemnity and reimbursement obligations noted in Section 15.9, the Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligations of the Borrower hereunder) rateably according to their respective Rateable Portions (and in calculating the Rateable Portion of a Lender, ignoring the Commitments of Defaulting Lenders) any amount that a Defaulting Lender fails to pay the Agent and which is due and owing to the Agent pursuant to Section 15.9. Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender and which would otherwise be payable by the Defaulting Lender.

(3) The Agent shall be entitled to set off any Defaulting Lender's Rateable Portion of all payments received from the Borrower against such Defaulting Lender's obligations to fund payments and Loans required to be made by it and to purchase participations required to be purchased by it in each case under this Agreement and the other Documents. The Agent shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Agent all amounts (whether principal, interest, fees or otherwise) received by the Agent and due to a Defaulting Lender pursuant to this Agreement, which amounts shall be used by the Agent:

- (a) first, to reimburse the Agent for any amounts owing to it by the Defaulting Lender pursuant to any Document;
- (b) second, to repay on a pro rata basis any (i) Loans made by a Lender pursuant to Section 14.2(a) in order to fund a shortfall created by a Defaulting Lender which repayment shall be in the form of an assignment by each such Lender of such Loan to the Defaulting Lender against receipt of such repayment, and (ii) any payments made by a Lender pursuant to Section 15.14(2) in order to fund a shortfall created by a Defaulting Lender;

- (c) third, to cash collateralize all other obligations of such Defaulting Lender to the Agent or the Fronting Lender owing pursuant to this Agreement in such amount as shall be determined from time to time by the Agent in its discretion, including such Defaulting Lender's obligation to pay its Rateable Portion of any indemnification or expense reimbursement amounts not paid by the Borrower; and
- (d) fourth, to fund from time to time the Defaulting Lender's Rateable Portion of Loans.

(4) For greater certainty and in addition to the foregoing, neither the Agent nor any of its Affiliates nor any of their respective shareholders, officers, directors, employees, agents or representatives shall be liable to any Lender (including, without limitation, a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Defaulting Lender and received and deposited by the Agent in a cash collateral account and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Agent as determined by a final non-appealable judgement of a court of competent jurisdiction.

15.15 Article for Benefit of Agent and Lenders

The provisions of this Article 15 which relate to the rights and obligations of the Lenders to each other or to the rights and obligations between the Agent and the Lenders shall be for the exclusive benefit of the Agent and the Lenders, and, except to the extent provided in Sections 15.1, 15.2, 15.6, 15.10, 15.11, 15.12, 15.13, 15.14 and this Section 15.15, the Borrower shall not have any rights or obligations thereunder or be entitled to rely for any purpose upon such provisions. Any Lender may waive in writing any right or rights which it may have against the Agent or the other Lenders hereunder without the consent of or notice to the Borrower.

15.16 Erroneous Payments

(1) If the Agent notifies a Lender or any person who has received funds on behalf of a Lender (any such Lender or other recipient, a "**Payment Recipient**") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under Section 15.16(2)) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Banking Days thereafter, return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of (x) in respect of an Erroneous Payment in United States Dollars, the Federal Funds Rate and, and in respect of an Erroneous Payment in Canadian Dollars, at a fluctuating rate per

annum equal to the overnight rate at which Canadian Dollars may be borrowed by the Agent in the interbank market in an amount comparable to such Erroneous Payment (as determined by the Agent) and (y) a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this Section 15.16(1) shall be conclusive, absent manifest error.

(2) Without limiting Section 15.16(1), each Lender or any person who has received funds on behalf of a Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (a) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (b) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) or (c) that such Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding subparagraphs (a) or (b), an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately subparagraph (c)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Banking Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 15.16(2)(ii).

(3) Each Lender hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Document, or otherwise payable or distributable by the Agent to such Lender from any source, against any amount due to the Agent under Section 15.16(1) or under the indemnification provisions of this Agreement.

(4) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance Section 15.16(1), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Agent's notice to such Lender at any time, (a) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Loans (but not Commitments), the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment Agreement as to which the Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, (b) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (c) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall

survive as to such assigning Lender and (d) the Agent may reflect in the register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(5) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from (a) the Borrower or any other Loan Party or (b) the proceeds of realization from the enforcement of one or more of the Documents against or in respect of one or more of the Loan Parties, in each case, for the purpose of making such Erroneous Payment.

(6) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(7) Each party's obligations, agreements and waivers under this Section 15.16 shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Document.

(8) For purposes of this Section 15.16, each Lender:

(a) agrees it is executing and delivering this Agreement with respect to this Section 15.16 both on its own behalf and as agent for and on behalf of its Affiliates referred to in this Section 15.16 and any person receiving funds under or pursuant to any of the Documents on behalf of such Lender or any of such Affiliates;

(b) represents, warrants, covenants and agrees that its Affiliates referred to in this Section 15.16 and any person receiving funds under or pursuant to any of the Documents on behalf of such Lender or any of such Affiliates are bound by the provisions of this Section 15.16; and

(c) agrees that any matter or thing done or omitted to be done by such Lender, its Affiliates or any person receiving funds under or pursuant to any of the Documents on behalf of such Lender or any of such Affiliates which are the subject of this Section 15.16 will be binding upon such Lender and each Lender does hereby indemnify and save the Agent and its Affiliates

harmless from any and all losses, expenses, claims, demands or other liabilities of the Agent and its Affiliates resulting from the failure of such Lender, its Affiliates or such persons to comply with their obligations under and in respect of this Section 15.16, in each case, in accordance with and subject to the limitations in Section 15.8.

ARTICLE 16 - GENERAL

16.1 Exchange and Confidentiality of Information

(1) The Borrower agrees that the Agent and each Lender may provide any assignee or participant or any bona fide prospective assignee or participant pursuant to Sections 16.6 or 16.7 with any information concerning the Borrower and its Subsidiaries provided such party agrees in writing with the Agent or such Lender for the benefit of the Borrower to be bound by a like duty of confidentiality to that contained in this Section.

(2) Each of the Agent and the Lenders acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to them by the Borrower pursuant hereto (the “**Information**”) and agrees to use all reasonable efforts to prevent the disclosure thereof provided, however, that:

- (a) the Agent and the Lenders may disclose all or any part of the Information if, in their reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceedings including, without limitation, proceedings initiated under or in respect of this Agreement;
- (b) the Agent and the Lenders shall incur no liability in respect of any Information required to be disclosed by any applicable law or regulation, or by applicable order, policy or directive having the force of law, to the extent of such requirement;
- (c) the Agent and the Lenders may provide Lenders’ Counsel and their other agents and professional advisors with any Information; provided that such persons shall be under a like duty of confidentiality to that contained in this Section;
- (d) the Agent and each of the Lenders shall incur no liability in respect of any Information: (i) which is or becomes readily available to the public (other than by a breach hereof) or which has been made readily available to the public by the Borrower or its Subsidiaries, (ii) which the Agent or the relevant Lender can show was, prior to receipt thereof from the Borrower, lawfully in the Agent’s or Lender’s possession and not then subject to any obligation on its part to the Borrower to maintain confidentiality, or (iii) which the Agent or the relevant Lender received from a third party who was not, to the knowledge of the Agent or such Lender, under a duty of confidentiality to the Borrower at the time the information was so received;
- (e) the Agent and the Lenders may disclose the Information to (i) any of their respective Affiliates and (ii) other financial institutions in connection with the syndication by the Agent or Lenders of the Credit Facilities or the granting by a Lender of a participation in the Credit Facilities, in each case, where such Affiliate

or financial institution agrees to be under a like duty of confidentiality to that contained in this Section; and

- (f) the Agent and the Lenders may disclose all or any part of the Information so as to enable the Agent and the Lenders to initiate any lawsuit against the Borrower or to defend any lawsuit commenced by the Borrower the issues of which touch on the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit.

Notwithstanding the foregoing, Export Development Canada (“EDC”) shall not be prohibited from, or required to inform any party hereto of, disclosures made by it (i) to the Minister for International Trade, the Treasury Board, the Auditor General of Canada or pursuant to any of Canada’s or EDC’s international commitments, or (ii) under EDC’s Disclosure Policy.

16.2 Nature of Obligation under this Agreement; Defaulting Lenders

(1) The obligations of each Lender and of the Agent under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Agent or the Borrower of any of their respective obligations hereunder.

(2) Without derogating from the operation of Section 15.14 and this Section 16.2, neither the Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

(3) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

- (a) the standby fees payable pursuant to Section 5.6 shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender;
- (b) a Defaulting Lender shall not be included in determining whether, and the Commitment and the Rateable Portion of the Outstanding Principal of such Defaulting Lender shall not be included in determining whether, all Lenders or the Majority of the Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 16.10), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that materially and adversely affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender; and
- (c) for the avoidance of doubt, the Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender.

(4) If the Agent has actual knowledge that a Lender is a Defaulting Lender at the time that the Agent receives a Drawdown Notice or a Rollover Notice that relates to a Fronted LC, then each other Lender under the Syndicated Facility (each a “**Non-Defaulting Lender**”) shall fund its Rateable Portion of such affected Loan (and, in calculating such Rateable Portion, the Agent shall

ignore the Commitment of each such Defaulting Lender); provided that, for certainty, no Lender shall be obligated by this Section to make or provide Loans in excess of its Commitment under the Syndicated Facility. If the Agent acquires actual knowledge that a Lender is a Defaulting Lender at any time after the Agent receives a Drawdown Notice or a Rollover Notice that relates to a Fronted LC, then the Agent shall promptly notify the Borrower that such Lender is a Defaulting Lender (and such Lender shall be deemed to have consented to such disclosure). Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender under this Section 16.2(4) and which would otherwise have been paid by the Defaulting Lender if its Commitment under the Syndicated Facility had been included in determining the Rateable Portions of such affected Loans.

(5) If any Fronted LC is outstanding at the time that a Lender becomes a Defaulting Lender then:

- (a) all or any part of such Defaulting Lender's Rateable Portion of such Fronted LC shall be re-allocated among the Non-Defaulting Lenders in accordance with their respective Rateable Portions; provided that such re-allocation may only be effected if and to the extent that (i) such re-allocation would not cause any Non-Defaulting Lender's Rateable Portion of all Loans to exceed its applicable Commitment and (ii) the conditions precedent in Section 3.1 are satisfied at such time;
- (b) to the extent permitted by applicable law, if the re-allocation described in clause (a) above cannot be effected, or can only partially be effected, then such Defaulting Lender shall, within one Banking Day following notice by the Agent, provide cash collateral for such Defaulting Lender's Rateable Portion of such Letter of Credit (after giving effect to any partial re-allocation pursuant to clause (a) above) in accordance with the procedures set forth in Section 15.14 for so long as such Letter of Credit is outstanding; and
- (c) if the Rateable Portions of the Non-Defaulting Lenders are re-allocated pursuant to this Section 16.2(5), then the issuance fees payable to the Lenders pursuant to Section 7.8 shall be adjusted to give effect to such re-allocations in accordance with each such Non-Defaulting Lender's Rateable Portions.

(6) So long as any Lender is a Defaulting Lender, the Fronting Lender shall not be required to issue, amend or increase any Fronted LC unless the Fronting Lender is satisfied that the related exposure will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateralized in accordance with Section 15.14, and participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 16.2(4) or 16.2(5)(a) as applicable (and the Defaulting Lenders shall not participate therein).

(7) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of the same, the Agent shall notify the Non-Defaulting Lenders and (in accordance with the written direction of the Agent) such Lender (which has ceased to be a Defaulting Lender) shall purchase, and the Non-Defaulting Lenders shall on a rateable basis sell and assign to such Lender, portions of

such Loans equal in total to such Lender's Rateable Portion thereof without regard to Section 16.2(4).

16.3 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

To the Borrower:

Calfrac Well Services Ltd.
Suite 500, 407 - 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: Chief Financial Officer
Facsimile: (403) 266-7381

With a copy to:

Calfrac Well Services Ltd.
Suite 500, 407- 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: General Counsel
Facsimile: (403) 266-7381

To the Agent:

HSBC Bank Canada, as Agent
16 York Street, Suite 500
Toronto, ON M5J 0E6

Attention: Agency Services
Facsimile: (647) 788-2185
Email: [Redacted]

with a copy, in the case of each demand, notice or communication to the Agent other than Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices, to:

HSBC Bank Canada
407 – 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: Vice President

Facsimile: (403) 693-8556

To each Lender: As set forth in the most recent administrative questionnaire or other written notification provided to the Agent by such Lender (a copy of which shall be provided to the Borrower upon request to the Agent)

To the Operating Lender:

HSBC Bank Canada
407 – 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: Vice President
Facsimile: (403) 693-8556

or to such other address or telecopy number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

16.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower may be found.

16.5 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrower, the Lenders, the Agent and their respective successors and permitted assigns.

16.6 Assignment

Any Lender may, without consent during the continuance of an Event of Default and at all other times with the prior written consent of each of the Borrower, the Agent and the Fronting Lender, if applicable, which consents shall not be unreasonably withheld, sell, assign, transfer or grant an interest in its Commitments (in a minimum amount of Cdn.\$5,000,000), its Rateable Portion of the Loans and its rights under the Documents; provided that, without the consent of the Borrower, the Agent and the Fronting Lender, if applicable, no Lender shall sell, assign, transfer or grant an interest in any Commitment, Loan or Document if the effect of the same

would be to have a Lender with aggregate Commitments of less than Cdn.\$5,000,000 and further provided that, it shall be a precondition to any such sale, assignment, transfer or grant that the contemplated assignor Lender shall have paid to the Agent, for the Agent's own account, a transfer fee of Cdn.\$3,500. Upon any such sale, assignment, transfer or grant, the granting Lender shall have no further obligation hereunder with respect to such interest. Upon any such sale, assignment, transfer or grant, the granting Lender, the new Lender, the Agent, the Fronting Lender, if applicable, and the Borrower shall execute and deliver an Assignment Agreement. The Borrower shall not assign its rights or obligations hereunder without the prior written consent of all of the Lenders.

16.7 Participations

Any Lender may, without the consent of the Borrower, grant one or more participations in its Commitments and its Rateable Portion of the Loans to other persons, provided that the granting of such a participation: (a) shall be at the Lender's own cost, (b) shall not affect the obligations of such Lender hereunder nor shall it increase the costs to the Borrower hereunder or under any of the other Documents, and (c) shall not provide the participant with any right to approve the provision by the Lender of any consent, waiver or approval hereunder or require the Borrower to deal directly with such participant.

16.8 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16.9 Whole Agreement

This Agreement and the other Documents constitute the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancel and supersede any prior agreements (including, without limitation, any commitment letters), undertakings, declarations, commitments, representations, written or oral, in respect thereof.

16.10 Amendments and Waivers

Any provision of this Agreement may be amended only if the Borrower and the Majority of the Lenders so agree in writing and, except as otherwise specifically provided herein, may be waived only if the Majority of the Lenders (excluding any Defaulting Lenders) so agree in writing, but:

- (a) an amendment or waiver which changes or relates to (i) subject to the provisions contained in Section 2.23, the amount of the Loans available hereunder (or decreases in the period of notice for Drawdowns, Conversions, Rollovers or voluntary prepayment of Loans under the Syndicated Facility) or any Lender's Commitment, (ii) decreases in the rates of or deferral of the dates of payment of interest, Bankers' Acceptance or Letter of Credit fees, or mandatory repayments of principal, (iii) decreases in the amount of or deferral of the dates of payment of fees hereunder

(other than fees payable for the account of Agent), (iv) the definition of “Majority of the Lenders”, (v) any provision hereof contemplating or requiring consent, approval or agreement of “all Lenders”, “the Lenders” or similar expressions or permitting waiver of conditions or covenants or agreements by “all Lenders”, “the Lenders” or similar expressions, (vi) Section 2.19 or the definition of “Event of Default”, (vii) the release or discharge of, or any material amendment or waiver of, any Security, except for the discharge of Security required in connection with any disposition permitted by this Agreement or permitted by the Lenders, (viii) the conditions precedent to Drawdowns, (ix) the definition of “Term SOFR Adjustment” or (x) this Section, shall require the agreement or waiver of all the Lenders (excluding any Defaulting Lenders) and also (in the case of an amendment) of the other parties hereto; and

- (b) an amendment or waiver which changes or relates to the rights and/or obligations of the Agent shall also require the agreement of the Agent thereto.

Any such waiver and any consent by the Agent, any Lender, the Majority of the Lenders or all of the Lenders under any provision of this Agreement must be in writing and may be given subject to any conditions thought fit by the person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

16.11 Further Assurances

The Borrower, the Lenders and the Agent shall promptly cure any default by it in the execution and delivery of this Agreement, the other Documents or any of the agreements provided for hereunder to which it is a party. The Borrower, at its expense, shall promptly execute and deliver to the Agent, upon request by the Agent (acting reasonably), all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for the Borrower’s compliance with, or accomplishment of the covenants and agreements of the Borrower hereunder or more fully to state the obligations of the Borrower as set out herein or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

16.12 Attornment

The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to the Documents. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of any party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

16.13 Time of the Essence

Time shall be of the essence of this Agreement.

16.14 Amended and Restated Credit Agreement Governs

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other Documents, the provisions of this Agreement, to the extent of the conflict or inconsistency, shall govern and prevail.

16.15 Anti-Money Laundering Laws

(1) The Borrower acknowledges that, pursuant to Anti-Money Laundering Laws, the Lenders and the Agent may be required to obtain, verify and record information regarding the Borrower and its Subsidiaries and their respective directors, authorized signing officers, direct or indirect shareholders or other persons in control of the Borrower or any of its Subsidiaries, and the transactions contemplated hereby. The Borrower shall, with respect to direct or indirect shareholders or other persons in control of the Borrower, use commercially reasonable efforts to, promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee or participant of a Lender or the Agent, in order to comply with any applicable Anti-Money Laundering Laws, whether now or hereafter in existence.

(2) If the Agent has ascertained the identity of the Borrower or any of its Subsidiaries or any authorized signatories such persons for the purposes of applicable Anti-Money Laundering Laws, then the Agent:

- (a) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a “written agreement” in such regard between each Lender and the Agent within the meaning of applicable Anti-Money Laundering Laws; and
- (b) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Borrower or any of its Subsidiaries or any authorized signatories of such persons on behalf of any Lender or to confirm the completeness or accuracy of any information it obtains from any such persons or any such authorized signatory in doing so.

16.16 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

Notwithstanding anything to the contrary in any Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of a Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an a Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any Resolution Authority.

16.17 Counterparts; Electronic Signature

This Agreement and the other Documents may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement or any other Document to produce or account for more than one such counterpart. Delivery by facsimile or other electronic transmission of an executed counterpart of a signature page to this Agreement and each other Document shall be effective as delivery of an original executed counterpart of this Agreement and such other Document. The words “execution”, “execute”, “signed”, “signature”, and words of like import in or related to any document to be signed in connection with this Agreement or any other Document shall be deemed to include electronic signatures, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, as provided in Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), the *Electronic Transactions Act* (Alberta), or any other similar laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada. The Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by facsimile or other electronic transmission be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by facsimile or other electronic transmission.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first written above.

CALFRAC WELL SERVICES LTD.

By: /s/ Michael D. Olinek
Name: Michael D. Olinek
Title: Chief Financial Officer

By: _____
Name:
Title:

LENDERS:

HSBC BANK CANADA

By: /s/ Dennis DaSilva

Name: Dennis DaSilva

Title: Director, Large Corporate

By: /s/ Bruce Robinson

Name: Bruce Robinson

Title: Vice President, Energy Finance

ATB FINANCIAL

By: /s/ Amish Patel

Name: Amish Patel

Title: Director, Capital Markets

By: /s/ Davinder Jhutti

Name: Davinder Jhutti

Title: Associate Director

ROYAL BANK OF CANADA

By: /s/ Mari J. Hodgkinson

Name: Mari J. Hodgkinson

Title: Authorized Signatory

By: _____

Name:

Title:

EXPORT DEVELOPMENT CANADA

By: /s/ Stephano Carrera
Name: Stephano Carrera
Title: Principal Special Risks

By: /s/ Philip Sauvé
Name: Philip Sauvé
Title: Financing Manager

THE BANK OF NOVA SCOTIA

By: /s/ Kevin McConnell
Name: Kevin McConnell
Title: Director, National Accounts

By: /s/ Ngan Thai
Name: Ngan Thai
Title: Director, Execution, National Accounts

CANADIAN WESTERN BANK

By: /s/ Jacob Berlinkov
Name: Jacob Berlinkov
Title: AVP, Corporate Lending

By: /s/ Stan Seto
Name: Stan Seto
Title: AVP, Corporate Lending

AGENT:

**HSBC BANK CANADA,
in its capacity as the Agent**

By: /s/ Dennis DaSilva
Name: Dennis DaSilva
Title: Director, Large Corporate

By: /s/ Bruce Robinson
Name: Bruce Robinson
Title: Vice President, Energy Finance

SCHEDULE A

LENDERS AND COMMITMENTS

Lender	Operating Facility Commitment	Syndicated Facility Commitment
HSBC Bank Canada	<i>[Redacted]</i>	<i>[Redacted]</i>
Royal Bank of Canada	<i>[Redacted]</i>	<i>[Redacted]</i>
ATB Financial	<i>[Redacted]</i>	<i>[Redacted]</i>
The Bank of Nova Scotia	<i>[Redacted]</i>	<i>[Redacted]</i>
Export Development Canada	<i>[Redacted]</i>	<i>[Redacted]</i>
Canadian Western Bank	<i>[Redacted]</i>	<i>[Redacted]</i>
Total:	Cdn.\$45,000,000	Cdn.\$ 205,000,000

SCHEDULE B

LENDER ASSIGNMENT AGREEMENT

THIS LENDER ASSIGNMENT AGREEMENT is made as of the [●] day of [●]

BETWEEN:

[●]

(hereinafter referred to as the “**Assignor**”),

OF THE FIRST PART,

- and -

[●]

(hereinafter referred to as the “**Assignee**”),

OF THE SECOND PART,

- and -

CALFRAC WELL SERVICES LTD., a corporation existing under the laws of the Province of Alberta (hereinafter sometimes referred to as the “**Borrower**”),

OF THE THIRD PART,

- and -

HSBC BANK CANADA, a Canadian chartered bank, as agent of the Lenders (hereinafter referred to as the “**Agent**”),

OF THE FOURTH PART,

- and -

ROYAL BANK OF CANADA, as Fronting Lender in connection with the Syndicated Facility (hereinafter referred to as the “**Fronting Lender**”),

OF THE FIFTH PART.

WHEREAS the Assignor is a Lender under the Amended and Restated Credit Agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and

restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between the Borrower, the Lenders and the Agent (as further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”);

AND WHEREAS the Assignor has agreed to assign and transfer to the Assignee certain rights under the Credit Agreement in compliance with the Credit Agreement, and the Assignee has agreed to accept such rights and assume certain obligations of the Assignor under the Credit Agreement;

AND WHEREAS this Agreement is delivered pursuant to Section 16.6 of the Credit Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the parties hereby agree as follows:

1. **INTERPRETATION**

- (a) In this Agreement, including the recitals, capitalized terms used herein, and not otherwise defined herein, shall have the same meanings attributed thereto as set forth in the Credit Agreement. In addition, the following terms shall have the following meanings:
 - (i) “**Assigned Commitment**” has the meaning set forth in Section 2 hereof;
 - (ii) “**Assigned Interests**” has the meaning set forth in Section 2 hereof;
 - (iii) “**Assumed Obligations**” has the meaning set forth in Section 4 hereof; and
 - (iv) “**Outstanding SOFR Loans and Assignor BAs**” has the meaning set forth in Section 3 hereof.
- (b) The division of this Agreement into Articles, Sections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- (c) In this Agreement:
 - (i) the terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer, unless otherwise specified, to this Lender Assignment Agreement taken as a whole and not to any particular section, subsection or paragraph;
 - (ii) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa; and

- (iii) words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.
- (d) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of Alberta, without prejudice to the rights of the parties to take proceedings in any other jurisdictions.
- (e) If any provision of this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction, it shall not affect the validity, legality or enforceability of any such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Agreement.

2. ASSIGNMENT OF RIGHTS BY ASSIGNOR

Effective as of the date hereof, the Assignor hereby absolutely assigns and transfers to the Assignee:

- (a) subject to Section 3(a) hereof, **[all OR [●]% of all]** of the Assignor’s right, title and interest in, to and under each of the outstanding Loans and other Obligations owing by the Borrower to the Assignor under the ● Facility, as more particularly described in Exhibit A attached hereto; and
- (b) **[all OR [●]%** of the Assignor’s **[●]** Facility Commitment, being Cdn. \$**[●]** of such Commitment (the “**Assigned Commitment**”),

together with all of the Assignor’s other rights under the Credit Agreement and the other Documents but only insofar as such other rights relate to (a) and (b) above (collectively, the “**Assigned Interests**”).

3. OUTSTANDING SOFR LOANS AND ASSIGNOR BAs

- (a) The parties hereby acknowledge that, on the date hereof, SOFR Loans and Bankers’ Acceptances accepted by the Assignor and each having terms to maturity ending on or after the date hereof may be outstanding (collectively, the “**Outstanding SOFR Loans and Assignor BAs**”). Notwithstanding any provision of the Credit Agreement or this Agreement, the Assignee shall have no right, title, benefit or interest in or to any Outstanding SOFR Loans and Assignor BAs. The Assignee shall assume no liability or obligation to the Assignor in respect of such Outstanding SOFR Loans and Assignor BAs, including in respect of the failure of the Borrower to reimburse the Assignor for any Bankers’ Acceptances accepted by the Assignor on the maturity thereof or any fees or other amounts due in respect thereof.
- (b) From time to time, as the Outstanding SOFR Loans and Assignor BAs mature and Rollovers and Conversions are made by the Borrower in respect thereof, the

Assignee shall participate in the Loans effecting such Rollovers and Conversions to the full extent of its Assigned Commitment in its capacity as a Lender.

4. **ASSUMPTION OF OBLIGATIONS BY ASSIGNEE**

The Assignee assumes and covenants and agrees to be responsible for all obligations relating to the Assigned Interests to the extent such obligations arise or accrue on or after the date hereof (collectively, the “**Assumed Obligations**”) and agrees that it will be bound by the Credit Agreement and the other Documents to the extent of the Assumed Obligations as fully as if it had been an original party to the Credit Agreement.

5. **CREDIT AGREEMENT REFERENCES; NOTICES**

Effective as of the date hereof:

- (a) the Assignee shall be a Lender for all purposes of the Credit Agreement and the other Documents and all references therein to “Lenders” or “a Lender” shall be deemed to include the Assignee;
- (b) the [●] Facility Commitment of the Assignee shall be the Assigned Commitment and all references in the Credit Agreement to “[●] Facility Commitment” of the Assignee shall be deemed to be to the Assigned Commitment;
- (c) any demand, notice or communication to be given to the Assignee in accordance with Section 16.3 of the Credit Agreement shall be made or given to the following address or telecopy number (until the Assignee otherwise gives notice in accordance with such Section 16.3): [●]; and
- (d) Schedule A to the Credit Agreement shall be deemed to be and is hereby amended to the extent necessary to give effect to the assignment of the Assigned Commitment contemplated hereby and to give effect to Sections 5(a), 5(b) and 5(c) hereof.

6. **THE AGENT**

Without in any way limiting the provisions of Section 4 hereof, the Assignee irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with the provisions of the Credit Agreement.

7. **NO ENTITLEMENT TO PRIOR INTEREST OR OTHER FEES**

Except as otherwise agreed in writing between the Assignor and the Assignee, notwithstanding any provision of the Credit Agreement or the other Documents or any other provision of this Agreement, the Assignee shall have no right, title or interest in or to any interest or fees paid or to be paid to the Assignor under, pursuant to or in respect of:

- (a) the fees paid to the Assignor in respect of the establishment of the Credit Facilities;

- (b) [the fees payable to the Agent pursuant to Section 5.7 of the Credit Agreement; or] **[Note: Section 7(b) to be inserted for any assignment by the Agent.]**
- (c) the Loans, the Credit Facilities or the Credit Agreement for any period of time or in respect of any event or circumstance prior to the date hereof, including, without limitation, any standby fees pursuant to Section 5.6 of the Credit Agreement. For certainty, with respect to the Assigned Interests, the Assignor shall be solely entitled to the interest payable in respect of that portion of the Interest Period of an unmatured SOFR Loan occurring prior to the date hereof.

8. **CONSENT OF BORROWER, AGENT AND FRONTING LENDER**

The Borrower, the Agent and the Fronting Lender hereby consent to the assignment of the Assigned Interests to the Assignee and the assumption of the Assumed Obligations by the Assignee and agree to recognize the Assignee as a Lender under the Credit Agreement as fully as if the Assignee had been an original party to the Credit Agreement. **[The Borrower, the Agent and the Fronting Lender agree that the Assignor shall have no further liability or obligation in respect of the Assumed Obligations.]**

[NOTE: Delete the square-bracketed second sentence of Section 8 hereof in the case of an assignment to an affiliate of the Assignor, as provided in the Credit Agreement.]

9. **REPRESENTATIONS AND WARRANTIES**

Each of the parties, other than the Borrower, hereby represents and warrants to the other parties, other than the Borrower, as follows:

- (a) it is duly incorporated and validly subsisting under the laws of its governing jurisdiction;
- (b) it has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder and under the Credit Agreement and the other Documents;
- (c) the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary corporate and other action and this Agreement constitutes a legal, valid and binding obligation of such party enforceable against it in accordance with its terms; and
- (d) all Governmental Authorizations, if any, required for the execution, delivery, observance and performance by it of this Agreement, the Credit Agreement and the other Documents have been obtained and remain in full force and effect, all conditions have been duly complied with and no action by, and no notice to or other filing or registration with any Governmental Authority is required for such execution, delivery, observance or performance.

The Assignor represents and warrants to the Assignee that it has the right to sell to the Assignee the Assigned Interests and that the same are free and clear of all Security Interests. The

Assignor also represents and warrants to the Assignee that it has not received written notice of any Default or Event of Default having occurred under the Credit Agreement which is continuing.

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement and notwithstanding any examinations or investigations which may be made by the parties or their respective legal counsel.

Except as expressly provided herein, the Assignee confirms that this Agreement is entered into by the Assignee without any representations or warranties by the Assignor, the Agent or the Fronting Lender on any matter whatsoever, including, without limitation, on the effectiveness, validity, legality, enforceability, adequacy or completeness of the Credit Agreement or any Document delivered pursuant thereto or in connection therewith or any of the terms, covenants and conditions therein or on the financial condition, creditworthiness, condition, affairs, status or nature of the Borrower.

10. ASSIGNEE CREDIT DECISION

The Assignee acknowledges to the Assignor, the Fronting Lender and the Agent that the Assignee has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrower and its Subsidiaries, all of the matters and transactions contemplated herein and in the Credit Agreement and the other Documents and all other matters incidental to the Credit Agreement and the other Documents. The Assignee confirms with the Assignor, the Fronting Lender and the Agent that it does not rely, and it will not hereafter rely, on the Agent, the Fronting Lender or the Assignor:

- (a) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower, any Subsidiary of the Borrower or any other person under or in connection with the Credit Agreement and the other Documents or the transactions therein contemplated (whether or not such information has been or is hereafter distributed to the Assignee by the Agent); or
- (b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrower and its Subsidiaries.

The Assignee acknowledges that a copy of the Credit Agreement (including a copy of the Schedules) has been made available to it for review and further acknowledges and agrees that it has received copies of such other Documents and such other information that it has requested for the purposes of its investigation and analysis of all matters related to this Agreement, the Credit Agreement, the other Documents and the transactions contemplated hereby and thereby. The Assignee acknowledges that it is satisfied with the form and substance of the Credit Agreement and the other Documents.

11. PAYMENTS

The Assignor and the Assignee acknowledge and agree that all payments under the Credit Agreement in respect of the Assigned Interests from and after the date hereof received by the Agent on or after the date hereof shall be the property of the Assignee and the Agent shall be entitled to treat the Assignee as solely entitled thereto.

12. **AMENDMENTS AND WAIVERS**

Any amendment or modification or waiver of any right under any provision of this Agreement shall be in writing (in the case of an amendment or modification, signed by the parties) and any such waiver shall be effective only for the specific purpose for which given and for the specific time period, if any, contemplated therein. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach.

13. **GENERAL PROVISIONS**

- (a) The parties hereto shall from time to time and at all times do all such further acts and things and execute and deliver all such documents as are reasonably required in order to fully perform and carry out the terms of this Agreement.
- (b) The provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.
- (c) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one full set of counterparts.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by its duly authorized representative(s) as of the date first above written.

[●], as Assignor

Per: _____
[●]

Per: _____
[●]

[●], as Assignee

Per: _____
[●]

Per: _____
[●]

CALFRAC WELL SERVICES LTD.

Per: _____
[•]

Per: _____
[•]

HSBC BANK CANADA, in its capacity as Agent

Per: _____
[•]

Per: _____
[•]

**ROYAL BANK OF CANADA, in its capacity as
Fronting Lender**

Per: _____
[•]

Per: _____
[•]

SCHEDULE C

COMPLIANCE CERTIFICATE

TO: HSBC Bank Canada, in its capacity as agent of the Lenders (the “Agent”)

AND TO: Each of the Lenders

1. Reference is made to the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., as Borrower, HSBC Bank Canada and the other financial institutions party thereto in their capacity as Lenders and the Agent and relating to the establishment of certain credit facilities in favour of the Borrower (as further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings attributed to such terms in the Credit Agreement.
2. This Compliance Certificate is delivered to the Agent pursuant to Section 10.1(e)(iv) of the Credit Agreement.
3. The undersigned, **[name]**, **[title]** of the Borrower, hereby certifies that, as of the date of this Compliance Certificate, I have made or caused to be made such investigations as are necessary or appropriate for the purposes of this Compliance Certificate and:
 - (a) the consolidated financial statements for the **[fiscal quarter OR fiscal year]** ending **[●],[●]** provided to the Agent pursuant to Section 10.1(e) of the Credit Agreement were prepared in accordance with generally accepted accounting principles and present fairly, in all material respects, the consolidated financial position of the Borrower as at the date thereof;
 - (b) the representations and warranties made by the Borrower in Section 9.1 of the Credit Agreement are true and accurate in all respects as at the date hereof, except as has heretofore been notified to the Agent by the Borrower in writing **[or except as described in Schedule ____ hereto]**;
 - (c) no event has occurred or is continuing which would constitute a Default or Event of Default, except as has heretofore been notified to the Agent by the Borrower in writing **[or except as described in Schedule _____ hereto]**;
 - (d) as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, the Funded Debt to EBITDA Ratio was **[●]:1.0**; attached hereto as Exhibit A is a determination of such financial ratio as at the end of the aforementioned **[fiscal quarter OR fiscal**

year], together with particulars of each of the definitions and elements included in the determination of such financial ratio;

- (e) as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, the ratio of Current Assets to Current Liabilities was **[●]:1.0**; attached hereto as Exhibit B is a determination of such financial ratio as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio;
- (f) as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, the Funded Debt to Capitalization Ratio was **[●]:1.0**; attached hereto as Exhibit C is a determination of such financial ratio as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio;
- (g) as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, the Total Debt to EBITDA Ratio was **[●]:1.0**; attached hereto as Exhibit D is a determination of such financial ratio as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio;
- (h) as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, the Borrower and its Material Subsidiaries directly own **●%** of the Consolidated Net Tangible Assets excluding their investment in any Subsidiary; attached hereto as Exhibit E is a determination of such financial calculation as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial calculation;
- (i) attached hereto as Exhibit F is a report on the status of all outstanding Financial Instruments; and
- (j) as at the end of the aforementioned fiscal year, the Borrower and its Subsidiaries had made Capital Expenditures in the amount of Cdn.\$**●** as at such fiscal year end, each of which is a Permitted Capital Expenditure and which amount of Capital Expenditures represented **●%** of the amounts provided for in the consolidated capital budget delivered with the most recent annual business plan; attached hereto as Exhibit G is a report on such Capital Expenditures. **[Insert (j) for year-end Compliance Certificates]**

I give this Compliance Certificate on behalf of the Borrower and in my capacity as the [title] of the Borrower, and no personal liability is created against or assumed by me in the giving of this Certificate.

Dated at [●], this [●] day of [●], [●].

Name:

Title:

SCHEDULE D

CONVERSION NOTICE

TO: **[HSBC Bank Canada, in its capacity as Agent] OR [HSBC Bank Canada, in its capacity as Operating Lender]**

DATE: _____

This Conversion Notice is delivered to you pursuant to the terms and conditions of the amended and restated credit Agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., as Borrower, HSBC Bank Canada and the other financial institutions party thereto in their capacity as Lenders and HSBC Bank Canada, as Agent of the Lenders and relating to the establishment of certain credit facilities in favour of the Borrower (as further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Conversion Notice shall have the respective meanings set forth in the Credit Agreement.

1. The Borrower hereby requests a Conversion as follows:

(a) Conversion Date: _____

(b) Conversion of the following Loans under the referenced Credit Facility:

(i) Type of Loan and Credit Facility: _____

(ii) Amount being converted: _____

(iii) Interest Period maturity (for SOFR Loans and Bankers’ Acceptances): _____

INTO the following Loan under the same Credit Facility:

(iv) Type of Loan: _____

(v) Interest Period (specify term of SOFR Loans and Bankers’ Acceptances): _____

(vi) Marketed by Borrower (for Bankers’ Acceptances): yes no

(c) Payment, delivery or issuance instructions (if any): _____

Yours very truly,

CALFRAC WELL SERVICES LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE E

DRAWDOWN NOTICE

TO: **[HSBC Bank Canada, in its capacity as Agent] OR [HSBC Bank Canada, in its capacity as Operating Lender]**

DATE: _____

This Drawdown Notice is delivered to you pursuant to the terms and conditions of the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., as Borrower, HSBC Bank Canada and the other financial institutions party thereto in their capacity as Lenders and HSBC Bank Canada, as Agent of the Lenders and relating to the establishment of certain credit facilities in favour of the Borrower (as further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Drawdown Notice shall have the respective meanings set forth in the Credit Agreement.

1. The Borrower hereby requests a Drawdown as follows:

(a) Drawdown Date: _____

(b) Amount of Drawdown: _____
(specify aggregate face amount on liability in the case of Bankers’ Acceptance)

(c) Type of Loan and Credit Facility: _____

(d) Interest Period (specify term for SOFR Loans, Bankers’ Acceptances and Letters of Credit):

(e) Marketed by Borrower (for Bankers’ Acceptances): yes no

(f) Payment, delivery or issuance instructions (if any): _____

Yours very truly,

CALFRAC WELL SERVICES LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE F

REPAYMENT NOTICE

TO: **[HSBC Bank Canada, in its capacity as Agent] OR [HSBC Bank Canada, in its capacity as Operating Lender]**

DATE: _____

1. This Repayment Notice is delivered to you pursuant to the terms and conditions of the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., as Borrower, HSBC Bank Canada and the other financial institutions party thereto in their capacity as Lenders and HSBC Bank Canada, as Agent of the Lenders and relating to the establishment of certain credit facilities in favour of the Borrower (as further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Repayment Notice shall have the respective meanings set forth in the Credit Agreement.

2. The Borrower hereby gives notice of a repayment as follows:
 - (a) Date of Repayment: _____
 - (b) Loan(s) and Credit Facility: _____
 - (c) Interest Period maturity (specify for SOFR Loans, Bankers’ Acceptances and Letters of Credit): _____
 - (d) Amount being repaid (specify aggregate face amount at maturity in case of Bankers’ Acceptances): _____

Yours very truly,

CALFRAC WELL SERVICES LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE G

ROLLOVER NOTICE

TO: **[HSBC Bank Canada, in its capacity as Agent] OR [HSBC Bank Canada, in its capacity as Operating Lender]**

DATE: _____

1. This Rollover Notice is delivered to you pursuant to the terms and conditions of the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., as Borrower, HSBC Bank Canada and the other financial institutions party thereto in their capacity as Lenders and HSBC Bank Canada, as Agent of the Lenders and relating to the establishment of certain credit facilities in favour of the Borrower (as further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Rollover Notice shall have the respective meanings set forth in the Credit Agreement.

2. The Borrower hereby requests a Rollover as follows:
 - (a) Rollover Date: _____
 - (b) Amount of Rollover: _____
 - (c) Type of Loan and Credit Facility: _____
 - (d) New Interest Period (specify term of SOFR Loans, Bankers’ Acceptances and Letters of Credit): _____
 - (e) Marketed by Borrower (for Bankers’ Acceptances): yes no

(f) Payment, delivery or issuance instructions (if any): _____

Yours very truly,

CALFRAC WELL SERVICES LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE H-1

FLOATING CHARGE DEMAND DEBENTURE (Calfrac Well Services Ltd.)

Principal Sum: \$800,000,000 Canadian Dollars
Interest Rate: 20.0% per annum
Date: ●, 20●

ARTICLE 1 - PROMISE TO PAY

Promise to Pay

1.1 For value received, the undersigned (the “**Debtor**”) hereby acknowledges itself indebted and promises to pay ON DEMAND to or to the order of HSBC Bank Canada in its capacity as agent (in such capacity, the “**Agent**”) for and on behalf of (a) HSBC Bank Canada and such other financial institutions in their capacity as lenders (collectively, the “**Lenders**” and, individually, a “**Lender**”) under the Amended and Restated Credit Agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between the Debtor, as borrower, the Lenders and the Agent (as the same may be further amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”) and (b) all Hedging Affiliates (as defined in the Credit Agreement) of each Lender, for the benefit of the Agent, the Lenders and such Hedging Affiliates (collectively, the “**Beneficiaries**”), the principal sum herein stipulated on presentation and surrender of this Debenture at the Agent’s offices at 16 York Street, Suite 500, Toronto, Ontario, M5J 0E6 or at such other place as the Agent may designate by notice in writing to the Debtor, and to pay interest thereon from the date hereof at the rate per annum herein stipulated in like money at the same place monthly on the last day of each month; and, if the Debtor should at any time make default in the payment of any principal or interest to pay interest on the amount in default both before and after demand, default and judgment at the same rate in lawful money of Canada at the same place.

The Agent, on behalf of the Beneficiaries, is the person entitled to receive the principal of and interest on this Debenture and all other amounts payable hereunder.

ARTICLE 2 - CHARGE

Charge

2.1 As security for the due payment of all money payable hereunder and all other obligations hereunder, the Debtor hereby charges, as and by way of a first floating charge to and in favour of the Agent and its successors and assigns, for the benefit of the Beneficiaries and their respective successors and permitted assigns, all of the undertaking, property and assets of the Debtor, both

present and future, of every nature and kind and wherever situate including, without limitation, all of its present and future personal and real property, goodwill, trade-marks, inventions, processes, patents and patent rights, materials, supplies, inventories, motor vehicles, trucks, trailers, machinery, implements, equipment and apparatus of every kind, furniture, rent, revenues, income, money, rights, powers, privileges, franchises, benefits, amenities, contracts, agreements, leases of real and personal property, licenses, permits, book debts, accounts receivable, negotiable and non-negotiable instruments, judgments, securities, choses in action, unpaid capital and all other property and things of value of every kind and nature, tangible and intangible, legal or equitable, which the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter and any and all proceeds of any of the foregoing.

In this Debenture, the mortgages, assignments and charges created and provided for are collectively called the “**Charge**” and the subject matter of the Charge is called the “**Charged Premises**”.

Dealings in the Ordinary Course

2.2 Subject to Section 3.1 hereof and until the Charge becomes enforceable, the Debtor may dispose of or deal with the property and assets subjected to the Charge in the ordinary course of business and for the purpose of carrying on the same, so that purchasers thereof or parties dealing with the Debtor take title thereto free and clear of the Charge.

Last Day; Collateral Documents

2.3 The Charge shall not extend or apply to the last day of the term of any lease or agreement to lease but upon the enforcement of the Charge the Debtor shall stand possessed of such last day in trust for the Agent to assign the same to any person acquiring such term in the course of enforcement of the Charge.

Exception for Certain Contractual Rights

2.4 The Charge does not and shall not extend to, and the Charged Premises shall not include, any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Agent and shall assign such Contractual Rights to the Agent forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of the Agent, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

Crystallization Against Real Property

2.5 In respect of real property (and interests therein) subject to the floating charge created by Section 2.1, such floating charge shall become a fixed charge against such property and interests upon the earlier of (a) the Charge becoming enforceable in accordance with Section 4.1 and the Agent giving written notice to the Debtor that the indebtedness secured thereby is forthwith due and payable and that the floating charge has become a fixed charge on the real property and interests therein charged thereby, and (b) the occurrence of any other event which by operation of law would

result in the floating charge becoming a fixed charge on the real property and interests therein of the Debtor charged thereby.

ARTICLE 3 - NEGATIVE PLEDGE

Negative Pledge

3.1 Except as has otherwise been agreed in writing with the Agent and the Lenders, the Debtor shall not create, assume, have outstanding or permit to exist, except in favour of the Agent, any mortgage, charge, pledge, lien, assignment by way of security, security interest or other encumbrance on any part of the Charged Premises.

ARTICLE 4 - DEFAULT AND REMEDIES

Default

4.1 If the Debtor makes default in the payment of principal, interest or any other amount payable hereunder or in the due performance of the terms and conditions of Section 3.1 hereof, the Charge shall immediately become enforceable.

Remedies

4.2 (1) Whenever the Charge has become enforceable, the Agent may realize upon the Charged Premises and shall have the following rights and remedies, which rights and remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights or remedies the Beneficiaries may have:

- (a) the Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Charged Premises and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Premises or any part thereof; and the term “Agent” when used in this Section 4.2 shall include any Receiver so appointed and the agents, officers and employees of such Receiver;
- (b) the Agent may take possession of the Charged Premises and require the Debtor to make the Charged Premises available to the Agent;
- (c) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Charged Premises;
- (d) the Agent may carry on or concur in the carrying on of all or any part of the business of the Debtor relating to the Charged Premises;
- (e) the Agent may enforce any rights of the Debtor in respect of the Charged Premises by any manner permitted by law;
- (f) the Agent may sell, lease or otherwise dispose of the Charged Premises by judicial sale, by foreclosure, by public auction, by private tender or by private sale either for

cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Charged Premises or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any Vice President, Manager or Director of the Agent being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Charged Premises by, from, through or under the Debtor;

- (g) the Agent may accept the Charged Premises in satisfaction or partial satisfaction of the Charge upon notice to the Debtor of its intention to do so in the manner required by law;
 - (h) the Agent may borrow money on the security of the Charged Premises for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Charged Premises in priority to the Charge;
 - (i) the Agent may perform any obligation, covenant or provision under the Credit Agreement referred to herein and the entire costs thereof are a charge on the Charged Premises and shall be added to the amounts due hereunder and shall be secured by the Charge; and
 - (j) the Agent may exercise any other right or remedy permitted by law or equity, including, without limitation, all rights and remedies of a secured party under the *Personal Property Security Act* (Alberta) or any similar personal property legislation of any jurisdiction in which any of the Charged Premises is located or which, by the operation thereof, governs or is deemed to govern the Charged Premises.
- (2) The Debtor further agrees with the Agent that:
- (a) the Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Charged Premises and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Charged Premises or for the purpose of preserving any rights of the Beneficiaries, the Debtor or any other person, firm or corporation in respect of the Charged Premises;
 - (b) the Beneficiaries may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Charged Premises and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Charged Premises and other securities as the Agent may see fit without prejudice to the liability of the Debtor to the Beneficiaries or the Beneficiaries' rights hereunder;
 - (c) to facilitate the realization of the Charged Premises, the Agent may enter upon, occupy and use all or any of the premises, buildings and plant comprising the

Charged Premises and use all or any of the equipment and other personal property of the Debtor for such time as the Agent requires to facilitate such realization, free of charge (as between the Debtor and the Agent), and the Beneficiaries shall not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges or depreciation in connection with such actions;

- (d) the Agent may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith shall be added to the amounts due hereunder and shall be secured by the Charge;
 - (e) the Agent may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Charged Premises, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the amounts due hereunder and shall be secured by the Charge; and
 - (f) any proceeds of realization of the Charged Premises may be applied by the Agent to the payment of expenses in connection with the preservation and realization of the Charged Premises as above described and any balance of such proceeds shall be applied by the Agent to payment of any amount owing by the Debtor to the Agent in such order as the Agent may see fit; if there is any surplus remaining, it may be paid to any person having a claim thereto in priority to the Debtor of whom the Agent has knowledge and may be applied or retained as reserves against potential claims that the Agent or the Receiver in good faith believes should be maintained and the balance remaining, if any, shall (subject to applicable law) be paid to the Debtor.
- (3) Any Receiver shall be entitled to exercise all rights and powers of the Agent hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Agent and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.
- (4) The Debtor hereby irrevocably appoints the Agent attorney on its behalf to sell or transfer the Charged Premises and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all rents and sums of money that may become or are now due or owing to the Debtor in respect of the Charged Premises and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Charged Premises or on any person in respect of it and this appointment shall take effect if the Charge has become enforceable.

ARTICLE 5 - GENERAL

Expenses

5.1 The Debtor shall pay to the Agent forthwith on demand all reasonable costs, charges and expenses, including all reasonable legal fees, incurred by the Agent in connection with the recovery or enforcement of payment of any moneys owing hereunder whether by realization or otherwise. All such sums, together with interest thereon at the rate set forth in this Debenture, shall be added to the amount payable hereunder and shall be secured by the Charge.

Pledge of Debenture

5.2 This Debenture may be pledged by the Debtor as security for its indebtedness and liabilities. While this Debenture is so pledged, no payment by the Debtor of the whole or any part of any indebtedness secured by this Debenture shall reduce the amount owing under this Debenture unless specifically appropriated to and noted on this Debenture by the Agent at the time of payment.

Not Negotiable

5.3 This Debenture is not a negotiable instrument and the rights created hereunder which are exercisable by any holder hereof other than the Agent are no greater than the rights of the Agent, and any holder hereof is subject to the same obligations, duties, liabilities and defences as the Agent would have been subject to.

No Waiver, Remedies

5.4 No failure on the part of the Beneficiaries or the Agent on their behalf to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Notices

5.5 Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery, by transmittal by facsimile transmission or other electronic means of communication addressed to the Debtor as follows:

Calfrac Well Services Ltd.
Suite 500, 407 - 8th Avenue SW
Calgary, Alberta T2P 1E5

Telecopy No.: (403) 266-7381
Attention: Chief Financial Officer

or to such other address or electronic communication number as the Debtor may from time to time notify the Agent in writing. Any demand, notice or communication made or given by personal

delivery or by facsimile transmission or other electronic means of communication shall be conclusively deemed to have been made or given on the day of actual delivery or transmittal thereof.

Additional Security

5.6 This Debenture and the Charge shall be and shall be deemed to have been given in addition to and not in place of any other security now or hereafter held or acquired by the Beneficiaries.

Headings; References to Debenture

5.7 The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture. The terms “this Debenture”, “hereof”, “hereunder” and similar expressions refer to this Debenture and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Debenture.

Number; Gender; Persons

5.8 In this Debenture words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Governing Law

5.9 This debenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Attornment

5.10 The Debtor hereby attorns and submits to the jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Debenture shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Debenture. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

Benefit of the Debenture

5.11 This debenture shall be binding upon the successors and permitted assigns of the Debtor (including, without limitation, any corporation resulting from an amalgamation with the Debtor) except that the Debtor may not assign its obligations under this Debenture without the prior written consent of the Agent. This debenture shall benefit the successors and permitted assigns of the Beneficiaries.

Time of the Essence

5.12 Time shall be of the essence with regard to this Debenture.

Discharge

5.13 The Debtor shall not be discharged from the Charge, this Debenture or any of its obligations hereunder except by a release or discharge in writing signed by the Agent.

Waiver of Financing Statement, Etc.

5.14 The Debtor hereby waives the right to receive from the Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Debenture or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Debenture.

No Merger

5.15 No item or part of this Debenture shall be merged or be deemed to have been merged in or by any documents, instruments or acknowledgements delivered in connection with this Debenture or the Credit Agreement referred to herein, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Beneficiaries under any security, instruments or agreements held by it or at law or in equity. No obligation of the Borrower hereunder shall merge in any judgment relating to any such obligation.

IN WITNESS WHEREOF the Debtor has executed this Debenture as of the date first written above.

CALFRAC WELL SERVICES LTD.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE H-2

THIS DEBENTURE PLEDGE AGREEMENT made as of ●, 20●. (Calfrac Well Services Ltd.)

Description of Floating Charge Demand Debenture

Principal Sum: \$800,000,000 Canadian Dollars
Interest Rate: 20.0% per annum
Date: ●, 20●

WHEREAS:

A. HSBC Bank Canada and certain other lenders (collectively, the “**Lenders**”) and HSBC Bank Canada in its capacity as agent on behalf of the Lenders (in that capacity, the “**Agent**”) have entered into an amended and restated credit agreement with Calfrac Well Services Ltd. (the “**Debtor**”), as borrower, made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 (as further amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”) pursuant to which the Lenders have agreed to make certain credit facilities available to the Debtor;

B. In order to secure the payment and performance of all present and future Obligations (as hereinafter defined) of the Debtor to the Agent, the Lenders and the Hedging Affiliates (collectively, the “**Beneficiaries**”), the Debtor has created and issued to the Agent the debenture described above (as the same may hereafter be amended, modified, supplemented and restated from time to time, the “**Debenture**”);

C. The purpose of this Debenture Pledge Agreement is to set forth the terms and conditions upon which the Debenture is to be held by the Agent;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by the Debtor, the Debtor hereby agrees and covenants with the Agent as follows:

1. The Debtor hereby grants a security interest in and deposits with and pledges to the Agent the Debenture to be held by the Agent as general and continuing collateral security for the payment and performance of all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor to the Beneficiaries including, without limitation (a) all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor to the Agent and the Lenders under, pursuant or relating to the Credit Agreement and the other Documents and including, without limitation, the principal of, and all interest, fees, reasonable legal and other costs, charges and expenses owing or payable on or in respect of, any and all Loans, and (b) all Lender Financial Instrument

Obligations of or owing by the Debtor to any and all Lenders and Hedging Affiliates, in each case whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (collectively, the “**Obligations**”).

2. The Agent shall neither demand payment pursuant to the Debenture nor enforce the security constituted thereby unless the Agent shall be entitled to do so pursuant to the provisions of the Credit Agreement and the other agreements, instruments or documents establishing, creating or evidencing any Obligations (collectively, the “**Credit Documents**”), but thereafter the Agent may at any time exercise and enforce all of the rights and remedies of a holder of the Debenture as if the Agent was the absolute owner thereof without notice to or control by the Debtor, and any such remedy may be exercised separately or in combination with, and shall be in addition to and not in substitution for, any other right or remedy of the Agent and the Beneficiaries however created, provided that the Agent shall not be bound to exercise any such right or remedy.

3. Subject to the requirements of applicable law, the Agent shall not be bound under any circumstances to realize upon or under the Debenture and shall not be responsible to the Debtor for any loss occasioned by any sale or other dealing with the Debenture or the Charged Premises (as defined in the Debenture) or by the retention of or failure to sell or otherwise deal with the same.

4. The proceeds of or any other amount received pursuant to the Debenture shall be applied by the Agent on account of the Obligations in such order as set out in the Credit Agreement without prejudice to the Agent’s or the Beneficiaries’ claim upon the Debtor for any deficiency. Subject to the requirements of applicable law, any surplus realized by the Agent in excess of the Obligations shall be paid over to the Debtor.

5. Subject to paragraph 2 hereof, the Agent shall not be obliged to exhaust its recourse against the Debtor, any other person or persons, or any other security it may hold with respect to the Obligations before realizing upon, under, or otherwise dealing with the Debenture in such manner as the Agent sees fit. The Agent and the Beneficiaries may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other parties, sureties or securities as they may see fit, without prejudice to the liability of the Debtor or the Agent’s or the Beneficiaries’ rights in respect of the Debenture.

6. Notwithstanding the stated interest rate per annum in the Debenture, payment to the Beneficiaries or, in the case of Obligations payable pursuant to the Credit Agreement, the Agent for the account of the Lenders, of the relevant interest, fees and other amounts owing under the Credit Documents for any period in respect of the Obligations at the current rate at which the Obligations bear interest for such period pursuant to the Credit Documents shall be deemed to be payment in satisfaction of the interest payment for the same period under the Debenture.

7. The Debenture shall not operate by way of merger of any of the Obligations and no judgment recovered by the Agent or the Beneficiaries shall operate by way of merger of or in any way affect the security of the Debenture which is in addition to and not in substitution for

any other security now or hereafter held by the Agent or the Beneficiaries with respect to the Obligations.

8. Notwithstanding the form and terms of the Debenture and the provisions of this Debenture Pledge Agreement, (a) the Agent shall not claim or realize an amount under or in respect of the Debenture in excess of the aggregate Obligations, from time to time, of the Debtor to the Agent and the Beneficiaries and (b) the provisions of this Debenture Pledge Agreement and the Debenture, in particular, but without limitation, Sections 2.2 and 3.1 of the Debenture, are subject to the provisions of the Credit Agreement relating to the subject matter thereof. If there are any express conflicts or inconsistencies between the terms of the Credit Agreement and the Debenture or this Debenture Pledge Agreement, then the terms of the Credit Agreement shall govern in all respects to the extent necessary to eliminate such express conflicts or inconsistencies.

9. Upon payment and satisfaction in full of the Obligations and cancellation in full of the credit facilities established under the Credit Agreement when none of the Beneficiaries has other credit facilities in favour of or any obligation to provide credit to the Debtor, the Agent shall, at the request of the Debtor, deliver up the Debenture to the Debtor and shall, at the request and expense of the Debtor, execute and deliver to the Debtor releases, discharges and such other instruments as shall be required to effectively discharge the Charge (as defined in the Debenture).

10. Time shall be of the essence with regard to this Debenture Pledge Agreement.

11. Capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Credit Agreement.

12. This Debenture Pledge Agreement shall enure to the benefit of and be binding upon the Debtor, the Agent and the Beneficiaries and their respective successors and permitted assigns.

13. The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Debenture Pledge Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Debenture Pledge Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of either party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

14. This Debenture Pledge Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

15. The Debtor hereby waives the right to receive from the Agent or the Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Debenture Pledge Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Debenture Pledge Agreement.

16. The Debtor may not assign its obligations under this Debenture Pledge Agreement.

IN WITNESS WHEREOF the Debtor has executed this Debenture Pledge Agreement as of the date first above written.

CALFRAC WELL SERVICES LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**ACCEPTED AS OF THE DATE FIRST
ABOVE WRITTEN BY:**

**HSBC BANK CANADA,
as Agent**

Per: _____
Name:
Title:

SCHEDULE H-3

GENERAL SECURITY AGREEMENT
(Calfrac Well Services Ltd.)

THIS AGREEMENT made as of ●, 20●

B E T W E E N:

CALFRAC WELL SERVICES LTD., a corporation existing under the laws of the Province of Alberta (hereinafter referred to as the “**Debtor**”)

- and -

HSBC BANK CANADA, a Canadian chartered bank, in its capacity as Agent (hereinafter referred to as the “**Secured Party**”).

WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of the Obligations (as hereinafter defined), the security interest and assignment, mortgage and charge granted herein;

AND WHEREAS the Lenders and the Hedging Affiliates have appointed and authorized the Secured Party to act as their agent and attorney for the purpose of holding security granted by the Debtor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“**Beneficiaries**” means, collectively, the Lenders, the Hedging Affiliates and the Agent, and “**Beneficiary**” means any of the Lenders, the Hedging Affiliates or the Agent.

“**Charge**” means the security interests, assignments, mortgages and charges created hereunder.

“**Collateral**” has the meaning set out in Section 2.1.

“**Credit Agreement**” means the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between the Debtor, the Secured Party and the Lenders relating to the establishment of certain credit facilities in favour of the Debtor, as the same may be further amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

“**Obligations**” means, collectively and at any time and from time to time, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor to the Beneficiaries including, without limitation, (a) all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor to the Agent and the Lenders under, pursuant or relating to the Credit Agreement and the other Documents and including, without limitation, the principal of, and all interest, fees, reasonable legal and other costs, charges and expenses owing or payable on or in respect of, any and all Loans and (b) all Lender Financial Instrument Obligations of or owing by the Debtor to any and all Lenders and Hedging Affiliates, in each case whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

1.2 Definitions used in the Credit Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Credit Agreement.

1.3 Personal Property Security Act Definitions

The terms “accessions”, “accounts”, “chattel paper”, “documents of title”, “goods”, “instruments”, “intangibles”, “inventory”, “investment property”, “money” and “proceeds” whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Alberta) (the “PPSA”), as now enacted or as the same may from time to time be amended, re enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.6 Calculation of Interest

Whenever a rate of interest hereunder is calculated on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.7 Schedules

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

ARTICLE 2 **GRANT OF SECURITY**

2.1 Security

As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a security interest in all of the present and future undertaking, assets and property, both real and personal, including, without limitation, all present and after-acquired personal property of the Debtor (collectively, the “**Collateral**”), and as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral to the Secured Party (with respect to real property, as and by way of a floating charge). Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (a) Accounts Receivable: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the “**Receivables**”);
- (b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are work in progress, or that are raw materials used or consumed in the business of the Debtor (collectively, the “**Inventory**”);

- (c) Equipment: all goods, machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory, including, without limiting the generality of the foregoing, the tangible personal property described in any schedule hereto executed by both the Debtor and the Secured Party;
- (d) Chattel Paper: all chattel paper;
- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Investment Property and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other investment property and all instruments (collectively, the “**Securities**”);
- (g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (h) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to (i) inclusive; and
- (k) Proceeds: all proceeds of the property described in Sections 2.1(a) to (j) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

provided that the Charge shall not: (i) extend, include or apply to the last day of the term of any lease now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said Charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Charge, (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound, or (iii) extend to, and the Collateral shall not include any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which the Debtor is a party or of which the Debtor has benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of, or permit any person to terminate, the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such Contractual Rights to the Secured Party forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of

the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

2.2 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby shall attach when the Debtor signs this Agreement and the Debtor has any rights in the Collateral.

ARTICLE 3 **REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR**

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Secured Party and the Beneficiaries that (and acknowledges that the Secured Party and the Beneficiaries are relying on the same):

- (a) the address of the Debtor's chief executive office (as such term is utilized in the PPSA) is that given in Schedule A attached hereto;
- (b) all of the tangible property and assets of the Debtor, real or personal, are located in the Provinces of Alberta, British Columbia and Saskatchewan; and
- (c) it has not granted "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Secured Party.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 6.8 hereof.

3.3 Covenants

The Debtor covenants with the Secured Party that the Debtor shall:

- (a) not change its name or its chief executive office or the location of the office where it keeps its records respecting the Receivables without giving 15 days' prior written notice thereof to the Secured Party;
- (b) from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Event of

Default, the Debtor hereby irrevocably constitutes and appoints the Secured Party, or any receiver or receiver and manager appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;

- (c) pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (d) not grant "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Secured Party.

ARTICLE 4 **SECURITIES; ACCOUNT DEBTORS**

4.1 Registration of Securities

If a Default has occurred and is continuing, the Secured Party may require that the Debtor have any Securities registered in the name of the Secured Party or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that, until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power from time to time exercisable in respect of the Securities. The Beneficiaries shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

4.2 Notification of Account Debtors

If an Event of Default has occurred and is continuing, the Secured Party may give notice of this Agreement and the Charge granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and may give notice to any such account debtors or other person to make all further payments to the Secured Party, and, after the occurrence and during the continuance of an Event of Default, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and forthwith paid over to the Secured Party on request.

ARTICLE 5
REMEDIES

5.1 **Remedies**

- (a) Upon the occurrence and during the continuance of any Event of Default any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable and, in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Secured Party may have:
- (i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Collateral (which term when used in this Section 5.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term “Secured Party” when used in this Section 5.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver;
 - (ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
 - (iii) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
 - (iv) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
 - (v) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (vi) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Secured Party being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar

both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor;

- (vii) the Secured Party may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
 - (viii) the Secured Party may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;
 - (ix) the Secured Party may enter upon, occupy and use all or any of the Collateral occupied by the Debtor and use all or any of the Collateral for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party and the Beneficiaries will not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (x) the Secured Party may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum equal to the rate of interest per annum then payable on Canadian Prime Rate Loans plus 2.0% per annum, shall be added to and form part of the Obligations hereby secured; and
 - (xi) the Secured Party may discharge any claim, Security Interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.
- (b) The Secured Party and the Beneficiaries may:
- (i) grant extensions of time,
 - (ii) take and perfect or abstain from taking and perfecting security,
 - (iii) give up securities,
 - (iv) accept compositions or compromises,
 - (v) grant releases and discharges, and

- (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors and creditors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit,

without prejudice to the liability of the Debtor to the Secured Party and the Beneficiaries or the Beneficiaries' rights hereunder.

- (c) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.
- (d) The Secured Party shall apply any proceeds of realization of the Collateral to payment of reasonable expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party shall apply any balance of such proceeds to payment of the Obligations in accordance with the Credit Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party and the Beneficiaries forthwith on demand. Subject to the requirements of applicable law, any surplus realized in excess of the Obligations shall be paid over to the Debtor.
- (e) Any Receiver shall be entitled to exercise all rights and powers of the Secured Party hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Secured Party and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.

ARTICLE 6 **GENERAL**

6.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and permitted assigns of the Secured Party and the other Beneficiaries.

6.2 Conflict of Terms; Entire Agreement

This Agreement has been entered into as collateral security for the Obligations and is subject to all the terms and conditions of the Credit Agreement and the Lender Financial Instruments and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement or the Lender Financial Instruments, the rights and obligations of the Debtor, the Secured Party and the Beneficiaries shall be governed by the provisions of the Credit Agreement and the Lender Financial Instruments (as applicable). This Agreement together with the Credit Agreement, the Lender Financial Instruments and all other Documents constitute the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof.

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Beneficiaries and the Debtor except as expressly set forth therein and herein.

6.3 **No Waiver**

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

6.4 **Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

6.5 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, facsimile or other electronic means, addressed to the recipient as follows:

To the Debtor:

Calfrac Well Services Ltd.
Suite 500, 407 - 8th Avenue SW
Calgary, Alberta T2P 1E5

Facsimile No.: (403) 266-7381
Attention: Chief Financial Officer

To the Secured Party:

HSBC Bank Canada, as Agent
16 York Street, Suite 500
Toronto, Ontario M5J 0E6

Attention: Agency Services
Facsimile No.: (647) 788-2185

or such other address, electronic communication number, or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by

facsimile or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

6.6 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Debtor and the Secured Party. No waiver of any provision of this Agreement by the Secured Party shall be effective unless the same is in writing and signed by the Secured Party, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Secured Party (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Credit Agreement or applicable Lender Financial Instrument (as the case may be). The Debtor may not assign its obligations under this Agreement. Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

6.7 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party or the Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party.

6.8 Discharge

The Debtor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Secured Party.

6.9 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge the Debtor from any of its liabilities to the Beneficiaries.

6.10 No Obligation to Act

Notwithstanding any provision of this Agreement or any other Document or the operation, application or effect hereof, the Secured Party, the other Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

6.11 Admit to Benefit

Subject to Section 6.6, no person other than the Debtor and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

6.12 **Time of the Essence**

Time shall be of the essence with regard to this Agreement.

6.13 **Waiver of Financing Statement, etc.**

The Debtor hereby waives the right to receive from the Secured Party or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

6.14 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

6.15 **Saskatchewan Waiver**

The Debtor agrees that:

- (a) The *Land Contract (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in that Act, with respect to this Agreement; and
- (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Agreement or any agreement renewing, extending or collateral to this Agreement.

6.16 **Attornment**

The Debtor and each of the Beneficiaries each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or any Beneficiary to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

6.17 **Executed Copy**

The Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

6.18 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

CALFRAC WELL SERVICES LTD.

Per: _____

Name:

Title:

HSBC BANK CANADA
as Agent and Secured Party

Per: _____

Name:

Title:

SCHEDULE A

DEBTOR'S CHIEF EXECUTIVE OFFICE:

411 - 8th Avenue SW
Calgary, Alberta

SCHEDULE H-4

- [INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY]

GUARANTEE

MADE AS OF •, 20•

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Headings	3
1.3 Number; persons; including.....	3
1.4 <i>Interest Act</i> (Canada)	3
1.5 Nominal Rates.....	4
1.6 [References to Guarantor].....	4
ARTICLE 2 GUARANTEE	4
2.1 Guarantee of Obligations	4
2.2 Indemnity	4
2.3 Guarantor as Principal Obligor	4
2.4 Guarantee Absolute and Unconditional	5
ARTICLE 3 DEALINGS WITH THE BORROWER AND OTHERS.....	7
3.1 No Release	7
3.2 No Exhaustion of Remedies.....	7
3.3 Evidence of Obligations.....	7
3.4 No Set-off.....	8
ARTICLE 4 CONTINUING GUARANTEE	8
4.1 Continuing Guarantee	8
4.2 Revival of Indebtedness.....	8
ARTICLE 5 DEMAND FOR PAYMENT, EXPENSES AND INTEREST.....	8
5.1 Demand for Payment	8
5.2 Stay of Acceleration.....	8
5.3 Expenses	9
5.4 Interest.....	9
ARTICLE 6 SUBROGATION	9
6.1 Subrogation	9
ARTICLE 7 REPRESENTATIONS AND WARRANTIES; COVENANTS	10
7.1 Representations and Warranties.....	10
7.2 Effective Time of Repetition	10
7.3 Nature of Representations and Warranties	11
7.4 Covenants Contained in the Credit Agreement and Other Documents	11
7.5 Keepwell	11
ARTICLE 8 POSTPONEMENT	11
8.1 Postponement.....	11
ARTICLE 9 GENERAL	12
9.1 Waiver of Notices	12
9.2 Benefit of the Guarantee	12
9.3 Foreign Currency Obligations.....	12
9.4 Taxes and Set-off by Guarantor	12
9.5 No Waiver; Remedies	13
9.6 Severability	13
9.7 Amendments and Waivers	13
9.8 Additional Security	13
9.9 Notices	13

9.10	Assignment	14
9.11	Time of Essence	14
9.12	Financial Condition of the Borrower	15
9.13	Acknowledgement of Documentation	15
9.14	Entire Agreement	15
9.15	Governing Law	15
9.16	Attornment	15

• [INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY]

GUARANTEE

THIS GUARANTEE is made as of •, 20•.

WHEREAS the Guarantor is a Material Subsidiary of the Borrower;

AND WHEREAS the Guarantor has agreed to provide a guarantee with respect to the Credit Facilities provided by the Lenders pursuant to the Credit Agreement and with respect to certain Bank Product Obligations and the Lender Financial Instrument Obligations;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the sum of Cdn. \$10.00 now paid by the Beneficiaries to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the Guarantor hereby covenants and agrees with the Beneficiaries as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

(a) In this Guarantee and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

“**Beneficiaries**” means, collectively, the Lenders, the Hedging Affiliates, the Bank Product Affiliates and the Agent, and “**Beneficiary**” means any of the Lenders, the Hedging Affiliates, the Bank Product Affiliates or the Agent.

“**Beneficiaries’ Counsel**” means Borden Ladner Gervais LLP or such other firm of lawyers as may be selected by the Beneficiaries from time to time.

“**Borrower**” means Calfrac Well Services Ltd. and its successors.

“**Commodity Exchange Act**” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“**Credit Agreement**” means the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between the Borrower, as borrower, HSBC Bank Canada and such other financial institutions party thereto as lenders, as lenders, and HSBC Bank Canada as agent of such lenders, as the same may be further amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

“Default Rate” means a rate per annum that is equal to (i) in respect of amounts due in Canadian Dollars, the rate of interest then payable under the Credit Agreement on Canadian Prime Rate Loans plus 2.0% per annum or (ii) in respect of amounts due in United States Dollars, the rate of interest then payable under the Credit Agreement on U.S. Base Rate Loans plus 2.0% per annum.

“Documents” means, collectively, the Documents as defined in the Credit Agreement together with any and all documentation relating to Bank Products and Lender Financial Instruments.

“Excluded Swap Obligations” means, with respect to the Guarantor, any Swap Obligation if (and only if), and to the extent that, all or a portion of this Guarantee, or the grant by the Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of the Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of the Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Guarantee” means this guarantee, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“Guarantor” means • [INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY] and its successors.

“Obligations” means, collectively and at any time and from time to time, excluding the Excluded Swap Obligations and the Credit Card Obligations, all of the obligations, liabilities and indebtedness (present or future, matured or otherwise) of the Borrower to the Beneficiaries including, without limitation (i) all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Borrower to the Agent and the Lenders under, pursuant or relating to the Credit Agreement and the other Documents and including all Outstanding Principal and all interest, commissions, legal and other costs, charges and expenses payable by the Borrower under the Credit Agreement and the other Documents, (ii) all Bank Product Obligations of or owing by the Borrower to any and all Lenders and Bank Product Affiliates, excluding the Credit Card Obligations and (iii) all Lender Financial Instrument Obligations of or owing by the Borrower to any and all Lenders and Hedging Affiliates, excluding the Excluded Swap Obligations, in each case whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Subsidiary or Affiliate of the Borrower (that provides a guarantee to the Beneficiaries) that has total assets exceeding U.S.\$10,000,000 at the time the relevant guarantee or grant of the relevant

security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Swap Obligation**” means, with respect to any person that has provided a guarantee to the Beneficiaries, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

- (b) Capitalized words and phrases used in this Guarantee and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Credit Agreement. For certainty, if the Credit Agreement ceases to be in force for any reason whatsoever, then for all purposes hereof the aforementioned capitalized words and phrases shall continue to have the same defined meanings set forth in the Credit Agreement as if such agreement remained in force in the form immediately prior to its ceasing to be in force.

1.2 **Headings**

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee. The terms “this Guarantee”, “hereof”, “hereunder” and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

1.3 **Number; persons; including**

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, limited and unlimited companies, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 **Interest Act (Canada)**

Whenever a rate of interest hereunder is calculated on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.5 Nominal Rates

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Guarantee; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after demand, default and judgment. The rates of interest specified in this Guarantee are intended to be nominal rates and not effective rates and any interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

1.6 [References to Guarantor]

[All references in this Guarantee to representations and warranties by, covenants of, actions and steps by, or the performance of the terms and conditions hereof by the “Guarantor” shall, as the context requires, be and shall be construed as being by the partners of • on behalf of and in respect of such partnership.] [Note: Insert Section 1.6, with appropriate conforming changes, for a guarantee by a general partnership; insert similar provisions, with additional conforming changes, for a guarantee by a limited partnership, trust or other unincorporated entity.]

ARTICLE 2 GUARANTEE

2.1 Guarantee of Obligations

The Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries the payment and performance of all of the Obligations, together with interest thereon as provided in Section 5.4.

2.2 Indemnity

If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Beneficiaries from and against all losses resulting from the failure of the Borrower to pay and perform such Obligations. **[In addition to and without limiting the foregoing, each partner of the Guarantor hereby agrees, on a joint and several basis, to indemnify and hold harmless each of the Beneficiaries, forthwith after demand as provided herein, from and against all losses resulting from the failure of the Borrower to pay and perform any or all of the Obligations, it being the express intention of the partners of the Guarantor that each of the partners of the Guarantor shall be jointly and severally liable for the Obligations.] [Note: Insert the foregoing square-bracketed wording in Section 2.2 for any guarantee by a general partnership which includes the Borrower as a partner.]**

2.3 Guarantor as Principal Obligor

If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under Section 2.1 or the Beneficiaries are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations shall, as a separate and distinct

obligation, be recoverable by the Beneficiaries from the Guarantor as the primary obligor and principal debtor in respect thereof and shall be paid to the Beneficiaries forthwith after demand therefor as provided herein.

2.4 Guarantee Absolute and Unconditional

The liability and obligations of the Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:

- (a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Obligations, covenants or undertakings of the Borrower under the Documents;
- (b) any modification or amendment of or supplement to the Obligations;
- (c) any loss of or in respect of any security held by the Beneficiaries, whether occasioned by the fault of the Beneficiaries or otherwise, including any release, non-perfection or invalidity of any such security;
- (d) any change in the existence, structure, constitution, name, control or ownership of the Borrower or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or any other person or their respective assets;
- (e) the existence of any set-off, counterclaim, claim or other right which the Guarantor or the Borrower may have at any time against the Beneficiaries or any other person, whether in connection with the Credit Agreement, this Guarantee or any unrelated transaction;
- (f) any provision of applicable law purporting to prohibit or limit the payment by the Borrower of any Obligation, and the foregoing is hereby waived by the Guarantor to the extent permitted under applicable law;
- (g) any limitation, postponement, prohibition, subordination or other restriction on the right of a Beneficiary to payment of the Obligations;
- (h) any release, substitution or addition of any other guarantor of the Obligations;
- (i) any defence arising by reason of any failure of any Beneficiary to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;

- (j) any defence arising by reason of any failure of a Beneficiary to proceed against the Borrower or any other person, or to apply or exhaust any security held from the Borrower or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other person, or to pursue any other remedy available to the Beneficiaries;
- (k) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof or of any security or guarantee in support thereof, or by reason of any incapacity, lack of authority, or other defence of the Borrower or any other person, or by reason of any limitation, postponement or prohibition on a Beneficiary's rights to payment, or the cessation from any cause whatsoever of the liability of the Borrower or any other person with respect to all or any part of the Obligations (other than irrevocable payment to the Beneficiaries in full, in cash, of the Obligations), or by reason of any act or omission of the Beneficiaries or others which directly or indirectly results in the discharge or release of the Borrower or any other person or of all or any part of the Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;
- (l) any defence arising by reason of the failure by a Beneficiary to obtain, register, perfect or maintain a Security Interest in or upon any property of the Borrower or any other person, or by reason of any interest of the Beneficiaries in any property, whether as owner thereof or as holder of a Security Interest therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;
- (m) any defence arising by reason of the failure of the Beneficiaries to marshal assets;
- (n) to the extent permitted under applicable law, any defence based upon any failure of the Beneficiaries to give to the Borrower or the Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;
- (o) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower or any other person, including any discharge or bar against collection of any of the Obligations; **[or**
- (p) **[the fact that the Borrower has a general partnership interest in the Guarantor;]** or **[Note: Insert subparagraph (p) if applicable.]**
- (q) any other law, event or circumstance or any other act or failure to act or delay of any kind by the Borrower, the Beneficiaries or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of the Guarantor's obligations hereunder, other than as a result of the payment or extinguishment in full of the Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Beneficiaries is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against the Borrower for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy of the Guarantor.

ARTICLE 3
DEALINGS WITH THE BORROWER AND OTHERS

3.1 No Release

The Beneficiaries, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability and obligations hereunder, may:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower or any other guarantor or endorser;
- (b) take or abstain from taking security or collateral from the Borrower or any other guarantor or endorser or from perfecting security or collateral of the Borrower or any other guarantor or endorser;
- (c) accept compromises from the Borrower or any other guarantor or endorser;
- (d) subject to the Documents, apply all money at any time received from the Borrower or from security upon such part of the Obligations as the Beneficiaries may see fit or change any such application in whole or in part from time to time as the Beneficiaries may see fit; or
- (e) otherwise deal with the Borrower and all other persons and security as the Beneficiaries may see fit.

3.2 No Exhaustion of Remedies

The Beneficiaries shall not be bound or obligated to exhaust their recourse against the Borrower or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Article 5) before the Beneficiaries shall be entitled to demand, enforce and collect payment from the Guarantor hereunder.

3.3 Evidence of Obligations

Any account settled or stated in writing by or between a Beneficiary or the Beneficiaries, as the case may be, and the Borrower shall be *prima facie* evidence that the balance or amount thereof appearing due to the same is so due.

3.4 No Set-off

In any claim by the Beneficiaries against the Guarantor hereunder, the Guarantor shall not claim or assert any set-off, counterclaim, claim or other right that either the Borrower or the Guarantor may have against one or more of the Beneficiaries.

**ARTICLE 4
CONTINUING GUARANTEE**

4.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by any Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower), all as though such payment had not been made.

4.2 Revival of Indebtedness

If at any time, all or any part of any payment previously received by a Beneficiary and applied to any Obligation must be rescinded or returned by the Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Beneficiary, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation as though such application by the Beneficiary had not been made.

**ARTICLE 5
DEMAND FOR PAYMENT, EXPENSES AND INTEREST**

5.1 Demand for Payment

The Beneficiaries shall be entitled to make demand upon the Guarantor at any time during the continuance of an Event of Default and upon any such demand the Beneficiaries may treat all Obligations as due and payable and may forthwith collect from the Guarantor all Obligations. The Guarantor shall make payment to or performance in favour of the Beneficiaries of all Obligations forthwith after demand therefor is made upon the Guarantor by the Beneficiaries as aforesaid.

5.2 Stay of Acceleration

If acceleration of the time for payment of any amount payable by the Borrower in respect of the Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of the Borrower or any moratorium affecting the payment of the Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Beneficiaries.

5.3 Expenses

The Guarantor shall pay to the Beneficiaries all reasonable out of pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Beneficiaries from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by the Guarantor on demand by the Beneficiaries.

5.4 Interest

Any payment obligation comprised in the Obligations guaranteed hereunder which is not paid when due hereunder shall bear interest, to the extent not already included in the Obligations, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment at the rate or rates provided in the relevant Document for such Obligations or, in the event no such rate is provided for therein, at a rate per annum that is equal to the Default Rate. Any other amounts payable pursuant hereto, including pursuant to Section 5.3, which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment or reimbursement thereof by the Guarantor at a rate per annum that is equal to the Default Rate. All such interest shall accrue daily and shall be payable by the Guarantor on demand by the Beneficiaries.

ARTICLE 6 **SUBROGATION**

6.1 Subrogation

- (a) Until all the Obligations have been irrevocably paid in full in cash, the Guarantor shall have no right of subrogation to, and waives to the fullest extent permitted by applicable law, any right to enforce any remedy which the Beneficiaries now have or may hereafter have against the Borrower in respect of the Obligations, and until such time the Guarantor waives any benefit of, and any right to participate in, any security, now or hereafter held by the Beneficiaries for the Obligations.
- (b) If (i) the Guarantor performs or makes payment to the Beneficiaries of all amounts owing by the Guarantor under this Guarantee, and (ii) the Obligations are performed and irrevocably paid in full then the Beneficiaries will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of the Beneficiaries' interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES; COVENANTS

7.1 Representations and Warranties

The Guarantor represents and warrants as follows to each of the Beneficiaries and acknowledges and confirms that each of the Beneficiaries is relying upon such representations and warranties:

(a) Status and Authority

It is a [**corporation duly incorporated and**] OR [**INSERT OTHER APPROPRIATE DESCRIPTION, AS APPLICABLE**] existing under the laws of • and has all authority, capacity and powers and all material Governmental Authorizations required to carry on its business as now conducted.

(b) Valid Authorization

The execution, delivery and performance by the Guarantor of this Guarantee and each of the Documents to which it is a party (i) is within the Guarantor's authority, capacity and power, (ii) has been duly authorized by all necessary [**corporate**] OR [**INSERT OTHER APPROPRIATE DESCRIPTION, AS APPLICABLE**] and other action, (iii) requires no Governmental Authorization or action by or in respect of, or filing with, any Governmental Authority, and (iv) does not contravene or constitute a default under any provision of applicable law, or any agreement or any judgment, injunction, order, decree or other instrument binding upon the Guarantor or result in the creation or imposition of any Security Interest on any asset of the Guarantor or any of its Subsidiaries (other than pursuant to the Security).

(c) Enforceability of Documents

This Guarantee and each of the other Documents to which the Guarantor is a party constitute valid and legally binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their respective terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

(d) Eligible Contract Participant

As of the date hereof, it is an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder.

7.2 Effective Time of Repetition

All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the date hereof.

7.3 Nature of Representations and Warranties

The representations and warranties set out in this Guarantee or deemed to be made pursuant hereto shall survive the execution and delivery of this Guarantee notwithstanding any investigations or examinations which may be made by the Beneficiaries or Beneficiaries' Counsel. Such representations and warranties shall survive until this Guarantee has been terminated.

7.4 Covenants Contained in the Credit Agreement and Other Documents

The Guarantor hereby covenants and agrees with the Beneficiaries that the Guarantor shall observe, perform and comply with any and all of the covenants of the Borrower contained in the Credit Agreement or the other Documents that the Borrower agrees with which the Guarantor and other Subsidiaries shall observe, perform and comply with or the Borrower shall cause the Guarantor and other Subsidiaries to observe, perform and comply with.

7.5 Keepwell

To the extent the Guarantor is a Qualified ECP Guarantor, it hereby absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by any Subsidiary or Affiliate of the Borrower (that provides a guarantee to the Beneficiaries) to honour all of its obligations under its Guarantee in respect of Swap Obligations (provided, however, that the Guarantor shall only be liable under this Section for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section, or otherwise under this Guarantee, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Guarantor under this Section shall remain in full force and effect until discharged in accordance with the provisions of this Guarantee. The Guarantor intends that this Section constitute, and this Section shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Subsidiary or Affiliate of the Borrower (that provides a guarantee to the Beneficiaries) for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE 8 **POSTPONEMENT**

8.1 Postponement

Upon the occurrence and during the continuance of a Default or Event of Default, all debts, liabilities and obligations, present and future of the Borrower to or in favour of the Guarantor shall be and are hereby postponed and subordinated to the prior payment and performance in full of the Obligations. All money received by the Guarantor in respect of such debts, liabilities and obligations during the continuance of a Default or Event of Default shall be received and held in trust for the benefit of the Beneficiaries and upon demand hereunder shall be forthwith paid over to the Beneficiaries, the whole without in any way lessening or limiting the liability and obligations of the Guarantor hereunder and this postponement is independent of the Guarantee and shall remain in full force and effect until payment and performance in full of the Obligations and all obligations of the Guarantor under this Guarantee.

ARTICLE 9
GENERAL

9.1 Waiver of Notices

The Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the obligations guaranteed hereunder, except for the demand pursuant to Section 5.1.

9.2 Benefit of the Guarantee

This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Beneficiaries and be binding upon the successors of the Guarantor.

9.3 Foreign Currency Obligations

The Guarantor shall make payment relative to each Obligation in the currency (the “**original currency**”) in which the Borrower is required to pay such Obligation. If the Guarantor makes payment relative to any Obligation to the Beneficiaries in a currency (the “**other currency**”) other than the original currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the original currency which the Beneficiaries are able to purchase with the amount of other currency they receive on the date of receipt in accordance with normal practice. If the amount of the original currency which the Beneficiaries are able to purchase is less than the amount of such currency originally due in respect of the relevant Obligation, the Guarantor shall indemnify and save the Beneficiaries harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Beneficiaries and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of a Beneficiary as to any such loss or damage shall constitute *prima facie* evidence thereof, in the absence of manifest error.

9.4 Taxes and Set-off by Guarantor

All payments by the Guarantor under this Guarantee, whether in respect of principal, interest, interest on overdue and unpaid interest, fees or any other Obligations, shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the Guarantor is prohibited by applicable laws from doing so, in which event the Guarantor shall:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;

- (b) forthwith pay to the Beneficiaries such additional amount so that the net amount received by the Beneficiaries will equal the full amount which would have been received by it had no such deduction or withholding been made;
- (c) pay to the relevant taxation or other authorities, within the period for payment required by applicable laws, the full amount of the deduction or withholding (including the full amount of any deduction or withholding from any additional amount paid pursuant to this Section); and
- (d) furnish to the Beneficiaries promptly, as soon as available, an official receipt of the relevant taxation or other authorities involved for all amounts deducted or withheld as aforesaid.

9.5 No Waiver; Remedies

No failure on the part of the Beneficiaries to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 Amendments and Waivers

Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantor and the Agent on behalf of the Beneficiaries. Any amendment, waiver or any consent by the Agent on behalf of the Beneficiaries under any provision of this Guarantee must be in writing signed by the Agent and may be given subject to any conditions thought fit by the Agent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

9.8 Additional Security

This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Beneficiaries and any other rights or remedies they might have.

9.9 Notices

Any demand, notice or other communication (hereinafter in this Section referred to as a “**Communication**”) to be given in connection with this Guarantee shall be given in writing

and may be given by personal delivery, facsimile or other electronic means or by registered mail addressed to the recipient as follows:

To the Agent on behalf of the Beneficiaries as follows:

HSBC Bank Canada, as Agent
16 York Street, Suite 500
Toronto, Ontario M5J 0E6

Facsimile No.: (647) 788-2185
Attention: Agency Services

To the Guarantor:

- [INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY]
-
-
-
-

Facsimile No.: (●) ●
Attention: ●

or such other address or electronic communication number as may be designated by notice by any party to the other. Any Communication given by personal delivery, facsimile transmission or other electronic means shall be conclusively deemed to have been given on the day of actual delivery or transmittal thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery, facsimile transmission or other electronic means.

9.10 Assignment

The rights of the Beneficiaries under this Guarantee may be assigned by the Beneficiaries in accordance with the provisions of the Credit Agreement and without the consent of the Borrower or the Guarantor during the continuance of an Event of Default and, at all other times, with the prior written consent of the Guarantor (such consent not to be unreasonably withheld). The Guarantor may not assign its obligations under this Guarantee.

9.11 Time of Essence

Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Beneficiaries.

9.12 Financial Condition of the Borrower

The Guarantor is fully aware of the financial condition of the Borrower and acknowledges that it shall receive a benefit from the Beneficiaries entering into the Documents to which the Beneficiaries are a party. The Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of non-payment or non-performance of the Obligations and the nature, scope and extent of the risks which Guarantor assumes and incurs hereunder, and agrees that the Beneficiaries shall not have a duty to advise Guarantor of information known to any of them regarding such circumstances or risks.

9.13 Acknowledgement of Documentation

The Guarantor hereby acknowledges receipt of a true and complete copy of the other Documents and all of the terms and conditions thereof.

9.14 Entire Agreement

This Guarantee and the other Documents constitute the entire agreement between the Beneficiaries and the Guarantor with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth herein or therein.

9.15 Governing Law

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

9.16 Attornment

The Guarantor and each of the Beneficiaries hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Guarantee. For the purpose of all such legal proceedings, the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Guarantee. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of the Guarantor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee as of the date first written above.

**• [INSERT NAME OF RELEVANT
CANADIAN MATERIAL SUBSIDIARY]**

Per: _____
Name:
Title:

Per: _____
Name:
Title

SCHEDULE H-5

FLOATING CHARGE DEMAND DEBENTURE

(• [Insert Name of Relevant Canadian Material Subsidiary])

Principal Sum: \$800,000,000 Canadian Dollars

Interest Rate: 20.0% per annum

Date: •, 20•

ARTICLE 1 - PROMISE TO PAY

Promise to Pay

1.1 For value received, the undersigned (the “**Debtor**”) hereby acknowledges itself indebted and promises to pay ON DEMAND to or to the order of HSBC Bank Canada in its capacity as agent (in such capacity, the “**Agent**”) for and on behalf of (a) HSBC Bank Canada and such other financial institutions in their capacity as lenders (collectively, the “**Lenders**” and, individually, a “**Lender**”) under the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., as borrower, the Lenders and the Agent (as the same may be further amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”), (b) all Bank Product Affiliates (as defined in the Credit Agreement) of each Lender and (c) all Hedging Affiliates (as defined in the Credit Agreement) of each Lender, for the benefit of the Agent, the Lenders and such Bank Product Affiliates and Hedging Affiliates (collectively, the “**Beneficiaries**”), the principal sum herein stipulated on presentation and surrender of this Debenture at the Agent’s offices at 16 York Street, Suite 500, Toronto, Ontario, M5J 0E6 or at such other place as the Agent may designate by notice in writing to the Debtor, and to pay interest thereon from the date hereof at the rate per annum herein stipulated in like money at the same place monthly on the last day of each month; and, if the Debtor should at any time make default in the payment of any principal or interest to pay interest on the amount in default both before and after demand, default and judgment at the same rate in lawful money of Canada at the same place.

The Agent, on behalf of the Beneficiaries, is the person entitled to receive the principal of and interest on this Debenture and all other amounts payable hereunder.

ARTICLE 2 - CHARGE

Charge

2.1 As security for the due payment of all money payable hereunder and all other obligations hereunder, the Debtor hereby charges, as and by way of a first floating charge to and in favour of the

Agent and its successors and assigns, for the benefit of the Beneficiaries and their respective successors and permitted assigns, all of the undertaking, property and assets of the Debtor, both present and future, of every nature and kind and wherever situate including, without limitation, all of its present and future personal and real property, goodwill, trade-marks, inventions, processes, patents and patent rights, materials, supplies, inventories, motor vehicles, trucks, trailers, machinery, implements, equipment and apparatus of every kind, furniture, rent, revenues, income, money, rights, powers, privileges, franchises, benefits, amenities, contracts, agreements, leases of real and personal property, licenses, permits, book debts, accounts receivable, negotiable and non-negotiable instruments, judgments, securities, choses in action, unpaid capital and all other property and things of value of every kind and nature, tangible and intangible, legal or equitable, which the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter and any and all proceeds of any of the foregoing.

In this Debenture, the mortgages, assignments and charges created and provided for are collectively called the “**Charge**” and the subject matter of the Charge is called the “**Charged Premises**”.

Dealings in the Ordinary Course

2.2 Subject to Section 3.1 hereof and until the Charge becomes enforceable, the Debtor may dispose of or deal with the property and assets subjected to the Charge in the ordinary course of business and for the purpose of carrying on the same, so that purchasers thereof or parties dealing with the Debtor take title thereto free and clear of the Charge.

Last Day

2.3 The Charge shall not extend or apply to the last day of the term of any lease or agreement to lease but upon the enforcement of the Charge the Debtor shall stand possessed of such last day in trust for the Agent to assign the same to any person acquiring such term in the course of enforcement of the Charge.

Exception for Certain Contractual Rights

2.4 The Charge does not and shall not extend to, and the Charged Premises shall not include, any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Agent and shall assign such Contractual Rights to the Agent forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of the Agent, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

Crystallization Against Real Property

2.5 In respect of real property (and interests therein) subject to the floating charge created by Section 2.1, such floating charge shall become a fixed charge against such property and interests upon the earlier of (a) the Charge becoming enforceable in accordance with Section 4.1 and the Agent giving written notice to the Debtor that the indebtedness secured thereby is forthwith due and

payable and that the floating charge has become a fixed charge on the real property and interests therein charged thereby, and (b) the occurrence of any other event which by operation of law would result in the floating charge becoming a fixed charge on the real property and interests therein of the Debtor charged thereby.

ARTICLE 3 - NEGATIVE PLEDGE

Negative Pledge

3.1 Except as has otherwise been agreed in writing with the Agent and the Lenders, the Debtor shall not create, assume, have outstanding or permit to exist, except in favour of the Agent, any mortgage, charge, pledge, lien, assignment by way of security, security interest or other encumbrance on any part of the Charged Premises.

ARTICLE 4 - DEFAULT AND REMEDIES

Default

4.1 If the Debtor makes default in the payment of principal, interest or any other amount payable hereunder or in the due performance of the terms and conditions of Section 3.1 hereof, the Charge shall immediately become enforceable.

Remedies

4.2 (1) Whenever the Charge has become enforceable, the Agent may realize upon the Charged Premises and shall have the following rights and remedies, which rights and remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights or remedies the Beneficiaries may have:

- (a) the Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Charged Premises and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Premises or any part thereof; and the term “Agent” when used in this Section 4.2 shall include any Receiver so appointed and the agents, officers and employees of such Receiver;
- (b) the Agent may take possession of the Charged Premises and require the Debtor to make the Charged Premises available to the Agent;
- (c) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Charged Premises;
- (d) the Agent may carry on or concur in the carrying on of all or any part of the business of the Debtor relating to the Charged Premises;
- (e) the Agent may enforce any rights of the Debtor in respect of the Charged Premises by any manner permitted by law;

- (f) the Agent may sell, lease or otherwise dispose of the Charged Premises by judicial sale, by foreclosure, by public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Charged Premises or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any Vice President, Manager or Director of the Agent being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Charged Premises by, from, through or under the Debtor;
 - (g) the Agent may accept the Charged Premises in satisfaction or partial satisfaction of the Charge upon notice to the Debtor of its intention to do so in the manner required by law;
 - (h) the Agent may borrow money on the security of the Charged Premises for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Charged Premises in priority to the Charge;
 - (i) the Agent may perform any obligation, covenant or provision under the Credit Agreement referred to herein and the costs thereof are a charge on the Charged Premises and shall be added to the amounts due hereunder and shall be secured by the Charge; and
 - (j) the Agent may exercise any other right or remedy permitted by law or equity, including, without limitation, all rights and remedies of a secured party under the *Personal Property Security Act* (Alberta) or any similar personal property legislation of any jurisdiction in which any of the Charged Premises is located or which, by operation of law, governs or is deemed to govern the Charged Premises.
- (2) The Debtor further agrees with the Agent that:
- (a) the Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Charged Premises and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Charged Premises or for the purpose of preserving any rights of the Beneficiaries, the Debtor or any other person, firm or corporation in respect of the Charged Premises;
 - (b) the Beneficiaries may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Charged Premises and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Charged Premises and other securities as the Agent may see fit without prejudice to the liability of the Debtor to the Beneficiaries or the Beneficiaries' rights hereunder;

- (c) to facilitate the realization of the Charged Premises, the Agent may enter upon, occupy and use all or any of the premises, buildings and plant comprising the Charged Premises and use all or any of the equipment and other personal property of the Debtor for such time as the Agent requires to facilitate such realization, free of charge (as between the Debtor and the Agent), and the Beneficiaries shall not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges or depreciation in connection with such actions;
 - (d) the Agent may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith shall be added to the amounts due hereunder and shall be secured by the Charge;
 - (e) the Agent may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Charged Premises, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the amounts due hereunder and shall be secured by the Charge; and
 - (f) any proceeds of realization of the Charged Premises may be applied by the Agent to the payment of expenses in connection with the preservation and realization of the Charged Premises as above described and any balance of such proceeds shall be applied by the Agent to payment of any amount owing by the Debtor to the Agent in such order as the Agent may see fit; if there is any surplus remaining, it may be paid to any person having a claim thereto in priority to the Debtor of whom the Agent has knowledge and may be applied or retained as reserves against potential claims that the Agent or the Receiver in good faith believes should be maintained and the balance remaining, if any, shall (subject to applicable law) be paid to the Debtor.
- (3) Any Receiver shall be entitled to exercise all rights and powers of the Agent hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Agent and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.
- (4) The Debtor hereby irrevocably appoints the Agent attorney on its behalf to sell or transfer the Charged Premises and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all rents and sums of money that may become or are now due or owing to the Debtor in respect of the Charged Premises and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Charged Premises or on any person in respect of it and this appointment shall take effect if the Charge has become enforceable.

ARTICLE 5 - GENERAL

Expenses

5.1 The Debtor shall pay to the Agent forthwith on demand all reasonable costs, charges and expenses, including all reasonable legal fees, incurred by the Agent in connection with the recovery or enforcement of payment of any moneys owing hereunder whether by realization or otherwise. All such sums, together with interest thereon at the rate set forth in this Debenture, shall be added to the amount payable hereunder and shall be secured by the Charge.

Pledge of Debenture

5.2 This Debenture may be pledged by the Debtor as security for its indebtedness and liabilities. While this Debenture is so pledged, no payment by the Debtor of the whole or any part of any indebtedness secured by this Debenture shall reduce the amount owing under this Debenture unless specifically appropriated to and noted on this Debenture by the Agent at the time of payment.

Not Negotiable

5.3 This Debenture is not a negotiable instrument and the rights created hereunder which are exercisable by any holder hereof other than the Agent are no greater than the rights of the Agent, and any holder hereof is subject to the same obligations, duties, liabilities and defences as the Agent would have been subject to.

No Waiver, Remedies

5.4 No failure on the part of the Beneficiaries or the Agent on their behalf to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Notices

5.5 Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery, by transmittal, by facsimile transmission or other electronic means of communication addressed to the Debtor as follows:

- [insert name of relevant Canadian Material Subsidiary]
-
-
-

Facsimile No.: (•) •
Attention: •

or to such other address or electronic communication number as the Debtor may from time to time notify the Agent in writing. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication shall be conclusively deemed to have been made or given on the day of actual delivery or transmittal thereof.

Additional Security

5.6 This Debenture and the Charge shall be and shall be deemed to have been given in addition to and not in place of any other security now or hereafter held or acquired by the Beneficiaries.

Headings; References to Debenture

5.7 The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture. The terms “this Debenture”, “hereof”, “hereunder” and similar expressions refer to this Debenture and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Debenture.

Number; Gender; Persons

5.8 In this Debenture words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Governing Law

5.9 This Debenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Attornment

5.10 The Debtor hereby attorns and submits to the jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Debenture shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Debenture. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

Benefit of the Debenture

5.11 This Debenture shall be binding upon the successors and permitted assigns of the Debtor (including, without limitation, any corporation resulting from an amalgamation with the Debtor) except that the Debtor may not assign its obligations under this Debenture without the prior written consent of the Agent. This Debenture shall benefit the successors and permitted assigns of the Beneficiaries.

Time of the Essence

5.12 Time shall be of the essence with regard to this Debenture.

Discharge

5.13 The Debtor shall not be discharged from the Charge, this Debenture or any of its obligations hereunder except by a release or discharge in writing signed by the Agent.

Waiver of Financing Statement, Etc.

5.14 The Debtor hereby waives the right to receive from the Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Debenture or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Debenture.

No Merger

5.15 No item or part of this Debenture shall be merged or be deemed to have been merged in or by any documents, instruments or acknowledgements delivered in connection with this Debenture or the Credit Agreement referred to herein, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Beneficiaries under any security, instruments or agreements held by it or at law or in equity. No obligation of the Borrower hereunder shall merge in any judgment relating to any such obligation.

References to Debtor

5.16 [All references in this Debenture to covenants of, actions and steps by, or the performance of the terms and conditions hereof by the “Debtor” shall, as the context requires, be and shall be construed as being by the partners of • on behalf of and in respect of such partnership.] [Note: Insert Section 5.15, with appropriate conforming changes, for a Debenture from a general partnership; insert similar provisions, with additional conforming changes, for a Debenture from a limited partnership, trust or other unincorporated entity.]

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF the Debtor has executed this Debenture as of the date first written above.

• **[INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY]**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE H-6

THIS DEBENTURE PLEDGE AGREEMENT made as of ●, 20●. (● [Insert Name of Relevant Canadian Material Subsidiary])

Description of Floating Charge Demand Debenture

Principal Sum: \$800,000,000 Canadian Dollars

Interest Rate: 20.0% per annum

Date: ●, 20●

WHEREAS:

A. HSBC Bank Canada and certain other lenders (collectively, the “**Lenders**”) and HSBC Bank Canada in its capacity as agent on behalf of the Lenders (in that capacity, the “**Agent**”) have entered into an amended and restated credit agreement with Calfrac Well Services Ltd. (the “**Borrower**”), as borrower, made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 (as further amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”) pursuant to which the Lenders have agreed to make certain credit facilities available to the Borrower;

B. ● [insert name of relevant Canadian Material Subsidiary] (the “**Debtor**”) is a Material Subsidiary of the Borrower and has executed and delivered to the Agent and the Lenders a Guarantee made as of even date herewith (as amended, modified, supplemented or restated from time to time, the “**Guarantee**”) wherein, *inter alia*, the Debtor has guaranteed all present and future “**Obligations**” (as defined in the Guarantee);

C. In order to secure the payment and performance of all present and future Obligations (as hereinafter defined) of the Debtor to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates (collectively, the “**Beneficiaries**”), the Debtor has created and issued to the Agent the debenture described above (as the same may hereafter be amended, modified, supplemented and restated from time to time, the “**Debenture**”);

D. The purpose of this Debenture Pledge Agreement is to set forth the terms and conditions upon which the Debenture is to be held by the Agent;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Debtor, the Debtor hereby agrees and covenants with the Agent as follows:

1. The Debtor hereby grants a security interest in and deposits with and pledges to the Agent the Debenture to be held by the Agent as general and continuing collateral security for the payment and performance of all present and future obligations, liabilities and indebtedness (absolute or contingent,

matured or otherwise) of the Debtor to the Beneficiaries including, without limitation, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor under, pursuant or relating to the Guarantee and the other Documents, in each case whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (collectively, the “**Obligations**”).

2. The Agent shall neither demand payment pursuant to the Debenture nor enforce the security constituted thereby unless the Agent shall be entitled to do so pursuant to the provisions of the Guarantee and the other Documents and the other agreements, instruments or documents establishing, creating or evidencing any Obligations (collectively, the “**Credit Documents**”), but thereafter the Agent may at any time exercise and enforce all of the rights and remedies of a holder of the Debenture as if the Agent was the absolute owner thereof without notice to or control by the Debtor, and any such remedy may be exercised separately or in combination with, and shall be in addition to and not in substitution for, any other right or remedy of the Agent and the Beneficiaries however created, provided that the Agent shall not be bound to exercise any such right or remedy.

3. Subject to the requirements of applicable law, the Agent shall not be bound under any circumstances to realize upon or under the Debenture and shall not be responsible to the Debtor for any loss occasioned by any sale or other dealing with the Debenture or the Charged Premises (as defined in the Debenture) or by the retention of or failure to sell or otherwise deal with the same.

4. The proceeds of or any other amount received pursuant to the Debenture shall be applied by the Agent on account of the Obligations in such order as the Agent sees fit without prejudice to the Agent’s or the Beneficiaries’ claim upon the Debtor for any deficiency. Subject to the requirements of applicable law, any surplus realized by the Agent in excess of the Obligations shall be paid over to the Debtor.

5. Subject to paragraph 2 hereof, the Agent shall not be obliged to exhaust its recourse against the Debtor, any other person or persons, or any other security it may hold with respect to the Obligations before realizing upon, under, or otherwise dealing with the Debenture in such manner as the Agent sees fit. The Agent and the Beneficiaries may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other parties, sureties or securities as they may see fit, without prejudice to the liability of the Debtor or the Agent’s or the Beneficiaries’ rights in respect of the Debenture.

6. Notwithstanding the stated interest rate per annum in the Debenture, payment to the Beneficiaries or, in the case of obligations of the Borrower payable pursuant to the Credit Agreement, the Agent for the account of the Lenders of the relevant interest, fees and other amounts owing under the Credit Documents for any period at the current rate at which the relevant obligations bear interest for such period pursuant to the Credit Documents shall be deemed to be payment in satisfaction of the interest payment for the same period under the Debenture.

7. The Debenture shall not operate by way of merger of any of the Obligations and no judgment recovered by the Agent or the Beneficiaries shall operate by way of merger of or in any way affect the security of the Debenture which is in addition to and not in substitution for any other security now or hereafter held by the Agent or the Beneficiaries with respect to the Obligations.

8. Notwithstanding the form and terms of the Debenture and the provisions of this Debenture Pledge Agreement, (a) the Agent shall not claim or realize an amount under or in respect of the Debenture in excess of the aggregate Obligations, from time to time, of the Debtor to the Agent and the Beneficiaries and (b) the provisions of this Debenture Pledge Agreement and the Debenture, in particular, but without limitation, Sections 2.2 and 3.1 of the Debenture, are subject to the provisions of the Guarantee relating to the subject matter thereof. If there are any express conflicts or inconsistencies between the terms of the Guarantee and the Debenture or this Debenture Pledge Agreement, then the terms of the Guarantee shall govern in all respects to the extent necessary to eliminate such express conflicts or inconsistencies.

9. Upon payment and satisfaction in full of the Obligations and cancellation in full of the credit facilities established under the Credit Agreement when none of the Beneficiaries has other credit facilities in favour of or any obligation to provide credit to the Borrower, the Agent shall, at the request of the Debtor, deliver up the Debenture to the Debtor and shall, at the request and expense of the Debtor, execute and deliver to the Debtor releases, discharges and such other instruments as shall be required to effectively discharge the Charge (as defined in the Debenture).

10. Time shall be of the essence with regard to this Debenture Pledge Agreement.

11. Capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Guarantee and the Credit Agreement (as applicable).

12. This Debenture Pledge Agreement shall enure to the benefit of and be binding upon the Debtor, the Agent and the Beneficiaries and their respective successors and permitted assigns.

13. The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Debenture Pledge Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Debenture Pledge Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of either party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

14. This Debenture Pledge Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

15. The Debtor hereby waives the right to receive from the Agent or the Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Debenture Pledge Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Debenture Pledge Agreement.

16. The Debtor may not assign its obligations under this Debenture Pledge Agreement.

17. **[All references in this Debenture Pledge Agreement to covenants of, actions and steps by, or the performance of the terms and conditions hereof by the "Debtor" shall, as the context requires, be and shall be construed as being by the partners of • on behalf of and in respect of such partnership.] [Note: Insert Section 17, with appropriate conforming changes, for a Debenture Pledge Agreement with a general partnership; insert similar provisions, with additional conforming**

changes, for a Debenture Pledge Agreement with a limited partnership, trust or other unincorporated entity.]

IN WITNESS WHEREOF the Debtor has executed this Debenture Pledge Agreement as of the date first above written.

• [INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

ACCEPTED AS OF THE DATE FIRST ABOVE WRITTEN BY:

HSBC BANK CANADA,
as Agent

Per: _____
Name:
Title:

SCHEDULE H-7

GENERAL SECURITY AGREEMENT

(● [Insert Name of Relevant Canadian Material Subsidiary])

THIS AGREEMENT made as of ●, 20●

B E T W E E N :

● [INSERT NAME OF RELEVANT CANADIAN MATERIAL SUBSIDIARY], a ● existing under the laws of ● (hereinafter referred to as the “**Debtor**”)

- and -

HSBC BANK CANADA, a Canadian chartered bank, in its capacity as Agent (hereinafter referred to as the “**Secured Party**”).

WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of the Obligations (as hereinafter defined), the security interest and assignment, mortgage and charge granted herein;

AND WHEREAS the Lenders, the Bank Product Affiliates and the Hedging Affiliates have appointed and authorized the Secured Party to act as their agent and attorney for the purpose of holding security granted by the Debtor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“**Beneficiaries**” means, collectively, the Lenders, the Bank Product Affiliates, the Hedging Affiliates and the Agent, and “**Beneficiary**” means any of the Lenders, the Bank Product Affiliates, the Hedging Affiliates or the Agent.

“**Charge**” means the security interests, assignments, mortgages and charges created hereunder.

“**Collateral**” has the meaning set out in Section 2.1.

“**Credit Agreement**” means the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 between Calfrac Well Services Ltd., the Secured Party and the Lenders relating to the establishment of certain credit facilities in favour of Calfrac Well Services Ltd., as the same may be further amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

“**Guarantee**” means the guarantee made as of even date herewith by the Debtor in favour of the Beneficiaries, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

“**Obligations**” means, collectively and at any time and from time to time, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor to the Beneficiaries including, without limitation, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor under, pursuant or relating to the Guarantee and the other Documents, in each case whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

1.2 Definitions used in the Credit Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Credit Agreement.

1.3 Personal Property Security Act Definitions

The terms “accessions”, “accounts”, “chattel paper”, “documents of title”, “goods”, “instruments”, “intangibles”, “inventory”, “investment property”, “money” and “proceeds” whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Alberta) (the “PPSA”), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.6 Calculation of Interest

Whenever a rate of interest hereunder is calculated on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.7 Schedules

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

1.8 [References to Debtor]

[All references in this Agreement to representations and warranties by, covenants of, actions and steps by, or the performance of the terms and conditions hereof by the “Debtor” shall, as the context requires, be and shall be construed as being by the partners of • on behalf of and in respect of such partnership.] [Note: Insert Section 1.8, with appropriate conforming changes, for an Agreement by a general partnership; insert similar provisions, with additional conforming changes, for an Agreement by a limited partnership, trust or other unincorporated entity.]

ARTICLE 2 GRANT OF SECURITY

2.1 Security

As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a security interest in all of the present and future undertaking, assets and property, both real and personal, including, without limitation, all present and after-acquired personal property of the Debtor (collectively, the “**Collateral**”), and as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral to the Secured Party (with respect to real property, as and by way of a floating charge). Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (a) Accounts Receivable: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the “**Receivables**”);
- (b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are work in progress, or that are raw materials used or consumed in the business of the Debtor (collectively, the “**Inventory**”);
- (c) Equipment: all goods, machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory, including, without limiting the generality of the foregoing, the tangible personal property described in any schedule hereto executed by both the Debtor and the Secured Party;
- (d) Chattel Paper: all chattel paper;
- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Investment Property and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other investment property and all instruments (collectively, the “**Securities**”);
- (g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (h) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to (i) inclusive; and
- (k) Proceeds: all proceeds of the property described in Sections 2.1(a) to (j) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

provided that the Charge shall not: (i) extend, include or apply to the last day of the term of any lease now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said

Charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Charge, (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound, or (iii) extend to, and the Collateral shall not include any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which the Debtor is a party or of which the Debtor has benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of, or permit any person to terminate, the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such Contractual Rights to the Secured Party forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

2.2 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby shall attach when the Debtor signs this Agreement and the Debtor has any rights in the Collateral.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Secured Party and the Beneficiaries that (and acknowledges that the Secured Party and the Beneficiaries are relying on the same):

- (a) the address of the Debtor’s chief executive office (as such term is utilized in the PPSA) is ●;
- (b) the address of the office where the Debtor keeps its records respecting the Receivables is ●;
- (c) all of the tangible property and assets of the Debtor, real or personal, are located in the Provinces of ●, ● and ●; and
- (d) it has not granted “control” (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Secured Party.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel. Such representations and

warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 6.8 hereof.

3.3 Covenants

The Debtor covenants with the Secured Party that the Debtor shall:

- (a) not change its name or its chief executive office or the location of the office where it keeps its records respecting the Receivables without giving 15 days' prior written notice thereof to the Secured Party;
- (b) from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Event of Default, the Debtor hereby irrevocably constitutes and appoints the Secured Party, or any receiver or receiver and manager appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;
- (c) pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (d) not grant "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Secured Party.

ARTICLE 4 **SECURITIES; ACCOUNT DEBTORS**

4.1 Registration of Securities

If a Default has occurred and is continuing, the Secured Party may require that the Debtor have any Securities registered in the name of the Secured Party or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that, until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power from time to time exercisable in respect of the Securities. The Beneficiaries shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the

time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

4.2 Notification of Account Debtors

If an Event of Default has occurred and is continuing, the Secured Party may give notice of this Agreement and the Charge granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and may give notice to any such account debtors or other person to make all further payments to the Secured Party, and, after the occurrence and during the continuance of an Event of Default, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and forthwith paid over to the Secured Party on request.

ARTICLE 5 **REMEDIES**

5.1 Remedies

- (a) Upon the occurrence and during the continuance of any Event of Default any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable and, in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Secured Party may have:
 - (i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Collateral (which term when used in this Section 5.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term “Secured Party” when used in this Section 5.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver;
 - (ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
 - (iii) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

- (iv) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (v) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (vi) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Secured Party being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor;
- (vii) the Secured Party may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
- (viii) the Secured Party may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;
- (ix) the Secured Party may enter upon, occupy and use all or any of the Collateral occupied by the Debtor and use all or any of the Collateral for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party and the Beneficiaries will not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (x) the Secured Party may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum equal to the rate of interest per annum then payable on Canadian Prime Rate Loans plus 2.0% per annum, shall be added to and form part of the Obligations hereby secured; and

(xi) the Secured Party may discharge any claim, Security Interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.

(b) The Secured Party and the Beneficiaries may:

- (i) grant extensions of time,
- (ii) take and perfect or abstain from taking and perfecting security,
- (iii) give up securities,
- (iv) accept compositions or compromises,
- (v) grant releases and discharges, and
- (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors and creditors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit,

without prejudice to the liability of the Debtor to the Secured Party and the Beneficiaries or the Beneficiaries' rights hereunder.

- (c) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.
- (d) The Secured Party shall apply any proceeds of realization of the Collateral to payment of reasonable expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party shall apply any balance of such proceeds to payment of the Obligations in accordance with the Credit Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party and the Beneficiaries forthwith on demand. Subject to the requirements of applicable law, any surplus realized in excess of the Obligations shall be paid over to the Debtor.
- (e) Any Receiver shall be entitled to exercise all rights and powers of the Secured Party hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Secured Party and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.

ARTICLE 6
GENERAL

6.1 **Benefit of the Agreement**

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and permitted assigns of the Secured Party and the other Beneficiaries.

6.2 **Conflict of Terms; Entire Agreement**

This Agreement has been entered into as collateral security for the Obligations and is subject to all the terms and conditions of the Guarantee and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Guarantee, the rights and obligations of the Debtor, the Secured Party and the Beneficiaries shall be governed by the provisions of the Guarantee. This Agreement together with the Guarantee and all other Documents constitute the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Beneficiaries and the Debtor except as expressly set forth therein and herein.

6.3 **No Waiver**

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

6.4 **Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

6.5 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, facsimile or other electronic means, addressed to the recipient as follows:

To the Debtor:

● [INSERT NAME OF RELEVANT CANADIAN MATERIAL
SUBSIDIARY]

-
-
-

Attention: ●
Facsimile No: (●) ●

To the Secured Party:

HSBC Bank Canada, as Agent
16 York Street, Suite 500
Toronto, Ontario
M5J 0E6

Attention: Agency Services
Facsimile No: (647) 788-2185

or such other address, electronic communication number, or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

6.6 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Debtor and the Secured Party. No waiver of any provision of this Agreement by the Secured Party shall be effective unless the same is in writing and signed by the Secured Party, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Secured Party (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Credit Agreement or applicable Lender Financial Instrument (as the case may be). The Debtor may not assign its obligations under this Agreement. Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

6.7 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party or the Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party.

6.8 Discharge

The Debtor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Secured Party.

6.9 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge the Debtor from any of its liabilities to the Beneficiaries.

6.10 No Obligation to Act

Notwithstanding any provision of this Agreement or any other Document or the operation, application or effect hereof, the Secured Party, the other Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

6.11 Admit to Benefit

Subject to Section 6.6, no person other than the Debtor and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

6.12 Time of the Essence

Time shall be of the essence with regard to this Agreement.

6.13 Waiver of Financing Statement, etc.

The Debtor hereby waives the right to receive from the Secured Party or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

6.14 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

6.15 **Saskatchewan Waiver**

The Debtor agrees that:

- (a) The *Land Contract (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in that Act, with respect to this Agreement; and
- (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Agreement or any agreement renewing, extending or collateral to this Agreement.

[Note: Section 6.15 to be included only if Debtor has property or assets located in Saskatchewan.]

6.16 **Attornment**

The Debtor and each of the Beneficiaries each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or any Beneficiary to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

6.17 **Executed Copy**

The Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

6.18 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[the remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

• **[INSERT NAME OF RELEVANT
CANADIAN MATERIAL SUBSIDIARY]**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

HSBC BANK CANADA,
as Agent and Secured Party

Per: _____
Name:
Title:

SCHEDULE I

BORROWING BASE CERTIFICATE

TO: HSBC Bank Canada, as agent (the “Agent”)

FROM: Calfrac Well Services Ltd.

This Borrowing Base Certificate is delivered to you pursuant to the amended and restated credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011, as further amended and restated as of October 10, 2012, as further amended and restated as of February 18, 2015, as further amended and restated as of September 27, 2017, as further amended and restated as of April 30, 2019, as further amended and restated as of December 18, 2020 and as further amended and restated as of September 29, 2022 (as the same may be further amended, modified, supplemented or restated to the date hereof, the “**Credit Agreement**”) between Calfrac Well Services Ltd. (the “**Borrower**”), as borrower, HSBC Bank Canada and such other financial institutions party thereto as lenders, and the Agent. All terms set forth in this Borrowing Base Certificate and not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

I, • [name], in my capacity as the • [title] of the Borrower, hereby certify without personal liability, as at •, as follows:

1. attached hereto as Exhibit “A” is a calculation of the net book value of the property, plant and equipment of the Borrower and its Subsidiaries which have provided Security located in Canada or the United States of America (excluding any property, plant and equipment (i) under construction and (ii) which are included in joint ventures unless title to such property, plant and equipment remains solely with the Borrower or the applicable Subsidiary and the Borrower or the applicable Subsidiary have the unfettered right to remove such property, plant and equipment from the joint venture in its sole discretion);
2. attached hereto as Exhibit “B” is a summary of all Accounts Receivable and corresponding and offsetting accounts payable of the Borrower and its Subsidiaries which have provided Security from Account Debtors located in Canada or the United States of America as of such calendar month end (including particulars of all Account Debtors, the age of such Accounts Receivable and details of any Eligible Accounts Receivable subject to a *bona fide* dispute between the Account Debtor and the Borrower);
3. attached hereto as Exhibit “C” is a summary of all Acceptable Insured Receivables included in the Borrowing Base (and copies of the insurance policies covering such Acceptable Insured Receivables);
4. attached hereto as Exhibit “D” is a summary of all Unencumbered Cash;
5. attached hereto as Exhibit “E” is a summary of (a) all due and payable but unpaid statutory source deductions of the Borrower and its Subsidiaries which have provided

Security, (b) all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of the Borrower and its Subsidiaries which have provided Security and (c) any other claims ranking in priority to the Security;

6. below is the Borrower's calculation of the Borrowing Base as at •:

(a) 75% of all Eligible Accounts Receivable owing by Account Debtors (i) rated BB+ or lower by S&P or the equivalent by a similar rating agency, or (ii) not rated by S&P or any similar rating agency:

Gross Accounts Receivable of the \$ _____
Borrower and its Subsidiaries owing by
Account Debtors (i) rated BB+ or lower
by S&P or the equivalent by a similar
rating agency, or (ii) not rated by S&P
or any similar rating agency

Less:

(i) not fully performed, goods not \$ _____
shipped or title not passed (see (a) of
definition of Eligible Accounts
Receivable)

(ii) owing by Affiliates or non-arm's \$ _____
length persons (see (h) of definition of
Eligible Accounts Receivable)

(iii) unpaid for >90 days (see (f) of \$ _____
definition of Eligible Accounts
Receivable)

(iv) excluded Account Debtors:
(a) located outside of Canada or the \$ _____
United States (and which have not
been approved in writing by the
Lenders) (see (c) of definition of
Eligible Accounts Receivable),
(b) Insolvent Account Debtors (see
(g) of definition of Eligible Accounts
Receivable)

(v) no invoice, purchase or service order \$ _____
or similar document (see (e) of definition
of Eligible Accounts Receivable)

(vi) subject to off-set, counterclaim or \$ _____
other defence asserted (see (b) of
definition of Eligible Accounts
Receivable)

(vii) not subject to perfected Security \$ _____
Interest (see (d) of definition of Eligible
Accounts Receivable)

(viii) owing from an Account Debtor that is a Governmental Authority unless the Account Receivable is assigned in accordance with statutory requirements (see (i) of definition of Eligible Accounts Receivable) \$ _____

(ix) owing from a Sanctioned Person (see (j) of definition of Eligible Accounts Receivable) \$ _____

Eligible Accounts Receivable of the Borrower and its Subsidiaries \$ _____ X 75% \$ _____

- (b) 85% of all Eligible Accounts Receivable owing by Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency (or as otherwise agreed to by the Borrower and the Majority of the Lenders at the request of the Borrower up to once time per fiscal quarter):

Gross Accounts Receivable of the Borrower and its Subsidiaries owing by Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency \$ _____

Less:

(i) not fully performed, goods not shipped or title not passed (see (a) of definition of Eligible Accounts Receivable) \$ _____

(ii) owing by Affiliates or non-arm's length persons (see (h) of definition of Eligible Accounts Receivable) \$ _____

(iii) unpaid for >120 days (see (f) of definition of Eligible Accounts Receivable) \$ _____

(iv) excluded Account Debtors
(a) located outside of Canada or the United States (and which have not been approved in writing by the Lenders) (see (c) of definition of Eligible Accounts Receivable),
(b) Insolvent Account Debtors (see (g) of definition of Eligible Accounts Receivable) \$ _____

(v) no invoice, purchase or service order \$ _____

or similar document (see (e) of definition of Eligible Accounts Receivable)

(vi) subject to off-set, counterclaim or other defence asserted (see (b) of definition of Eligible Accounts Receivable) \$ _____

(vii) not subject to perfected Security Interest (see (d) of definition of Eligible Accounts Receivable) \$ _____

(viii) owing from an Account Debtor that is a Governmental Authority unless the Account Receivable is assigned in accordance with statutory requirements (see (i) of definition of Eligible Accounts Receivable) \$ _____

(ix) owing from a Sanctioned Person (see (j) of definition of Eligible Accounts Receivable) \$ _____

Eligible Accounts Receivable of the Borrower and its Subsidiaries \$ _____ X 85% \$ _____

(c) to the extent not covered in Sections 6(a) and 6(b) above, 85% of Acceptable Insured Receivables:

\$ _____

(d) the least of:

(A) \$150,000,000

and

35% of the net book value of the Borrower's and its Subsidiaries' property, plant and equipment (excluding property, plant and equipment (i) under construction or (ii) which are included in joint ventures) located in Canada and the United States of America and over which, except as agreed by the Lenders, the Agent and the Lenders have a first ranking Security Interest: \$ _____

(B) \$ _____

(e) 100% of Unencumbered Cash:

\$ _____

(f) **BORROWING BASE:**

If applicable, 75% of the Eligible Accounts Receivable (calculated in Section 6(a) above) \$ _____

If applicable, 85% of the Eligible Accounts Receivable (calculated in Section 6(b) above) \$ _____

85% of Acceptable Insured Receivables (calculated in Section 6(c) above) \$ _____

The least of (A) and (B) calculated in Section 6(d) above \$ _____

100% of Unencumbered Cash (calculated in 6(e) above) \$ _____

Less the aggregate of (i) due and payable but unpaid statutory source deductions, (ii) due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees and (iii) any other claims ranking in priority to the Security \$ _____

Borrowing Base: \$ _____

I hereby certify that the Borrowing Base has been calculated in accordance with the Credit Agreement and is correct, true and accurate as of the date specified above.

This Borrowing Base Certificate is given by • [name] in my capacity as the • [title] of the Borrower.

IN WITNESS WHEREOF I have hereunto set my hand and seal this • day of •, 20•.

By: _____
Name: •
Title: •

EXHIBIT "A"

Net Book Value of Property, Plant and Equipment

EXHIBIT "B"

List of aged Accounts Receivable and Account Debtor

EXHIBIT "C"

Acceptable Insured Receivables

EXHIBIT "D"

Unencumbered Cash

EXHIBIT "E"

Accrued and Unpaid Statutory Source Deductions