FOURTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT
CDN.$950,000,000 REVOLVING CREDIT FACILITIES
U.S. $50,000,000 LETTER OF CREDIT FACILITY

between

ENSIGN ENERGY SERVICES INC.,
as a guarantor and covenantor

and

ENSIGN DRILLING INC. and
ENSIGN UNITED STATES DRILLING INC.,
as borrowers

and

BANK OF MONTREAL,
as lender

and

BANK OF MONTREAL,
as administrative agent for and on behalf of itself
and the other Lenders

and

BMO CAPITAL MARKETS,
ROYAL BANK OF CANADA,
THE TORONTO-DOMINION BANK and
ATB FINANCIAL
as Co-Lead Arrangers
and

ROYAL BANK OF CANADA
THE TORONTO-DOMINION BANK and
ATB FINANCIAL

as Co-Syndication Agents

and

THE BANK OF NOVA SCOTIA
as Documentation Agent

and

BMO CAPITAL MARKETS
as sole Bookrunner

Dated as of September <>, 2025

TABLE OF CONTENTS

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS FOURTH AMENDED AND RESTATED CREDIT AGREEMENT is made as of the <> day of September, 2025.

Among:

ENSIGN ENERGY SERVICES INC., as a guarantor and covenantor

(the "**Ensign Parent**")

and

ENSIGN DRILLING INC., as a borrower

("**Ensign Canada**")

and

ENSIGN UNITED STATES DRILLING INC., as a borrower

("**Ensign US**")

and

BANK OF MONTREAL and the other financial institutions from time to time party hereto as lenders

(collectively, the "**Lenders**")

and

BANK OF MONTREAL, as administrative agent for and on behalf of itself and the other Lenders

(the "**Agent**")

RECITALS

A. The Ensign Parent, the Borrowers, the Agent, and the Lenders are parties to the third amended and restated revolving credit agreement dated as of June 26, 2024, as amended by a first amending agreement dated as of March 3, 2025 and a second amending agreement dated April 15, 2025 (collectively, the "**Original Credit Agreement**") pursuant to which certain credit facilities were provided to the Borrowers on the terms and conditions therein set forth; and

B. The Agent, the Lenders, the Ensign Parent and the Borrowers have agreed to amend and restate the Original Credit Agreement on the terms and conditions of this Agreement.

C. In consideration of the premises and the mutual covenants herein contained, the parties to this Agreement hereby agree as follows:

ARTICLE 1 - DEFINED TERMS

1.1 Defined Terms

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

"**Acceleration Notice**" means a written notice delivered by the Agent to the Borrowers pursuant to Section 13.2 declaring the Obligations outstanding hereunder to be due and payable.

"**Account Branch**" means the branch of the Agent at 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, or such other branch of the Agent in Canada as the Agent may from time to time advise the Ensign Parent.

"**Additional Compensation**" has the meaning ascribed thereto in Section 16.14.

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

"**Adjusted Reg. D. Term SOFR**" means, with respect to any SOFR Advance to Ensign US for any SOFR Period, an interest rate per annum equal to (a) the Adjusted Term SOFR Rate for such SOFR Period multiplied by (b) the Statutory Reserve Rate.

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

"**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 for any day is less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor for such day.

"**Advance**" means:

(a) a borrowing by Ensign Canada under the Syndicated Facility by way of a Cdn. Prime Rate Advance, a U.S. Base Rate Advance, a CORRA Advance, a SOFR Advance or a Letter of Credit Advance in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the LC Fronting Lender (up to the Fronted LC Limit), including deemed Advances and Conversions, renewals and Rollovers of existing Advances;

(b) a borrowing by Ensign US under the Syndicated Facility by way of a U.S. Prime Rate Advance, a SOFR Advance or a Letter of Credit Advance in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the LC Fronting Lender (up to the Fronted LC Limit), including deemed Advances and Conversions, renewals and Rollovers of existing Advances;

(c) a borrowing by Ensign Canada under the Operating Facility by way of a Cdn. Prime Rate Advance, a U.S. Base Rate Advance, a CORRA Advance, a SOFR Advance or a Letter of Credit Advance in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender (up to the Operating Facility LC Limit), including deemed Advances and Conversions, renewals and Rollovers of existing Advances;

(d) an advance of credit to Ensign Canada under the Letter of Credit Facility by way of a Letter of Credit Advance, including deemed Advances as a result of draws thereunder;

(e) an advance of credit to Ensign US under the Letter of Credit Facility by way of a Letter of Credit Advance, including deemed Advances as a result of draws thereunder; and

(f) a borrowing by Ensign US under the Operating Facility by way of a U.S. Prime Rate Advance, a SOFR Advance or a Letter of Credit Advance in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender (up to the Operating Facility LC Limit), including deemed Advances and Conversions, renewals and Rollovers of existing Advances.

Any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Cdn. Prime Rate Advances, U.S. Base Rate Advances, U.S. Prime Rate Advances, SOFR Advances and CORRA Advances plus the Face Amount of all outstanding Letters of Credit.

"**Advance Date**" means the date, which shall be a Business Day, of any Advance.

"**Affiliate**" has the meaning set out in the *Business Corporations Act* (Alberta).

"**Agent**" means Bank of Montreal, in its capacity as administrative agent for the Lenders and includes any Successor Agent appointed pursuant to Section 14.11.

"**Agent's Counsel**" means the firm of McCarthy Tétrault LLP or such other firm of legal counsel acting on behalf of the Agent and the Lenders qualified to practice law in Alberta or any other Relevant Jurisdiction, as the Agent may from time to time designate.

"**Agreeing Lender**" has the meaning ascribed thereto in Section 6.6(b).

"**Agreement**", "**hereof**", "**herein**", "**hereto**", "**hereunder**" or similar expressions mean this Fourth Amended and Restated Credit Agreement and any Schedules hereto, as amended, supplemented, restated or replaced from time to time.

"**Anti-Terrorism Law**" has the meaning assigned such term in Section 11.5(a).

"**Applicable Credit Facility Majority Lenders**" means in respect of any specific Credit Facility, Lenders collectively holding 66.67% or more of the Commitments with respect to such Credit Facility.

"**Applicable Environmental Laws**" means those Applicable Laws which pertain to the public health or safety, the protection or enhancement of the environment, the Release of materials into the environment or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or loading of Hazardous Substances (including without limitation, the *Environmental Protection and Enhancement Act* (Alberta) and the *Canadian Environmental Protection Act* and orders and directives issued thereunder), and further including any condition, restriction, prohibition or requirement contained in a Permit issued pursuant to such Applicable Laws.

"**Applicable Laws**" means, in relation to any Person, property, transaction or event:

(a) the common law and all applicable provisions of laws, statutes, rules, policies and regulations of any Governmental Body in effect from time to time; and

(b) all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time in effect of any Governmental Body in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event,

provided however, for purposes of this Agreement, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines or directives in connection therewith and (y) all 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 or foreign regulatory authorities, in each case pursuant to Basel III, are deemed to have gone into effect and adopted after the date of this Agreement, regardless of the date enacted, adopted or issued.

"**Applicable LC Lender**" means (i) the Letter of Credit Facility Lender in the case of Letter of Credit Advances under the Letter of Credit Facility, (ii) the Operating Facility Lender in the case of Letter of Credit Advances under the Operating Facility, and (iii) the LC Fronting Lender in the case of Letter of Credit Advances under the Syndicated Facility.

"**Applicable Margin**" means with respect to any Advance hereunder or the Commitment Fee payable hereunder, the percentage rate per annum set forth below based on the then applicable Consolidated Net Debt to Consolidated EBITDA Ratio, as applicable from time to time:

Level	**Consolidated Net Debt to Consolidated EBITDA Ratio**	**Cdn. Prime Rate Advances, U.S. Base Rate Advances or U.S. Prime Rate Advances**	**CORRA Advances, SOFR Advances and Letter of Credit Rate**	**Commitment Fee Rate**
I	< 2.00x	**[Redacted]**	**[Redacted]**	**[Redacted]**
II	$\geq$ 2.00x and < 2.50x	**[Redacted]**	**[Redacted]**	**[Redacted]**
III	$\geq$ 2.50x and < 3.00x	**[Redacted]**	**[Redacted]**	**[Redacted]**

Level	Consolidated Net Debt to Consolidated EBITDA Ratio	Cdn. Prime Rate Advances, U.S. Base Rate Advances or U.S. Prime Rate Advances	CORRA Advances, SOFR Advances and Letter of Credit Rate	Commitment Fee Rate
IV	≥ 3.00x and < 3.50x	**[Redacted]**	**[Redacted]**	**[Redacted]**
V	≥ 3.50x and < 4.00x	**[Redacted]**	**[Redacted]**	**[Redacted]**

As of the Closing Date the Applicable Margin for all Advances and the Commitment Fee shall be set at Level **[Redacted]** and thereafter the Applicable Margin for all Advances and the Commitment Fee shall be determined on the basis of the Ensign Parent's Compliance Certificate for each Fiscal Quarter ended.

For the purposes of determining the Applicable Margins, the Consolidated Net Debt to Consolidated EBITDA Ratio shall be determined as of the last day of each Fiscal Quarter and any change in any Applicable Margin resulting from a change in the Consolidated Net Debt to Consolidated EBITDA Ratio shall be effective on (i) the first day of the third month for each of the second, third and fourth Fiscal Quarter, based on the Ensign Parent's Compliance Certificate delivered for each of the first, second and third Fiscal Quarter, respectively, and (ii) the first day of the second Fiscal Quarter, based on the Ensign Parent's Compliance Certificate delivered for the then most recently completed Fiscal Year (as applicable, the "**Effective Date**"); provided that if the Ensign Parent fails to provide the Agent with a Compliance Certificate for any Fiscal Quarter as required by Section 12.3(b), the Applicable Margin shall be as set out in the Level **[Redacted]** row until such time as the requisite Compliance Certificate is provided and the Effective Date shall be deemed to be the last day on which the Ensign Parent was obligated to provide the Compliance Certificate to the Agent.

Any resulting change, whether an increase or a decrease in the Applicable Margin and the corresponding change in the rate of any interest or fees payable hereunder, shall be calculated and applied as follows:

(a) from and after each applicable Effective Date and with respect to outstanding and future Cdn. Prime Rate Advances, U.S. Base Rate Advances, U.S. Prime Rate Advances, SOFR Advances, CORRA Advances and Letters of Credit, on the basis of the Applicable Margins effective from and after such Effective Date; and

(b) from and after each applicable Effective Date with respect to the Commitment Fees accruing, on the basis of the Applicable Margins effective from and after such Effective Date.

Upon the occurrence and continuance of an Event of Default, each of the Applicable Margins in the table above (other than the Commitment Fee) shall be increased by **[Redacted]** Basis Points.

"**Assignment Agreement**" means an agreement in the form attached as Schedule A to this Agreement.

"**Available Credits**" means:

(a) in the case of Advances by the Syndicated Facility Lenders to Ensign Canada under the Syndicated Facility, Cdn. Prime Rate Advances, U.S. Base Rate Advances, CORRA Advances, SOFR Advances and Letter of Credit Advances in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the LC Fronting Lender (up to the Fronted LC Limit);

(b) in the case of Advances by the Syndicated Facility Lenders to Ensign US under the Syndicated Facility, U.S. Prime Rate Advances, SOFR Advances and Letter of Credit Advances in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the LC Fronting Lender (up to the Fronted LC Limit);

(c) in the case of Advances by the Operating Facility Lender to Ensign Canada under the Operating Facility, Cdn. Prime Rate Advances, U.S. Base Rate Advances, CORRA Advances, SOFR Advances and Letter of Credit Advances in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender (up to the Operating Facility LC Limit);

(d) in the case of Advances by the Letter of Credit Facility Lender to Ensign Canada under the Letter of Credit Facility, Letter of Credit Advances (in Cdn. Dollars, U.S. Dollars and such other currency agreed to by the Letter of Credit Facility Lender);

(e) in the case of Advances by the Operating Facility Lender to Ensign US under the Operating Facility, U.S. Prime Rate Advances, SOFR Advances and Letter of Credit Advances in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender (up to the Operating Facility LC Limit); and

(f) in the case of Advances by the Letter of Credit Facility Lender to Ensign US under the Letter of Credit Facility, Letter of Credit Advances (in Cdn. Dollars, U.S. Dollars and such other currency agreed to by the Letter of Credit Facility Lender),

and "**Available Credit**" means any one of them.

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

"**Bail-In Legislation**" means, with respect to 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 for such EEA Member Country from time to time which is described in the EU Bail In Legislation Schedule.

"**Bankruptcy Code**" means Title 11 of the *United States Code*, as amended from time to time, or any similar federal or state law for the relief of debtors.

"**Basis Points**" means one-hundredth of one percent.

"**BMO**" means Bank of Montreal and its successors and permitted assigns.

"**Board**" means the Board of Governors of the Federal Reserve System of the United States of America or any successor Governmental Body.

"**Borrower Joinder Agreement**" means a joinder agreement substantially in the form set out in Schedule L.

"**Borrowers**" means collectively, Ensign Canada, Ensign US and any other Person that becomes a "Borrower" hereunder in accordance with Section 5.1 and "**Borrower**" means any one of them.

"**Borrowers' Counsel**" means DLA Piper (Canada) LLP and DLA Piper LLP (US) or any other firm of legal counsel acting on behalf of the Borrowers, licensed to practice law in Alberta or any other Relevant Jurisdiction.

"**Business Day**" means day, excluding Saturday and Sunday, on which banking institutions are open for business in Calgary, Alberta, Toronto, Ontario, and New York, New York in respect of any payments hereunder in US Dollars; provided that, when used in connection with (i) a SOFR Advance, or any other calculation or determination involving SOFR, the term "Business Day" means any day that is only a U.S. Government Securities Business Day, and (ii) Daily Compounded CORRA, Term CORRA or any other calculation or determination involving CORRA, the term "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario and Calgary, Alberta are authorized or required by law to remain closed.

"**Canadian Borrower**" means, as of the Closing Date, Ensign Canada and thereafter, any other Borrower that is organized under the laws of Canada or any province therein and that is designated as a "Canadian Borrower" from time to time.

"**Canadian Dollar Equivalent**" means on any day, the amount of Canadian Dollars that would result from the exchange of U.S. Dollars or any other currency agreed to by the Lenders into Canadian Dollars at the Exchange Rate in effect on such day.

"**Canadian Dollars**", "**Cdn. Dollars**", "**Cdn. $**" and "**$**" mean lawful money of Canada.

"**Cash and Cash Equivalents**" means, as to any Person:

(a) Canadian Dollars or United States Dollars;

(b) Debt securities payable in Canadian Dollars or United States Dollars issued by or directly and fully guaranteed or insured by the federal governments of Canada or the United States of America, any provincial or state government (as applicable) of Canada or the United States of America, or any agency or instrumentality thereof (provided that the full faith and credit of the federal, provincial, or state governments (as applicable) of Canada or the United States of America is pledged in support of those securities) having maturities of not more than 365 days from the date of acquisition;

(c) certificates of deposit and guaranteed investment certificates with maturities of 365 days or less from the date of acquisition, bearer deposit notes with maturities not exceeding 365 days and overnight bank deposits, in each case, with the Agent, any Lender or with any United States commercial bank or any Canadian chartered bank (or comparable financial institution, including ATB Financial) having capital and surplus in excess of Cdn. $500,000,000 and a senior unsecured rating of "A-" or better by S&P and "A3" or better by Moody's;

(d) debt securities of any bank listed in Schedule I to the *Bank Act* (Canada) which has shareholder equity of at least $1,000,000,000, which debt is payable on demand or with a term to maturity of one year or less; or

(e) money market funds at least 95% of the assets of which constitute Cash and Cash Equivalents of the kinds described in subparagraphs (a) through (d) of this definition.

"**Cash Management Arrangements**" means any arrangements entered into or to be entered into by a Borrower, the Ensign Parent, any Material Subsidiary or any Other Cash Management Entity with a Cash Manager for or in relation to business credit cards, daylight overdraft, electronic funds transfers, employee payroll payments, cash management and centralized operating accounts, including mirror accounting arrangements, account positioning arrangements or pooled accounts and netting or set-off arrangements across accounts for a Borrower and any one or more of the Subsidiaries of the Ensign Parent.

"**Cash Management Documents**" means, collectively, all agreements, instruments and other documents which evidence, establish, govern or relate to any or all of the Cash Management Arrangements.

"**Cash Management Obligations**" means, at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, direct or indirect, matured or not) of the Borrowers, the Ensign Parent, any Material Subsidiary (and each of them) or any Other Cash Management Entity (and each of them) to a Cash Manager under, pursuant or relating to the Cash Management Arrangements or Cash Management Documents and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and including all principal, interest, fees, legal and other costs, charges and expenses, and other amounts payable by the Borrowers, the Ensign Parent, any Material Subsidiary (and each of them) or any Other Cash Management Entity (and each of them) under the Cash Management Arrangements or Cash Management Documents.

"**Cash Manager**" means each Lender (and any Affiliate of such Lender) that from time to time provides Cash Management Arrangements to the Borrowers, the Ensign Parent, any Material Subsidiary (and any of them) or any Other Cash Management Entity (and each of them) its successors in such capacity and which as of the date hereof is RBC and BMO in respect of Ensign Canada and Ensign US.

"**Cdn. Prime Rate**" means, for any day with respect to Cdn. Prime Rate Advances, the greater of:

(a) the floating annual rate of interest announced from time to time by the Agent as being its reference rate then in effect for determining interest rates on Canadian Dollar denominated loans made by it to its customers in Canada and designated as its "**prime rate**"; and

(b) the one month Adjusted Term CORRA on such day, or if such day is not a Business Day, on the immediately preceding Business Day, plus 100 bps,

provided that at no time shall the Cdn. Prime Rate be less than the Floor.

"**Cdn. Prime Rate Advance**" means an Advance in Canadian Dollars bearing interest based on the Cdn. Prime Rate and includes deemed Cdn. Prime Rate Advances provided for in Sections 8.8(e), 8.9(c) and 8.19(c).

"**Certificate of a Borrower**" means a written certificate addressed to the Lenders and signed in the name of a Borrower by any Senior Officer of a Borrower.

"**Closing**" means the completion to the satisfaction of the Lenders of all conditions precedent set forth in Section 10.1.

"**Closing Date**" means the date on which all conditions precedent set forth in Section 10.1 have been met to the satisfaction of the Lenders.

"**Code**" means the *Internal Revenue Code* of 1986, as amended from time to time, and any successor statute.

"**Collateral**" means cash, a bank draft or a letter of credit issued by a chartered bank satisfactory to the Agent in its sole discretion and in a form satisfactory to the Agent, in each case acting reasonably.

"**Commitment**" means at any time, in respect of:

(a) the Syndicated Facility Lenders, the maximum amount of Advances which the Syndicated Facility Lenders have agreed to make under the Syndicated Facility (and includes, in the case of the LC Fronting Lender, its LC Fronting Lender Commitment);

(b) the Operating Facility Lender, the maximum amount of Advances which the Operating Facility Lender has agreed to make under the Operating Facility; and

(c) the Letter of Credit Facility Lender, the maximum amount of Advances which the Letter of Credit Facility Lender has agreed to make under the Letter of Credit Facility,

in each case as set out on Schedule B to this Agreement.

"**Commitment Fee**" has the meaning ascribed thereto in Section 7.4.

"**Commitment Fee Rate**" means, from time to time, the applicable percentage rate per annum indicated below the reference to "**Commitment Fee Rate**" in the definition of "**Applicable Margin**".

"**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.

"**Commodity Hedge Agreement**" means an agreement, whether in the form of an ISDA Master Agreement, futures contract, a swap, a put, a call or otherwise and whether or not such agreements contemplate physical delivery of commodities or are considered "**financial**", which agreements are typically entered into for managing, mitigating or eliminating risks relating to commodity price fluctuations.

"**Compliance Certificate**" means the certificate required pursuant to Section 12.3(b), a form of which is attached hereto as Schedule C.

"**Consolidated EBITDA**" means with respect to any Person, as at the end of each Fiscal Quarter of such Person, calculated on a rolling twelve month basis, the aggregate amount of net income from continuing operations for the 12 month period then ended determined in accordance with IFRS and, except to the extent otherwise expressly provided, on a consolidated basis (including, without duplication, the net income in such 12 month period attributable to any assets (or group of related assets) or wholly-owned entities acquired directly or indirectly by such Person during such period but in each case only where the cost of each such acquisition (or series of acquisitions that constitute one transaction) is in excess of Cdn. $20,000,000 (or the U.S. Dollar Equivalent) and excluding therefrom, without duplication, the net income in such 12-month period attributable to any asset (or groups of related assets) or wholly-owned entities disposed of directly or indirectly by such Person in each case only where the proceeds of each such disposition (or series of dispositions that constitute one transaction) are in excess of Cdn. $20,000,000 (or the U.S. Dollar Equivalent)), in each case before (i) Consolidated Interest Expense, (ii) depreciation, amortization and accretion expenses, (iii) all provisions for Taxes, (iv) all non-cash expenses and non-cash income, (v) the amount of any stock-based compensation; and (vi) extraordinary gains and losses,

provided that, to the extent the definition of Consolidated EBITDA is referred to in connection with the Ensign Parent, in the case of any Subsidiary of the Ensign Parent which is not a wholly owned Subsidiary and in respect of earnings attributable to non-controlling interests, only the portion of such Subsidiary's earnings and only the portion of such earnings attributable to non-controlling interests that, in each case, is distributed in cash to a Credit Party shall be included in the calculation of Consolidated EBITDA.

"**Consolidated EBITDA to Consolidated Interest Expense Ratio**" means, as at a certain date, the ratio of the Consolidated EBITDA of the Ensign Parent to the Consolidated Interest Expense of the Ensign Parent.

"**Consolidated Interest Expense**" means all interest expenses of a Person calculated on a consolidated basis and in accordance with IFRS for the 12 month period then ended as the same would be set forth or reflected in a consolidated statement of earnings of such Person and, in any event and without limitation, shall include:

(a) all interest accrued or payable in respect of such period;

(b) all fees (including standby, letter of credit, guarantee, commitment and bankers' acceptances fees) accrued or payable in respect of such period and which relate to any debt obligation, 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 issued at a discount, prorated (as required) over such period;

(d) the interest component of such Person as lessee under any lease or similar arrangement classified as a finance lease (or capital lease, if applicable) in accordance with IFRS or under a Synthetic Lease, but excluding, for certainty, Operating Lease Obligations; and

(e) all net amounts charged or credited to interest expense under any Hedging Agreements in respect of such period.

"**Consolidated Net Debt to Consolidated EBITDA Ratio**" means, as at a certain date, the ratio of (a) (i) the Consolidated Total Debt of the Ensign Parent on such date, less (ii) the Canadian Dollar Equivalent of Cash and Cash Equivalents of the Ensign Parent (on a consolidated basis) on such date to a maximum amount not to exceed **[Redacted]**, to (b) the Consolidated EBITDA of the Ensign Parent on such date.

"**Consolidated Net Senior Debt to Consolidated EBITDA Ratio**" means, as at a certain date, the ratio of (a) (i) the Consolidated Senior Debt of the Ensign Parent on such date, less (ii) the Canadian Dollar Equivalent of Cash and Cash Equivalents of the Ensign Parent (on a consolidated basis) on such date to a maximum amount not to exceed **[Redacted]**, to (b) the Consolidated EBITDA of the Ensign Parent on such date.

"**Consolidated Senior Debt**" of a Person means the Consolidated Total Debt of such Person minus the Subordinated Debt of such Person.

"**Consolidated Total Assets**" means the assets of the Ensign Parent (on a consolidated basis), as from time to time set out in the consolidated balance sheet included in the Financial Statements of the Ensign Parent.

"**Consolidated Total Debt**" means the Debt of a Person determined on a consolidated basis.

"**Consolidated Total Revenue**" means the revenue of the Ensign Parent (on a consolidated basis), as from time to time set out in the consolidated statement of operations included in the Financial Statements of the Ensign Parent.

"**Constating Documents**" means, with respect to a corporation, its articles of incorporation, constitution, amalgamation or continuance or other similar document and its by-laws, and with respect to any other Person which is an artificial body, the organization and governance documents of such Person, all as amended from time to time.

"**Contracts**" means agreements, franchises, leases, easements, servitudes, privileges and other rights acquired from Persons.

“**Conversion**” means a conversion or deemed conversion of one type of Available Credit into another type of Available Credit in the same currency pursuant to this Agreement and each of “**Convert**” and “**Converted**” has a corresponding meaning; provided however that a Letter of Credit Advance cannot be Converted into another type of Available Credit.

“**Conversion Date**” means the date specified by a Borrower as being the date on which a Borrower has elected (or the date on which it is deemed to have elected) to effect a Conversion and which shall be a Business Day.

“**Conversion Notice**” means a notice requesting a Conversion hereunder substantially in the form attached hereto as Schedule D.

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

“**CORRA Advance**” means a Term CORRA Advance or a Daily Compounded CORRA Advance.

“**CORRA Advance Rate**” means the per annum rate of interest equal to, in the case of a Term CORRA Advance, Adjusted Term CORRA, and in the case of a Daily Compounded CORRA Advance, Adjusted Daily Compounded CORRA, plus in each case the percentage rate per annum indicated in the definition of “Applicable Margin” for the applicable Credit Facility.

“**CPA Canada**” means the Chartered Professional Accountants of Canada.

“**Credit Documents**” means this Agreement, each Guarantee and Subordination Agreement, the Security and the agreements, guarantees, certificates, instruments, Drawdown Notices, Conversion Notices, Rollover Notices, Repayment Notices and all other documents delivered or to be delivered to or for the benefit of the Agent or the other Secured Parties pursuant hereto or thereto all as the same may be amended, modified, varied, restated or replaced from time to time.

“**Credit Facilities**” means collectively, the Syndicated Facility, the Letter of Credit Facility and the Operating Facility and “**Credit Facility**” means any one of them.

“**Credit Parties**” means the Ensign Parent, the Borrowers, the Material Subsidiaries, each Subsidiary of the Ensign Parent that directly holds Securities of any Material Subsidiary and each other Subsidiary of the Ensign Parent that the Ensign Parent designates as a “Credit Party” under this Agreement and who executes and delivers to the Agent the Security and other documents referred to in Section 9.1 and “**Credit Party**” means any of them.

“**Currency Hedge Agreement**” means an agreement, whether in the form of an ISDA Master Agreement, a futures contract, a swap, a forward rate, currency exchange contract or otherwise, entered into for or in connection with a forward rate, currency swap or currency exchange and other similar currency-related transactions, the purpose and effect of which are typically to manage, mitigate or eliminate currency exchange rate risk.

"**Daily Compounded CORRA**" means, for any day, 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 period of two Business Days) being established by the Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Canadian Governmental Body (as defined in Section 16.36(f)) for determining compounded CORRA for business loans; provided that if the Agent decides 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 Canadian Benchmark Replacement Date (as defined in Section 16.36(f))) 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 Compounded CORRA Adjustment**" means a percentage equal to **[Redacted]**% (**[Redacted]**basis points) per annum for an Interest Period applicable to Adjusted Daily Compounded CORRA of one-month's duration and **[Redacted]**% (**[Redacted]**basis points) per annum for an Interest Period applicable to Adjusted Daily Compounded CORRA of three-months' duration.

"**Daily Compounded CORRA Advance**" means an Advance that bears interest at a rate based on Adjusted Daily Compounded CORRA.

"**Debt**" means all indebtedness and obligations in respect of amounts borrowed by a Person determined on a consolidated basis, which, in accordance with IFRS, would be recorded in its Financial Statements (including the notes thereto) as indebtedness for borrowed money, and in any event including, without duplication:

(a) indebtedness represented by notes payable, debentures and other evidences of indebtedness representing extensions of credit;

(b) obligations in respect of letters of credit or letters of guarantee which have become due and payable;

(c) obligations in respect of surety bonds which have become due and payable;

(d) actual amounts owed under Hedging Agreements upon termination of such Hedging Agreements, including early termination, including, without limitation, net settlement amounts payable upon maturity and termination payments payable upon termination, which are not paid when due;

(e) indebtedness for or in respect of Purchase Money Obligations that do not constitute Operating Lease Obligations;

(f) principal obligations as lessee under any lease or similar arrangement classified as a finance lease (or capital lease if applicable) in accordance with IFRS including, without limitation, sale and lease back transactions or other forms of leases which would otherwise constitute Consolidated Total Debt within the meaning of the opening paragraph of this definition, in any case, excluding Operating Lease Obligations or other leases that would not otherwise have been treated as capital leases prior to January 1, 2019 but thereafter are deemed to be capital leases under IFRS as a result of changes to IFRS that are scheduled to take effect on such date;

(g) indebtedness secured by any Security Interest existing on Property owned, whether or not the indebtedness secured thereby shall have been assumed;

(h) indebtedness of a Person for or in respect of the purchase from such Person of any of its Property, where the purchase price for such Property has been prepaid by the purchaser more than 90 days before the Property subject to such purchase is to be delivered by such Person to the purchaser;

(i) all Synthetic Lease Obligations;

(j) all redemption obligations a Person with respect to any Securities issued by such Person and which are by their terms or pursuant to any contract, agreement or arrangement:

(i) redeemable, retractable, payable or required to be purchased or otherwise retired or extinguished, or convertible into debt of such Person (A) at a fixed or determinable date, (B) at the option of the holder thereof, or (C) upon the occurrence of a condition not solely within the control and discretion of such Person, in any case prior to the then current Stated Maturity Date; or

(ii) convertible into any other Securities described in section (i) above; and

(k) Guarantees in respect of obligations of another Person which constitute the types of obligations described in (a) through (j) above.

"**Debtor Relief Laws**" means the Bankruptcy Code and all other liquidation, bankruptcy, assignment for the benefit of creditors, conservatorship, moratorium, receivership, insolvency, rearrangement, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions in effect from time to time.

"**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 or, in the case of paragraph (e) below, a Lender's parent (being any person that directly or indirectly controls a Lender where control has the same meaning as in the definition of Affiliate):

(a) that has failed to fund any payment or its portion of any Advances required to be made by it hereunder, unless such Lender notifies the Agent and the Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied;

(b) that has notified the Borrowers, 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 (unless such writing or public statement relates to such Lender's obligation to fund an Advance hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied);

(c) that has failed, within 3 Business 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 Advances (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrowers);

(d) that has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within 3 Business Days of the date when due, unless the subject of a good faith dispute; or

(e) that (i) becomes insolvent, has been deemed insolvent, or becomes the subject of bankruptcy or insolvency proceedings or a Bail-In Action, or (ii) is subject to the appointment of the Federal Deposit Insurance Corporation or other receiver, custodian, conservator, trustee or similar official with respect to such Lender's business or properties; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Body so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Body) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"**Designated Account**" means:

(a) in respect of any Advance under the Syndicated Facility, the account or accounts maintained by the applicable Borrower at the Account Branch, that such Borrower designates as such to the Agent;

(b) in respect of any Advance under the Operating Facility, the account or accounts maintained by the applicable Borrower at the Account Branch, that such Borrower designates as such; and

(c) in respect of any Advance under the Letter of Credit Facility, the account or accounts maintained by the applicable Borrower at the Letter of Credit Facility Lender Account Branch, that such Borrower designates as such.

"**Disposition**" means, at any time, a sale, assignment, transfer, conveyance, lease, license, sale and lease-back, securitization or other disposition by any Credit Party of any Property of any such Credit Party and **"Dispose"** shall be construed accordingly.

"**Distribution**" means, without duplication:

(a) any declaration or payment of dividends, royalties, distributions, fees or management fees (other than fees or management fees payable in the ordinary course of business) of any kind directly or indirectly to any holder of Securities of any Person (other than another Borrower, the Ensign Parent or another Credit Party) otherwise having the right or ability directly or indirectly to vote for the election of directors of a corporation or the management or operation of a partnership or other Person;

(b) any repurchase, retraction or redemption of Securities of any Person (other than a repurchase, retraction or redemption of Securities held by a Borrower, the Ensign Parent or another Credit Party);

(c) any repayment by any Person of any amount of principal, interest or other amounts in respect of any Debt owed to any Affiliate of such Person (other than amounts owed to a Borrower, the Ensign Parent or another Credit Party);

(d) any loan or advance that is made by a Person to or in favour of a holder of Securities in such Person or an Affiliate of such holder, other than any loan or advance that is made to or in favour of a Borrower, the Ensign Parent or another Credit Party; or

(e) the transfer by a Person of any of its property or assets for consideration of less than fair market value thereof, to any of its Affiliates (other than a transfer to a Borrower, the Ensign Parent or another Credit Party).

"**Drawdown Notice**" means a notice requesting an Advance hereunder substantially in the form annexed hereto as Schedule E.

"**EEA Financial Institution**" means (i) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (ii) any entity established in an EEA Member Country which is a parent of an institution described in clause (i) of this definition, or (iii) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (i) or (ii) 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.

"**Effective Date**" has the meaning ascribed thereto in the "**Applicable Margin**" definition.

"**Embargoed Person**" has the meaning assigned such term in Section 12.13.

"**Ensign Canada**" means Ensign Drilling Inc., together with its successors and permitted assigns.

"**Ensign Parent**" means Ensign Energy Services Inc., together with its successors and permitted assigns.

"**Ensign US**" means Ensign United States Drilling Inc., together with its successors and permitted assigns.

"**Environmental Claims**" has the meaning ascribed thereto in Section 16.18.

"**Environmental Liabilities**" means all liabilities and obligations related to the protection of or damage to the environment or the health and safety of a Person, including liabilities and obligations to comply with or resulting from breaches of Applicable Environmental Laws, liabilities and obligations to compensate any Person for damages to the environment, to any Property or to the health or safety of a Person, liabilities and obligations to remedy any Release or other occurrences which have caused or could cause damage to the environment, to any Property or the health or safety of a Person and liabilities and obligations to abandon wells or pipelines, remove structures and equipment and restore or reclaim the sites thereof.

"**Equity or Debt Issuance**" means from time to time (i) any public or private sale or issuance by a Credit Party of Securities in such Credit Party, or (ii) any issuance or incurrence by a Credit Party of any Debt.

"**ERISA**" means the *Employee Retirement Income Security Act* of 1974, as amended, and any successor statute.

"**ERISA Affiliate**" means each trade or business (whether or not incorporated) which together with a Borrower or a Subsidiary of the Ensign Parent would be deemed to be a "**single employer**" within the meaning of section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of section 414 of the *Code*.

"**ERISA Event**" means (a) a "**Reportable Event**" described in section 4043 of ERISA and the regulations issued thereunder, (b) the withdrawal of a Borrower, a Subsidiary of the Ensign Parent or any ERISA Affiliate from a Plan during a plan year in which it was a "**substantial employer**" as defined in section 4001(a)(2) of ERISA, (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under section 4041 of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC, (e) receipt of a notice of withdrawal liability pursuant to section 4202 of ERISA or (f) any other event or condition which might constitute grounds under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"**Erroneous Payment**" has the meaning ascribed thereto in Section 14.16(a).

"**Erroneous Payment Deficiency Assignment**" has the meaning ascribed thereto in Section 14.16(d).

"**Erroneous Payment Impacted Class**" has the meaning ascribed thereto in Section 14.16(d).

"**Erroneous Payment Return Deficiency**" has the meaning ascribed thereto in Section 14.16(d).

“**Erroneous Payment Subrogation Rights**” has the meaning ascribed thereto in Section 14.16(d).

“**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 ascribed thereto in Section 13.1.

“**Exchange Rate**” means, on any day, with respect to the exchange of Canadian Dollars or U.S. Dollars (the “**First Currency**”) into another currency (the “**Other Currency**”), the Agent’s spot rate of exchange for purchases of the First Currency with the Other Currency in the Toronto foreign exchange market at or about 4:30 pm (Toronto time) on that day.

“**Excluded Swap Obligation**” means, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Credit Party of, or the grant by such Credit Party 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 such Credit Party’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 such Credit Party or the grant of such security interest becomes effective with respect to such 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.

“**Excluded Taxes**” has the meaning ascribed thereto in Section 16.13(e).

“**Executive Order**” has the meaning assigned such term in Section 11.5(a).

“**Existing Letters of Credit**” means those letters of credit or letters of guarantee issued at the request of a Borrower under the Original Credit Agreement and which remain outstanding on the Closing Date.

“**Face Amount**” means, in respect of a Letter of Credit, the maximum amount of which the Applicable LC Lender is contingently liable to pay the beneficiary thereof.

“**FATCA**” means Sections 1471 through 1474 of the *Code*, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future registrations or official interpretations thereof and any agreements entered into pursuant to section 1471(b)(1) of the *Code* and any fiscal, regulatory, legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with sections 1471 through 1474 of the *Code*.

“**Federal Funds Rate**” means, on any day, the rate of interest per annum equal to: (a) the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time), and published on the next succeeding day by the Federal Reserve Bank of New York as the federal funds effective rate, or (b) if such rate is not published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it; 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.

"**Financial Statements**" means in respect of any Person, the financial statements of such Person and its Subsidiaries as at a specified date and for the period then ended and shall include a consolidated balance sheet or statement of financial position, consolidated statement of income or statement of comprehensive income, consolidated statement of retained earnings or statement of changes in equity, and consolidated statement of cash flows, together with comparative figures in each case (where a comparative period on an earlier statement exists), all prepared, maintained and stated in accordance with IFRS for the relevant jurisdiction and applied consistently.

"**Fiscal Quarter**" means with respect to a Person, the three month period commencing on the first day of each of its Fiscal Years and each successive three month period thereafter during such Fiscal Year.

"**Fiscal Year**" means, with respect to a Person, its fiscal year which, in the case of the Ensign Parent and each Borrower, presently commences on January 1 of each year and ends on December 31 of such year.

"**Floor**" means 0.00% per annum.

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

"**Fronted LC Limit**" means the aggregate principal amount of Cdn. **[Redacted]** or the U.S. Dollar Equivalent thereof.

"**General Security Agreement**" means a general security agreement substantially in the applicable form (depending on the Relevant Jurisdiction of the Ensign Parent, the Borrowers or the other Credit Party granting such general security agreement) to be granted by the Ensign Parent, a Borrower or another Credit Party in favour of the Agent for and on behalf of the Secured Parties pursuant to which the Ensign Parent, such Borrower or such other Credit Party grants a Security Interest over all of its present and future Property to secure payment and performance of its Obligations to the Secured Parties, as the same may be amended, supplemented, restated or replaced from time to time.

"**Governmental Body**" means:

(a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances;

(b) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances; and

(c) any Person acting under the authority of any of the foregoing or under a statute, rule, policy or regulation thereof.

"**GST**" means any goods and services Tax, consumption Tax, value added Tax or any similar Tax.

"**Guarantee**" means any guarantee, undertaking to assume, endorsement (other than the routine endorsement of cheques in the ordinary course of business), contingent agreement to purchase, repurchase or to provide funds for the payment of any obligation of any other Person or any other agreement, instrument or document under which a Person otherwise directly or indirectly becomes liable: (i) in respect of any obligation of any other Person, (ii) to maintain the solvency or any statement of financial condition (or balance sheet, if applicable) or other financial condition of any other Persons (including keep-well covenants), or (iii) to make payment for any products, materials or supplies, or for any transportation or services regardless of the non-delivery or non-furnishing thereof, in each case, if the purpose or intent of such agreement is to provide assurance that such obligations will be paid or performed, or that agreements relating thereto will be complied with, or that the holder of such obligations will be protected against non-payment or non-performance in respect thereof; 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 and the amount of such obligation.

"**Guarantee and Subordination Agreement**" means an unlimited guarantee and subordination agreement substantially in the form annexed hereto as Schedule I to be granted by a Person to the Agent for and on behalf of the Secured Parties pursuant to which such Person guarantees payment of all the Obligations of the Borrowers to the Agent, the Lenders and the Hedge Providers and pursuant to which such Person subordinates all present and future amounts owing to such Person from the Borrowers and the Material Subsidiaries as the same may be amended, supplemented, restated or replaced from time to time.

"**Hazardous Materials**" means any substance or mixture of substances that if released to the environment is likely to cause, immediately or at some future time, harm or damage to or impairment of the environment, any risk to human health or safety or Property including any pollutant, contaminant or waste, and any "**dangerous goods**", "**hazardous chemical**", "**hazardous substance**", "**hazardous waste**" or "**toxic substance**" as defined by any Applicable Environmental Law.

"**Hedge Provider**" means:

(a) any Lenders holding Obligations under Permitted Hedges; and

(b) any Affiliate of a Lender if such Affiliate is owed any Obligations under a Permitted Hedge.

For greater certainty, "**Hedge Provider**" includes each Person that is a Lender or an Affiliate of a Lender at the time such Permitted Hedge is entered into but thereafter ceases to be a Lender or an Affiliate of a Lender.

"**Hedging Agreement**" means a Commodity Hedge Agreement, Currency Hedge Agreement or Interest Rate Hedge Agreement, or other transaction, arrangement or agreement whether governed by an ISDA Master Agreement or otherwise, typically entered into for managing, mitigating or eliminating risks.

"**Highest Lawful Rate**" means, with respect to each Lender, the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on a Credit Facility or on other Obligations under laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such Applicable Laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws allow as of the date hereof.

"**IASC Foundation**" means the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation.

"**ICC**" has the meaning ascribed in Section 8.18.

"**ICC Rule**" has the meaning ascribed in Section 8.18.

"**IFRS**" means International Financial Reporting Standards including International Accounting Standards and Interpretations together with their accompanying documents which are set by the IASC Foundation, and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation but only to the extent the same are adopted by CPA Canada as Generally Accepted Accounting Principles in Canada and then subject to such modifications thereto as are agreed by CPA Canada. Provided, however, that with respect to any change in the rules, regulations, pronouncements, opinions or other requirements of CPA Canada, from that used in the preparation of any financial statements referred to in this Agreement or that affects in any respect the calculation of any covenants and such related terms, notwithstanding such change in IFRS (or in the requirements of CPA Canada), IFRS shall be deemed to have the meaning necessary to preserve the original intent of the respective provisions of this Agreement on the basis it was in effect on the date hereof and without taking into account such changes to IFRS and to preserve the respective positions of the Lenders, Ensign Parent, the Borrowers and the other Credit Parties and, until any amendments resulting from such change have been agreed upon, the covenants in this Agreement shall be calculated as if no such change in IFRS (or the requirements of CPA Canada) has occurred.

"**Indemnified Taxes**" has the meaning ascribed thereto in Section 16.13(a).

"**Information**" has the meaning ascribed thereto in Section 16.20.

"**Insolvency Proceedings**" means any receivership, insolvency, proposal, bankruptcy, compromise, arrangement, scheme of arrangement, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

“**Interest Election Request**” means, in the case of (i) an initial Advance of a CORRA Advance, a Drawdown Notice, (ii) a Rollover of an existing CORRA Advance, a Rollover Notice and (iii) a Conversion of an Advance into a CORRA Advance, a Conversion Notice.

“**Interest Payment Date**” means, with respect to Cdn. Prime Rate Advances, U.S. Base Rate Advances and U.S. Prime Rate Advances, the first Business Day following the last day of each calendar month.

“**Interest Period**” means, with respect to each CORRA Advance, the initial period (subject to availability) of one (1) or three (3) months commencing on and including the date specified in the Interest Election Request applicable to such CORRA Advance and ending on and excluding the last day of such initial period, and thereafter, each successive period (subject to availability) of approximately one (1) or three (3) months as selected by the applicable Borrower and notified to the Agent (in the case of the Syndicated Facility) or the Operating Facility Lender (in the case of the Operating Facility) in an Interest Election Request commencing on and including the last day of the prior Interest Period, provided that in any case the last day of each Interest Period will be also the first day of the next Interest Period and further provided that the last day of each Interest Period will be a Business Day. If the last day of an Interest Period selected by the applicable Borrower is not a Business Day such Borrower will be deemed to have selected an Interest Period the last day of which is the Business Day next following the last day of the Interest Period otherwise selected unless such next following Business Day falls in the next calendar month in which event such Borrower will be deemed to have selected an Interest Period the last day of which is the Business Day next preceding the last day of the Interest Period otherwise selected and further provided that the last Interest Period hereunder must expire on or prior to the Stated Maturity Date.

“**Interest Rate Hedge Agreement**” means an agreement, whether in the form of an ISDA Master Agreement, a futures contract, a swap transaction, an interest rate option, a cap transaction, floor transaction, collar transaction or otherwise, typically entered into for the managing, mitigating or eliminating risks relating to interest rate fluctuations.

“**Investment**” means (a) any loan or other extension of credit (including the delivery of guarantees, indemnities, share purchase or option to purchase equity or other credit support or financial assistance) or capital contribution (including a transfer of property) to, or acquisition of any Securities, bonds, notes, debentures or other securities of, any Person, and (b) any purchase of any assets constituting all or a substantial part of a business from any Person; and “**Invest**” and “**Invested**” shall be construed accordingly.

“**ISDA Master Agreement**” means the 2002 International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder entered into with any Hedging Agreement counterparty.

“**ISP 98**” has the meaning ascribed in Section 8.18.

“Kuwait Bank” means National Bank of Kuwait, or such other issuer of letters of credit under the Kuwait LC Facility.

“Kuwait LC Facility” means a letter of credit facility established by the Kuwait Bank in favour of one or more Credit Parties, pursuant to which the Kuwait Bank agrees to make letters of credit available to such Credit Party up to an aggregate face amount of U.S.$ **[Redacted]** outstanding at any time.

" Kuwait Rigs” means the oil rigs described in Schedule N attached hereto.

"**LC Fronting Lender**" means the Syndicated Facility Lender that has, after the Closing Date and with the consent of the Agent and the Borrowers (each acting reasonably), agreed to act as the “Fronting Lender” under the Syndicated Facility on the basis that it is "fronting" Fronted LCs for the Syndicated Facility Lenders under the Syndicated Facility, or any successor issuer of Fronted LCs under the Syndicated Credit Facility as appointed from time to time.

“**LC Fronting Lender Commitment**” means with respect to the LC Fronting Lender, the maximum amount of Fronted LCs such LC Fronting Lender has agreed to make to the Borrowers, provided that for greater certainty, the LC Fronting Lender Commitment forms part of the Syndicated Facility Commitment, and the aggregate LC Fronting Lender Commitment at any time shall be the lesser of (i) the LC Fronting Lender Commitment indicated in Schedule B, (ii) the Syndicated Facility Commitment and (iii) the Fronted LC Limit. Upon the appointment of an LC Fronting Lender, the Agent shall give prompt notice thereof to the Ensign Parent and the other Syndicated Facility Lenders, and provide them with an updated version of Schedule B which includes the LC Fronting Lender Commitment.

“**Lenders**” the Syndicated Facility Lenders, the Letter of Credit Facility Lender and the Operating Facility Lender and “**Lender**” means any one of the Lenders.

“**Letter of Credit**” means (i) a Letter of Credit (in a form acceptable to the Letter of Credit Facility Lender, acting reasonably) in Canadian Dollars, U.S. Dollars or such other currency as is agreed to by the Letter of Credit Facility Lender, and (ii) a Letter of Credit (in a form acceptable to the Operating Facility Lender or the LC Fronting Lender, as applicable, each acting reasonably) in Canadian Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender or the LC Fronting Lender, as applicable; and references to “**Financial Letter of Credit**” means a Letter of Credit securing a payment obligation and “**Performance Letter of Credit**” means a Letter of Credit securing performance of an obligation, with the characterization as between a Financial Letter of Credit and a Performance Letter of Credit to be made solely by the Applicable LC Lender, in each case acting reasonably at the time of issuance.

“**Letter of Credit Advance**” means an Advance of credit under this Agreement by the issuance of a Letter of Credit by the Letter of Credit Facility Lender under the Letter of Credit Facility, the Operating Lender under the Operating Facility or the LC Fronting Lender under the Syndicated Facility, in each case at the request of a Borrower.

“**Letter of Credit Facility**” has the meaning ascribed thereto in Section 4.1.

“**Letter of Credit Facility Lender**” means RBC and its successors and assigns.

"**Letter of Credit Facility Lender Account Branch**" means the branch of the Letter of Credit Facility Lender as the Letter of Credit Facility Lender may from time to time advise the Borrowers.

"**Letter of Credit Facility Limit**" means the aggregate principal amount of U.S. $**[Redacted]** or such lesser amount after giving effect to any reduction of the Letter of Credit Facility Limit pursuant to Section 6.3.

"**Letter of Credit Fee**" means, at any time, in respect of each Letter of Credit issued hereunder, a fee, calculated in respect of the Face Amount thereof on the basis of a 365 or 366 day year, as applicable, for the period from the date of issue thereof to the expiry date thereof at a rate per annum equal to the Letter of Credit Rate for the applicable Letter of Credit Advance.

"**Letter of Credit/Guarantee Fronting Fee**" means in respect of each Fronted LC issued hereunder, a fronting fee as advised in writing by the LC Fronting Lender to the Borrowers, calculated in respect of the Face Amount of each Fronted LC on the basis of a 365 or 366 day year, as applicable, for the period from the date of issue thereof to the expiry date thereof, payable solely for the account of the LC Fronting Lender.

"**Letter of Credit Rate**" means, from time to time: (a) in respect of a Financial Letter of Credit, the applicable percentage rate per annum indicated below the reference to "**Letter of Credit Rate**" in the definition of "**Applicable Margin**"; and (b) in respect of a Performance Letter of Credit, **[Redacted]**% of the applicable percentage rate per annum indicated below the reference to "**Letter of Credit Rate**" in the definition of "**Applicable Margin**".

"**Letter of Extension**" means a written letter by the Agent (acting on the instructions of all Applicable Credit Facility Majority Lenders), on behalf of such Applicable Credit Facility Majority Lenders, to the Borrowers agreeing to extend the Stated Maturity Date to a date one year from the then current Stated Maturity Date, but only with respect to the applicable Credit Facilities relating to the applicable Agreeing Lenders, and setting forth the terms and conditions of such extension.

"**Level I**", "**Level II**", "**Level III**", "**Level IV**", and "**Level V**" mean, respectively, the applicable period of time during which the corresponding Consolidated Net Debt to Consolidated EBITDA Ratio is as set forth in the table under the definition of Applicable Margin.

"**Majority Lenders**" means those Lenders (which are not Affiliates of any Credit Party) collectively holding 66.67% or more of the Commitments with respect to the Credit Facilities.

"**Majority Syndicated Facility Lenders**" means those Syndicated Facility Lenders (which are not Affiliates of any Credit Party) collectively holding 66.67% or more of the Commitments with respect to the Syndicated Facility.

"Material Acquisition" means the acquisition by Ensign Parent or any of its Subsidiaries of any assets (or group of related assets) or wholly owned entity or entities where the cost of such acquisition (or series of acquisitions that constitute one transaction) is in excess of Cdn. $**[Redacted]** (or the U.S. Dollar Equivalent).

"**Material Adverse Effect**" means any matter, event or circumstance which individually or in the aggregate has a material adverse effect on:

(a) the business, financial condition, operations or Property of the Ensign Parent and its Material Subsidiaries (taken as a whole);

(b) the ability of a Borrower to pay and perform its Obligations in accordance with this Agreement;

(c) the ability of the Ensign Parent and its Material Subsidiaries (taken as a whole) to perform any material obligation in accordance with the Credit Documents to which they are a party;

(d) the validity or enforceability of this Agreement or any other Credit Document; or

(e) the rights and remedies of the Agent and the other Secured Parties under the Credit Documents.

"**Material Subsidiary**" means at any time, each Subsidiary of the Ensign Parent: (i) that is designated by the Ensign Parent in writing to the Agent as a "**Material Subsidiary**"; and/or (ii) whose total assets (excluding intercompany accounts) constitute more than **[Redacted]**% of the Consolidated Total Assets of the Ensign Parent or whose total revenue (excluding any intercompany revenue) constitutes more than **[Redacted]**% of the Consolidated Total Revenue of the Ensign Parent for the then preceding consecutive twelve month period. As of the Closing Date, only Ensign US, Ensign Canada, Ensign United States Drilling (S.W.) Inc., Ensign US Southern Drilling LLC, Ensign United States Drilling (California) Inc., Ensign (Barbados) Holdings Inc., Ensign (Australia) Holdings Pty Limited and Ensign Australia Pty Limited are Material Subsidiaries.

"**Minimum Liquidity Test**" means, at any time of determination, the aggregate amount of the cash held by the Ensign Parent on a consolidated basis and the credit available to be advanced to the Borrowers under the Syndicated Credit Facility and the Operating Facility is, at such time, at least equal to $**[Redacted]**.

"**Moody's**" means Moody's Investors Service, Inc., or any successor thereto.

"**Multiemployer Plan**" means a Plan which is a multiemployer plan as defined in section 3(37) or 4001(a)(3) of ERISA.

"**Net Proceeds**" means, with respect to any Disposition pursuant to clause (c) under the definition of "Permitted Disposition" or any Equity or Debt Issuance by a Credit Party, the cash proceeds net of reasonable, bona fide direct transaction costs and expenses incurred in connection with such Disposition or Equity or Debt Issuance, as applicable, including reasonable legal fees and disbursements and the customary fees of agents or brokers payable in connection therewith.

"**Non Agreeing Lender**" has the meaning ascribed thereto in Section 6.6(a).

"**Notice**" has the meaning ascribed thereto in Section 16.22.

“**Obligations**” means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, from time to time owing by the Credit Parties (and each of them) to the Secured Parties (and each of them), in any currency or remaining unpaid by the Credit Parties (and each of them) to the Secured Parties (and each of them), under, in respect of or in connection with:

(a) this Agreement, the Cash Management Documents and the other Credit Documents; and

(b) Permitted Hedges;

whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating to any of the foregoing.

“**OFAC**” has the meaning assigned such term in Section 11.5(b)(i).

“**Operating Facility**” has the meaning ascribed thereto in Section 3.1.

“**Operating Facility LC Limit**” means the aggregate principal amount of Cdn. $50,000,000 or the U.S. Dollar Equivalent thereof.

“**Operating Facility Lender**” means BMO and its successors and assigns.

“**Operating Facility Limit**” means the aggregate principal amount of Cdn. $50,000,000.00 or such lesser amount after giving effect to any reduction of the Operating Facility Limit pursuant to Section 6.3.

“**Operating Lease**” means any lease or similar arrangement that, in accordance with IFRS, is not required to be classified and accounted for as a finance lease (or capital lease, if applicable) and does not give rise to Synthetic Lease Obligations, but includes, for certainty, any lease which on December 31, 2010, was characterized as an operating lease at that time.

“**Operating Lease Obligations**” means the obligations of a Person to pay rent or other amounts under an Operating Lease.

“**Original Credit Agreement**” has the meaning ascribed in the first recital to this Agreement.

“**Other Cash Management Entity**” means any Subsidiary of the Ensign Parent (other than a Borrower or any Material Subsidiary) which enters into any Cash Management Arrangement, from time to time.

“**Other Taxes**” has the meaning ascribed thereto in Section 16.13(c).

“**Outstanding Principal**” at any time means, in relation to the Credit Facilities, the Canadian Dollar Equivalent of the aggregate at any such time of: (a) the principal amounts outstanding of all Cdn. Prime Rate Advances, CORRA Advances, U.S. Base Rate Advances, U.S. Prime Rate Advances and SOFR Advances; and (b) the Face Amount of all outstanding Letters of Credit.

"**Participant**" has the meaning ascribed thereto in Section 15.3.

"**Participation**" has the meaning ascribed thereto in Section 15.3.

"**Payment Recipient**" has the meaning ascribed thereto in Section 14.16(a).

"**PBGC**" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"**Permits**" means governmental licences, authorizations, consents, registrations, exemptions, permits (including where applicable, export permits) and other approvals required by Applicable Law.

"**Permitted Dispositions**" means any:

(a) any Disposition in the ordinary course of business and for the purpose of carrying on the same and in accordance with sound industry practice of tangible personal Property that is obsolete or being replaced in the ordinary course of business;

(b) any Disposition of real Property in the ordinary course of business;

(c) any Disposition of Property by a Credit Party in the ordinary course of business and for the purpose of carrying on the same (which in the case of any Disposition of Property is for fair market value to third parties), if the aggregate of the total fair market value of all of the Property so Disposed of by the Credit Parties during any Fiscal Year does not exceed **[Redacted]**% of the Consolidated Total Assets of the Ensign Parent;

(d) any Disposition of Property from one Credit Party to another Credit Party; and

(e) any Disposition of an interest in machinery, equipment or other tangible personal Property for which Purchase Money Obligations were incurred and which obligations are fully repaid concurrently with such Disposition.

"**Permitted Encumbrances**" means, in respect of the Credit Parties:

(a) Security Interests for Taxes, assessments or governmental charges which are not due or delinquent, or the validity of which the applicable Credit Party shall be contesting in good faith provided such contest will involve no risk of loss of any material part of the Property of the Credit Parties taken as a whole;

(b) the Security Interests of any judgment rendered, or claim filed, against a Credit Party, which such Credit Party shall be contesting in good faith provided such contest will involve no risk of loss of any material part of the Credit Parties taken as a whole or will not constitute an Event of Default under Section 13.1(h);

(c) Security Interests imposed or permitted by law such as carriers' liens, builders' liens, materialmen's liens and other liens, privileges or other charges of a similar nature incurred in the ordinary course of business of a Credit Party which relate to obligations not due or delinquent or, if due or delinquent, any lien, privilege or charge which such Credit Party shall be contesting in good faith provided such contest will involve no risk of loss of any material part of the Property of the Credit Parties taken as a whole;

(d) undetermined or inchoate Security Interests arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against a Credit Party or any of their respective Property or in respect of which no steps or proceedings to enforce such Security Interests have been initiated or which relate to obligations which are not due or delinquent or, if due or delinquent, any Security Interest which such Credit Party shall be contesting in good faith provided such contest will involve no risk of loss of any material part of the Property of the Credit Parties taken as a whole;

(e) Security Interests arising in connection with workers' compensation, employment insurance, pension and employment laws or regulations (other than liens imposed by ERISA), provided that the obligations secured are not due or delinquent or, if due or delinquent, any security interests which a Credit Party shall be contesting in good faith provided such contest will involve no risk of loss of any material part of the property of the Credit Parties taken as a whole;

(f) Security Interests in favour of a Governmental Body when required by such Governmental Body in the ordinary course of the business of a Credit Party in connection with operations of such Credit Party if such Security Interest does not, either alone or in the aggregate, materially impair the use of any Property subject to such Security Interest in the conduct of the business of the Credit Parties taken as a whole;

(g) Security Interests in the Property of a Credit Party the satisfaction of which has been provided for by deposit with the Agent of cash or a surety bond or other security satisfactory to the Agent in an amount sufficient to pay the liability in respect of such Security Interests in full;

(h) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any Subsidiary;

(i) the Security Interests of the Security securing the Obligations hereunder;

(j) Security Interests in the Property of a Credit Party (other than those over all or substantially all of the Property of any Credit Party) not referred to in (a) to (i) above, provided that the aggregate amount secured by all such Security Interests does not at any time exceed $**[Redacted]**;

(k) Security Interests in the Kuwait Rigs granted in favour of the Kuwait Bank, as security for the obligations of the Credit Parties under the Kuwait LC Facility; and

(l) any Security Interest from time to time disclosed by the Borrowers to the Agent and which is consented to by the Lenders.

"**Permitted Hedge Obligations**" means the present and future indebtedness, liabilities and obligations owing by the Credit Parties (or any of them) to the Hedge Providers (or any of them).

"**Permitted Hedges**" means the Hedging Agreements entered into by a Credit Party and a Lender or an Affiliate of a Lender.

"**Permitted Investments**" means:

(a) Cash and Cash Equivalents;

(b) Investments made by a Credit Party in another Credit Party;

(c) Investments (including capital contributions) in general or limited partnerships or other types of entities (each a "venture") entered into by a Credit Party with others in the ordinary course of business and for the purpose of carrying on the same, provided that any such venture is engaged principally in same business as the Borrowers;

(d) Investments received as consideration for a Permitted Disposition;

(e) the Permitted Hedge Obligations;

(f) Investments in Subsidiaries that are not Material Subsidiaries made from and after the Closing Date, provided that the aggregate outstanding amount of all such Investments (i.e. the amount of such Investments (valued at the time made)) shall not exceed $**[Redacted]**;

(g) any other Investments (other than the acquisition of any bonds, notes, debentures or other Debt securities of any Person) provided that the aggregate outstanding amount of all such other Investments shall not exceed $**[Redacted]**; and

(h) acquisitions of the equity interests of any Person so long as such Person is designated a Material Subsidiary and provides the Security and other documents required by Article 9,

provided that for greater certainty, "Permitted Investments" shall not include the acquisition of any other bonds, notes, debentures or other Debt securities of any Person.

"**Person**" means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

"**Plan**" means any employee pension benefit plan, as defined in section 3.2 of ERISA, which (a) is currently or hereafter sponsored, maintained or contributed to by the Ensign Parent, a Borrower, a Subsidiary of the Ensign Parent or an ERISA Affiliate or (b) was at any time during the six (6) calendar years preceding the date hereof, sponsored, maintained or contributed to by the Ensign Parent, a Borrower, a Subsidiary of the Ensign Parent or an ERISA Affiliate.

"**Property**" means, in respect of a Person, its property, assets and undertaking for the time being, both real and personal, tangible and intangible.

"**Proportionate Share**" means in respect of each Lender from time to time:

(a) in the context of any Lender's obligation to make Advances under a Credit Facility, such Lender's Commitment under such Credit Facility divided by the aggregate amount of all Lenders' Commitments under such Credit Facility;

(b) in the context of any Lender's entitlement to receive payments of principal, interest or fees under all Credit Facilities, the Outstanding Principal due to such Lender under all Credit Facilities divided by the aggregate amount of the Outstanding Principal due to all Lenders under all Credit Facilities;

(c) in the context of any Lender's entitlement to receive payments of principal, interest or fees under a Credit Facility, the Outstanding Principal due to such Lender under such Credit Facility divided by the aggregate amount of the Outstanding Principal due to all Lenders under such Credit Facility; and

(d) after the giving of an Acceleration Notice or deemed acceleration under Section 13.2 the percentage determined by dividing the amount of the then outstanding Obligations owed to such Lender (and any Affiliate of such Lender pursuant to Permitted Hedges) by the aggregate of all of the then outstanding Obligations owed by the Borrowers to all of the Lenders and all of the Hedge Providers pursuant to Permitted Hedges.

"**Purchase Money Obligations**" means any indebtedness incurred, assumed or owed by a Credit Party as all or part of, or incurred or assumed by a Credit Party to provide funds to pay all or part of, the purchase or acquisition price (including any deferred purchase or acquisition price) of any Property acquired by a Credit Party; provided that no Credit Party or any Affiliate thereof, immediately prior to entering into an agreement for the acquisition of such Property, owns or has any interest in, or any entitlement to own, or has any interest in, the Property thereof being so acquired.

"**Purchasing Lender**" has the meaning ascribed thereto in Section 6.6(f).

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, any entity that has total assets exceeding $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.

"RBC" means Royal Bank of Canada.

"RBC Unsecured LC Facility" means the unsecured letter of credit facility agreement to be entered into by RBC, as lender and one or more Credit Parties, as borrowers, pursuant to which RBC agrees to issue letters of credit from time to time, for up to the aggregate face amount of U.S**[Redacted]**, which indemnity, reimbursement and payment obligations of the borrowers thereunder may be guaranteed by Export Development Canada.

“**Regulation D**”, “**Regulation T**”, “**Regulation U**” and “**Regulation X**” means Regulation D, Regulation T, Regulation U and Regulation X, respectively, of the Board, as the same may be amended, supplemented or replaced from time to time.

“**Release**” means any presence, release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leaching or migration of any element or compound in or into the indoor or outdoor environment (including the abandonment or disposal of any barrels, tanks, containers or receptacles containing any contaminant), or in, into or out of any vessel or facility, including the movement of any contaminant through the air, soil, subsoil, surface, water, ground water, rock formation or otherwise which is or may be (under any circumstances, whether or not they have occurred).

“**Relevant Jurisdiction**” means, from time to time, the province, state or territory or any other relevant political subdivision in any country in which a Credit Party has material Property or in which it carries on material business.

“**Repayment Notice**” means a notice to effect a repayment hereunder substantially in the form annexed hereto as Schedule F.

“**Request for Extension**” means a request by Ensign Canada for an extension of the Stated Maturity Date pursuant to Section 6.6(a), in the form attached hereto as Schedule J, executed by an authorized officer of the Ensign Parent, each Borrower and each Material Subsidiary.

“**Rollover**” means a rollover of a Daily Compounded CORRA Advance into another Daily Compounded CORRA Advance, a Term CORRA Advance into another Term CORRA Advance or a SOFR Advance into another SOFR Advance as permitted hereby and “**Rolled Over**” has a corresponding meaning.

“**Rollover Date**” means:

(a) the date of commencement of a new Interest Period applicable to a CORRA Advance; or

(b) the date of commencement of a new SOFR Period applicable to a SOFR Advance being Rolled Over.

“**Rollover Notice**” means a notice requesting a Rollover hereunder substantially in the form annexed hereto as Schedule G.

“**S&P**” means S&P Global Ratings, a division of S&P Global Inc., or any successor thereto.

“**Section**” means the designated section of this Agreement.

“**Secured Parties**” means the Agent, the Lenders, the Cash Managers and the Hedge Providers and “**Secured Party**” means any of them.

“**Securities**” means any interest in any partnership, trust or joint venture or any securities in the capital stock of any corporation or limited liability company, including without limitation, common shares, preferred shares, partnership units or other interests which carry a residual right to participate in the earnings of such partnership, trust, joint venture, corporation or limited liability company or, upon the liquidation or winding up of such partnership, trust, joint venture, corporation or limited liability company, to share in its assets.

“**Security**” has the meaning ascribed in Section 9.1.

“**Security Implementation Date**” means, in respect of any Credit Party, the date that such Credit Party provides the Security as required pursuant to the terms of Article 7.

“**Security Interest**” means a mortgage, debenture, pledge, deposit by way of security, charge, encumbrance, hypothec, assignment by way of security, security interest, lien (whether statutory, equitable or at common law), conditional sale or title retention agreement, lease with option to purchase, a right of set-off (if created for the purpose of directly or indirectly securing the repayment of money owed), and any other interest in Property, howsoever created or arising, that secures payment or performance of an obligation; provided however, the right of a lessor under an Operating Lease shall not constitute a Security Interest.

“**Senior Notes**” means instruments evidencing Debt that satisfies the conditions set out in Section 12.6(a)(i) through (vi) inclusive.

“**Senior Officers**” means, as applicable, any of the President, any Vice-President, Chief Financial Officer, Controller, Secretary, Treasurer or Director of a Credit Party or any similar officer.

“**SOFR**” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

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

“**SOFR Period**” means with respect to each SOFR Advance, a period of 1, 3 or 6 months, or such shorter period as may be agreed to by all of the Lenders (in each case, subject to the market availability thereof), with respect to such SOFR Advance; provided that, no tenor that has been removed pursuant to Section 16.35(d) shall be available for specification in such Drawdown Notice or interest election.

“**SOFR Advance**” means an Advance in or Conversion into US Dollars made by the Lenders to a Borrower with respect to which a Borrower has specified that interest is to be calculated by reference to the Adjusted Term SOFR, and each Rollover in respect thereof.

“**Stated Maturity Date**” means September 29, 2028.

“**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which a Lender is subject with respect to the Adjusted Reg. D Term SOFR, for eurocurrency funding (currently referred to as "**Eurocurrency Liabilities**" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. SOFR Advances by a Lender to Ensign US shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage and as of the date hereof is nil.

"**Subordinated Debt**" means all indebtedness for borrowed money of Ensign Canada or any other Credit Party the repayment of which is postponed and subordinated to the payment of the Obligations in the following manner: (i) in the case of unsecured indebtedness, by including subordination and postponement terms (in form and substance satisfactory to the Agent acting reasonably) in the agreement evidencing the indebtedness and (ii) in the case of a secured indebtedness, by the terms of an agreement or instrument governing the same in form and substance satisfactory to the Agent, acting reasonably.

"**Subsidiary**" means, as to any Person, another Person in which such Person and/or one or more of its Subsidiaries owns, directly or indirectly, sufficient voting Securities to enable it or them (as a group) to ordinarily elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or trust if more than a 50% interest in the profits or capital thereof is owned by such Person and/or one or more of its Subsidiaries. Unless the context otherwise clearly requires, any reference to a "**Subsidiary**" is a reference to a Subsidiary of the Ensign Parent.

"**Successor Agent**" has the meaning ascribed thereto in Section 14.11.

"**Swap Obligation**" means, with respect to any Credit Party, 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**" has the meaning ascribed thereto in Section 2.1.

"**Syndicated Facility Lenders**" means each Person that is a party to this Agreement as a Lender as of the Closing Date or hereafter becomes a party to this Agreement as a Lender and provides a Commitment under the Syndicated Facility and their respective successors and assigns and each a "**Syndicated Facility Lender**".

"**Syndicated Facility Limit**" means the aggregate principal amount of Cdn. $900,000,000.00 or such lesser amount after giving effect to any reduction of the Syndicated Facility Limit pursuant to Section 6.2 and Section 6.3.

"**Synthetic Lease**" means: (a) a synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of Property creating obligations which do not appear on the statement of financial position (or balance sheet, if applicable) of such Person but which, in any Insolvency Proceedings relating to such Person, would be characterized as indebtedness of such Person (without regard to accounting treatment).

"**Synthetic Lease Obligations**" means the obligations of a Person to pay rent or other amounts under a Synthetic Lease.

"**Taxes**" means all taxes, levies, imposts, value added taxes, goods and services taxes, stamp taxes, duties, deductions, withholdings and similar impositions payable, levied, collected, withheld or assessed as of the date of this Agreement or at any time in the future under Applicable Laws and all interest and penalties thereon and other additions thereto, and "**Tax**" shall have a corresponding meaning.

"**Term**" means the period commencing on the date of this Agreement and ending on the Stated Maturity Date.

"**Term CORRA**" means, for any calculation with respect to a Term CORRA Advance, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the **"Periodic Term CORRA Determination Day**") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Canadian Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day. If such first preceding Business Day is more than three Business Days prior to such Periodic Term CORRA Determination Day, Section 8.9 will apply.

"**Term CORRA Adjustment**" means a percentage equal to (a) **[Redacted]**% per annum for 1 month Interest Period, and (b) **[Redacted]**% per annum for 3 month Interest Period.

"**Term CORRA Administrator**" means Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

"**Term CORRA Advance**" means an Advance that bears interest at a rate based on the Adjusted Term CORRA.

"**Term CORRA Reference Rate**" means the forward-looking term rate based on CORRA.

"**Term SOFR**" means, for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate (rounded upward to the nearest fifth decimal place, if necessary) for a tenor comparable to the applicable SOFR Period on the day (the "**Term SOFR Determination Day**") that is two (2) U.S. Government Securities Business Days prior to the first day of such SOFR Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any 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 (as defined in Section 16.35(f)) 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 three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day. If such first preceding U.S. Government Securities Business Day is more than three (3) Business Days prior to such Term SOFR Determination Day, Section 8.11 will apply.

"**Term SOFR Adjustment**" means, with respect to Term SOFR, **[Redacted]**% (**[Redacted]** basis points) for an Available Tenor of one-month's duration, three-months' duration and six-months' duration.

"**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 Determination Day**" has the meaning set out in the definition of Term SOFR.

"**Term SOFR Reference Rate**" means the forward-looking term rate based on SOFR.

"**UCP 600**" has the meaning ascribed in Section 8.18.

"**U.S. Base Rate**" means, on any day with respect to a U.S. Base Rate Advance, the greater of:

(a) the floating annual rate of interest established from time to time by the Agent as the reference rate it uses to determine rates of interest on U.S. Dollar loans to its commercial customers in Canada and designated as its "**U.S. Dollar Base Rate**"; and

(b) a rate of interest per 365 or 366 day period, as applicable, equal to the Federal Funds Rate plus 50 bps,

provided that at no time shall the U.S. Base Rate be less than zero percent.

"**U.S. Base Rate Advance**" means an Advance in U.S. Dollars bearing interest based on the U.S. Base Rate and includes deemed U.S. Base Rate Advances provided for in Sections 8.10 and 8.19(c).

"**U.S. Credit Party**" means any Credit Party that is incorporated or organized under the laws of the United States of America or any state or territory thereof or the District of Columbia.

"**U.S. Dollar Equivalent**" means on any day the amount of U.S. Dollars that would result from the exchange of Canadian Dollars or any other currency agreed to by the Lenders (as applicable) into U.S. Dollars at the Exchange Rate in effect on such day.

"**U.S. Dollars**" and "**U.S. $**" mean lawful money of the United States of America.

"**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.

"**U.S. Prime Rate**" means, on any day with respect to a U.S. Prime Rate Advance, the greater of:

(a) the floating annual rate of interest established from time to time by the Agent as the reference rate it uses to determine rates of interest on U.S. Dollar loans to its commercial customers in the United States and designated as its "**U.S. Dollar Prime Rate**"; and

(b) a rate of interest per 365 or 366 day period, as applicable, equal to the Federal Funds Rate plus 50 bps,

provided that at no time shall the U.S. Prime Rate be less than zero percent.

"**U.S. Prime Rate Advance**" means an Advance in U.S. Dollars bearing interest based on the U.S. Prime Rate and includes deemed U.S. Prime Rate Advances provided for in Sections 8.10 and 8.19(c).

"**Write-Down and Conversion Powers**" means, 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.

1.2 Joint and Several Liability of the Borrowers

The Obligations owing to the Secured Parties by each Borrower under this Agreement shall be jointly and severally binding on each Borrower. The Agent and the other Secured Parties without exonerating in whole or in part any Borrower or any other Credit Party, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting, registering, renewing or realizing upon securities of, or may accept compositions from and may otherwise deal with any of the Borrowers, the other Credit Parties and all other Persons and securities as any of the Secured Parties may see fit without affecting the liability of the Borrowers (or any of them) under this Agreement and the other Credit Documents. Without in any manner limiting the generality of the foregoing, each Borrower agrees that the Agent and the other Secured Parties, may from time to time, consent to any action or non-action of any Borrower which, in the absence of such consent, violates any provision of the Credit Documents, with or without consideration on such terms and conditions as may be acceptable to the Agent and the other Secured Parties, without in any manner affecting or impairing the liability of each Borrower hereunder. Each of the Agent and the other Secured Parties shall be entitled to receive payment from or performance by any Borrower of the Obligations without first being obligated to exhaust its recourse against any other Borrower, any other Credit Party or other Person or the securities it may hold.

1.3 Amendment and Restatement

(a) **Original Credit Agreement.** Relying on each of the representations and warranties set out in Article 11 and subject to the terms and conditions of this Agreement, the Agent, the Lenders, Ensign Parent and the Borrowers agree that, effective on the Closing Date the Original Credit Agreement shall be amended and restated in its entirety and shall be on the terms and conditions and in the form of this Agreement including, without limitation:

(i) all indebtedness and liabilities of the Borrowers to the Syndicated Facility Lenders under the Original Credit Agreement in respect of the "Syndicated Facility" thereunder and accrued and unpaid interest thereon, and "Commitment Fees" accrued thereunder in respect of the Syndicated Facility shall be construed as Obligations of the Borrowers to the Syndicated Facility Lenders under the Syndicated Facility;

(ii) all indebtedness of the Borrowers to the Operating Facility Lender under the Original Credit Agreement in respect of the "Operating Facility" thereunder and accrued and unpaid interest thereon, and "Commitment Fees" accrued thereunder in respect of the Operating Facility shall be construed as Obligations of the Borrowers to the Operating Facility Lender under the Operating Facility;

(iii) all indebtedness of the Borrowers to the Letter of Credit Facility Lender under the Original Credit Agreement in respect of the "Letter of Credit Facility" thereunder (including the Existing Letters of Credit) and fees on Advances under the Existing Letters of Credit, and "Commitment Fees" accrued thereunder in respect of the "Letter of Credit Facility" shall be construed as Obligations of the Borrowers to the Letter of Credit Facility Lender under the Letter of Credit Facility and the Existing Letters of Credit shall be construed as Letters of Credit issued by the Letter of Credit Facility Lender under this Agreement;

(iv) all other indebtedness of the Borrowers to the Lenders under the Original Credit Agreement shall be construed as indebtedness of the Borrowers to the Lenders under this Agreement; and

(v) the Borrowers, the Lenders and the Agent shall have no further rights or obligations to each other under the Original Credit Agreement as it exists immediately prior to the amendment and restatement effected hereby, except to the extent continued hereunder for any accrued, but unpaid, interest on "Advances" in respect of the "Credit Facilities" thereunder and "Commitment Fees" under the Original Credit Agreement, up to but not including the Closing Date.

(b) **Adjustments.** Notwithstanding the allocation of the Commitments under the Syndicated Facility on the date hereof no adjustments or indemnities will be made or given on the date hereof in respect of any outstanding CORRA Advances or SOFR Advances to provide that the amount of the outstanding CORRA Advances or SOFR Advances owing to each Lender under the Syndicated Facility are on a Proportionate Share basis. The Lenders under the

Syndicated Facility agree that any such adjustments will only be made after the maturity date of each outstanding CORRA Advance or SOFR Advance (as applicable). Subject to the foregoing, the Syndicated Facility 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, existing Commitments) to give effect to the revised Commitments under the Syndicated Facility.

(c) **Survival**. All of the covenants, representations and warranties on the part of the Borrowers and the Ensign Parent, for and on behalf of the itself and each other Credit Party under the Original Credit Agreement and all of the claims and causes of action arising against any Credit Party 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 Credit Document or any advance or provision of any Commitment hereunder.

1.4 Schedules

Schedule A	-	Assignment Agreement
Schedule B	-	Commitments of Lenders
Schedule C	-	Compliance Certificate
Schedule D	-	Conversion Notice
Schedule E	-	Drawdown Notice
Schedule F	-	Repayment Notice
Schedule G	-	Rollover Notice
Schedule H	-	Disclosure Information Relating to the Subsidiaries and Material Subsidiaries of the Ensign Parent
Schedule I	-	Form of Guarantee and Subordination Agreement
Schedule J	-	Request for Extension
Schedule K	-	Material Contracts
Schedule L	-	Borrower Joinder Agreement
Schedule M	-	Organization Chart
Schedule N	-	Kuwait Rigs Description

ARTICLE 2 - THE SYNDICATED FACILITY

2.1 Amount and Availment Options

Upon and subject to the terms and conditions of this Agreement, the Syndicated Facility Lenders agree to provide a revolving credit (the “**Syndicated Facility**”) for the use of the Borrowers in the aggregate amount of up to the Syndicated Facility Limit, provided that the obligation of the Syndicated Facility Lenders to make Advances under Syndicated Facility shall be several and shall not exceed at any time the Syndicated Facility Limit.

At the option of Ensign Canada, the Syndicated Facility may be used by requesting Cdn. Prime Rate Advances, by requesting U.S. Base Rate Advances, by requesting CORRA Advances and by requesting that SOFR Advances be made by the Syndicated Facility

Lenders and by requesting Fronted LCs from the LC Fronting Lender up to the Fronted LC Limit.

At the option of Ensign US, the Syndicated Facility may be used by requesting U.S. Prime Rate Advances and by requesting that SOFR Advances be made by the Syndicated Facility Lenders and by requesting Fronted LCs from the LC Fronting Lender up to the Fronted LC Limit.

2.2 Syndicated Facility Revolvement

The principal amount of any Advance under the Syndicated Facility that is repaid may, subject to the provisions of this Agreement, be reborrowed from time to time until the Stated Maturity Date, following which all undrawn Commitments under the Syndicated Facility will be cancelled and the outstanding Obligations owing to the Syndicated Facility Lenders hereunder shall become due and payable. Prior to the occurrence and continuance of an Event of Default, the amount of a repayment under the Syndicated Facility shall be paid to the Agent for distribution to the Syndicated Facility Lenders on a Proportionate Share basis, and the amount of such repayment shall be applied to reduce the Outstanding Principal under the Syndicated Facility. The amount of a repayment under this Agreement shall be distributed to all of the Lenders on a Proportionate Share basis or as all of the Lenders may otherwise agree if such repayment is made after an Acceleration Notice is issued by the Agent or after the deemed acceleration of the Obligations.

2.3 Use of Syndicated Facility

The Syndicated Facility shall only be used for general business purposes of the Ensign Parent and its Subsidiaries, including, without limitation: (i) to pay the fees, costs and expenses relating to the Credit Facilities and the preparation, negotiation and settlement of this Agreement, and the other Credit Documents, (ii) to refinance the outstanding principal under the Term Facility (as defined in the Original Credit Agreement), and (iii) for ongoing working capital requirements; provided, however without the prior written consent of the Lenders, none of the Borrowers may use any Advances hereunder either directly or indirectly in connection with an unsolicited acquisition of the Securities of any Person that are publicly traded, or otherwise to facilitate, assist or participate in an acquisition of Securities of any Person that are publicly traded (in each case except for the acquisition of not more than 20% of the Securities of a Person that are publicly traded), where the board of directors or the equivalent of such Person, has not approved such acquisition nor recommended the approval of such acquisition to the holders of such Securities.

ARTICLE 3 - THE OPERATING FACILITY

3.1 Amount and Availment Options

Upon and subject to the terms and conditions of this Agreement, the Operating Facility Lender agrees to provide a revolving credit (the "**Operating Facility**") for the use of the Borrowers in the aggregate amount of up to the Operating Facility Limit, provided that the obligation of the Operating Facility Lender to make Advances under Operating Facility shall be several and shall not exceed at any time the Operating Facility Limit.

The Operating Facility shall be subject to the following terms and conditions (in addition to any other applicable terms and conditions contained in this Agreement):

(a) The Operating Facility shall be established and maintained by the Operating Facility Lender for its own account. Each reference to the Operating Facility Lender in this Article 3 shall be deemed to refer to the Operating Facility Lender acting for its own account.

(b) The Outstanding Principal at any time under the Operating Facility shall not exceed the Operating Facility Limit.

(c) The Operating Facility shall form a part of the Credit Facilities and, except to the extent provided in this Section, shall be subject to all terms and conditions of this Article 3.

(d) Subject to paragraph (f) below, Advances to and repayments by the Borrowers under the Operating Facility shall be made in the following manner: (i) the Operating Facility Lender will make Advances to the Borrowers under the Operating Facility by a Borrower incurring an overdraft balance in a Designated Account (which overdraft balance shall for greater certainty be deemed to be a Cdn. Prime Rate Advance in respect of overdraft balances in Canadian Dollar Designated Accounts, a U.S. Base Rate Advance in respect of overdraft balances in U.S. Dollar Designated Accounts of Ensign Canada and a U.S. Prime Rate Advance in respect of overdraft balances in U.S. Dollar Designated Accounts of Ensign US) and (ii) the Operating Facility Lender will make Cdn. Prime Rate Advances, U.S. Base Rate Advances, SOFR Advances, CORRA Advances and Letter of Credit Advances in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender (up to the Operating Facility LC Limit) available to Ensign Canada and U.S. Prime Rate Advances, SOFR Advances and Letter of Credit Advances in Cdn. Dollars, U.S. Dollars or such other currency as is agreed to by the Operating Facility Lender (up to the Operating Facility LC Limit) available to Ensign US upon and subject to the terms and conditions of this Agreement.

(e) Subject to paragraph (f) below, no Drawdown Notice shall be required in connection with Cdn. Prime Rate Advances, U.S. Base Rate Advances or U.S. Prime Rate Advances under the Operating Facility by way of overdraft.

(f) The Operating Facility Lender may in its discretion at any time, by written notice to the Borrowers, require that the Borrowers reduce the Outstanding Principal under the Operating Facility by a specified amount (in this paragraph called the "**Operating Facility Reduction Amount**"). The Borrower agrees to promptly comply with any such request by making a repayment on the Operating Facility from its own resources or by requesting an Advance under the Syndicated Facility, the proceeds of which shall be applied to reduce the Outstanding Principal under the Operating Facility. If the Borrower fails to comply with any such request from the Operating Facility Lender within two (2) Business Days after receipt thereof, the Syndicated Facility Lenders agree that upon request by the Operating Facility Lender, the Syndicated Facility Lenders will make Advances under the Syndicated Facility (whether or not a Default or Event of Default has occurred and is continuing) in an aggregate amount equal to the Operating Facility Reduction Amount, the proceeds of which shall be applied to reduce the Outstanding Principal under the Operating Facility. Provided however, the foregoing shall (i) not require the Borrowers to cash collateralize Letter of

Credit Advances then outstanding under the Operating Facility and (ii) only apply to the extent that there is sufficient Available Credit under the Syndicated Facility to repay the Operating Facility Reduction Amount.

3.2 Operating Facility Revolvement

The principal amount of any Advance under the Operating Facility that is repaid may, subject to the provisions of this Agreement, be reborrowed from time to time until the Stated Maturity Date, following which all undrawn Commitments under the Operating Facility will be cancelled and the outstanding Obligations owing to the Operating Facility Lender hereunder shall become due and payable and all outstanding Letters of Credit shall be cash collateralized as required by Section 8.19(d). Prior to the occurrence and continuance of an Event of Default, the amount of a repayment under the Operating Facility shall be paid to the Operating Facility Lender, and the amount of such repayment shall be applied to reduce the Outstanding Principal under the Operating Facility.

3.3 Use of Operating Facility

The Operating Facility shall only be used for general business purposes of the Ensign Parent and its Subsidiaries, including, without limitation: (i) to pay the fees, costs and expenses relating to the Credit Facilities and the preparation, negotiation and settlement of this Agreement, and the other Credit Documents; and (ii) for ongoing working capital requirements; provided, however without the prior written consent of the Lenders, none of the Borrowers may use any Advances hereunder either directly or indirectly in connection with an unsolicited acquisition of the Securities of any Person that are publicly traded, or otherwise to facilitate, assist or participate in an acquisition of Securities of any Person that are publicly traded (in each case except for the acquisition of not more than 20% of the Securities of a Person that are publicly traded), where the board of directors or the equivalent of such Person, has not approved such acquisition nor recommended the approval of such acquisition to the holders of such Securities.

ARTICLE 4 – THE LETTER OF CREDIT FACILITY

4.1 Amount and Availment Options

Upon and subject to the terms and conditions of this Agreement, the Letter of Credit Facility Lender agrees to provide a revolving letter of credit facility (the "**Letter of Credit Facility**") for the use of the Borrowers in the aggregate amount of up to the Letter of Credit Facility Limit, provided that the obligation of the Letter of Credit Facility Lender to make Advances under Letter of Credit Facility shall not exceed at any time the Letter of Credit Facility Limit.

The Letter of Credit Facility shall be subject to the following terms and conditions (in addition to any other applicable terms and conditions contained in this Agreement):

(a) The Letter of Credit Facility shall be established and maintained by the Letter of Credit Facility Lender for its own account. Each reference to the Letter of Credit Facility Lender in this Article 4 shall be deemed to refer to the Letter of Credit Facility Lender acting for its own account.

(b) The U.S. Dollar Equivalent of the Outstanding Principal at any time under the Letter of Credit Facility shall not exceed the Letter of Credit Facility Limit.

(c) The Letter of Credit Facility shall form a part of the Credit Facilities and shall be subject to all terms and conditions of this Article 4.

(d) Advances to and repayments by the Borrowers under the Letter of Credit Facility shall be made available to the Borrowers by way of (i) Letter of Credit Advances; and (ii) any draw under a Letter of Credit that is not repaid in full at the time of such draw shall be deemed to be a Cdn. Prime Rate Advance for each Letter of Credit denominated in Canadian Dollars and deemed to be a U.S. Base Rate Advance or a U.S. Prime Rate Advance (as contemplated in Section 8.19(c) below) for each Letter of Credit denominated in U.S. Dollars or denominated in any other currency. If a draw is made under a Letter of Credit that is not denominated in U.S. Dollars or Canadian Dollars, the Letter of Credit Facility Lender shall on the date of such draw, convert the amount of such draw into U.S. Dollars in the manner contemplate by Section 8.19(c).

4.2 Letter of Credit Facility and Maturity

Letters of Credit may be issued from time to time and the principal amount of any Cdn. Prime Rate Advance and U.S. Base Rate Advance under the Letter of Credit Facility that is repaid may, subject to the provisions of this Agreement, be subject to another Advance from time to time. On the Stated Maturity Date, all undrawn Commitments under the Letter of Credit Facility will be cancelled and the outstanding Obligations owing to the Letter of Credit Facility Lender hereunder shall become due and payable and all outstanding Letters of Credit shall be cash collateralized as required by Section 8.19(d).

4.3 Use of Letter of Credit Facility

The Letter of Credit Facility shall only be used for general business purposes of the Ensign Parent and its Subsidiaries.

ARTICLE 5- ADDITIONAL BORROWERS AND RESTRUCTURING OF THE CREDIT FACILITIES

5.1 Additional Borrowers

Ensign Canada may from time to time provide notice to the Agent requesting that a Subsidiary (the "**Additional Borrower**") of Ensign Canada be included as a Borrower under this Agreement. The Lenders and the Agent shall consider such request and although the Lenders and the Agent have no obligation to agree to such request, the Lenders and the Agent shall make reasonable efforts to accommodate such request within 10 Business Days after its receipt of such request; for greater certainty, any Lender may refuse a request to include a Subsidiary as an Additional Borrower hereunder, if including such Subsidiary as an Additional Borrower would breach or contravene or be deemed to breach or contravene any Applicable Law to which such Lender is subject. If the Lenders and the Agent agree to such request, the addition of the Additional Borrower as a Borrower shall be effective on the date the Agent so advises the Ensign Parent that the Lenders and the Agent have received the following, in form and substance satisfactory to the Lenders:

(a) A Borrower Joinder Agreement duly executed by the Borrowers, the Additional Borrower and the Ensign Parent and agreed to by the Material Subsidiaries.

(b) A Guarantee and Subordination Agreement and the other Security duly executed and delivered by the Additional Borrower, if not previously delivered.

(c) A certificate of status, certificate of compliance, good standing or similar certificate issued by an appropriate Governmental Body of the jurisdiction of organization of the Additional Borrower.

(d) To the extent not previously delivered to the Agent:

(i) A certified copy of the Constating Documents of the Additional Borrower, and a certified copy of the resolutions of its board of directors (and where appropriate, its shareholders) authorizing the execution and delivery of the Borrower Joinder Agreement, the Guarantee and Subordination Agreement and the other Security and the transactions contemplated thereby and the performance by it of its obligations thereunder, together with a certificate to the effect that all such documents are in full force and effect in such form with no proceedings pending to amend or rescind the same, and no agreements or other documents are in effect which restrict the powers of its board of directors (or where appropriate, its shareholders);

(ii) A certificate of incumbency with respect to the Additional Borrower with specimen signatures of the individuals executing the Borrower Joinder Agreement, the Guarantee and Subordination Agreement and the other Security;

(iii) A certificate of a Senior Officer of Ensign Canada certifying that no Default or Event of Default has occurred that is continuing and that the representations and warranties in this Agreement are true and correct and funding of Advances to the Additional Borrower contemplated under the Credit Facilities shall not be unlawful;

(iv) All other documentation and other evidence which is required by the Lenders to comply with its know your client procedures; and

(v) Legal opinion of counsel to the Additional Borrowers relating to, *inter alia*, its subsistence and the authorization, execution, delivery and enforceability of the Borrower Joinder Agreement, the Guarantee and Subordination Agreement and the other Security to which it is a party.

For greater certainty, if an Additional Borrower is added as a Borrower such Additional Borrower shall thereupon become bound by and subject to all of the provisions of this Agreement applicable to the Borrowers, as if it were an original party hereto.

ARTICLE 6 - REPAYMENT OF THE CREDIT FACILITIES

6.1 Repayment of Advances – Credit Facilities

Without limiting the right of the Agent to demand repayment pursuant to Article 13, on the Stated Maturity Date:

(i) the Borrowers shall repay in full all of the Obligations which are then outstanding under the Credit Facilities; and

(ii) the Borrowers shall repay all other amounts which are then due and outstanding pursuant to the Credit Documents.

6.2 Mandatory Repayments

(a) If the Credit Parties receive Net Proceeds from Dispositions pursuant to paragraph (c) of the definition of "Permitted Dispositions" in any Fiscal Year exceeding Cdn.$ **[Redacted]**, or the US Dollar Equivalent thereof (provided that any single Disposition in such Fiscal Year resulting in Net Proceeds equal to or less than Cdn.$ **[Redacted]**shall not count towards such aggregate), all of such Net Proceeds in excess of Cdn.$ **[Redacted]** (each such amount, the "**Excess Proceeds Amount**") shall be paid by the Borrowers to the Agent no later than five (5) Business Days following receipt of such Excess Proceeds Amount, and be applied by the Agent to repay outstanding Obligations under the Syndicated Facility,

(b) If a Credit Party receives Net Proceeds from an Equity or Debt Issuance or receives any insurance proceeds in excess of $**[Redacted]**for any one event or series of events, all of such Net Proceeds or insurance proceeds in excess of $**[Redacted]**, as applicable, shall be paid by the Borrowers to the Agent no later than five (5) Business Days following receipt of such Net Proceeds or insurance proceeds in excess of $**[Redacted]**, as applicable, and be applied by the Agent to repay Outstanding Principal on a pro rata basis under the Syndicated Facility and the Operating Facility until repaid in full.

(c) Any repayments of the Syndicated Facility and resulting cancellations of the Commitments of the Syndicated Facility Lenders pursuant to this Section6.2 shall be applied by the Agent to the Syndicated Facility Lenders on a Proportionate Share basis, provided that if any Syndicated Facility Lender notifies the Agent in writing that they do not wish to have their Proportionate Share of the Syndicated Facility reduced by the applicable repayment amount (with a corresponding cancellation of their Syndicated Facility Commitment), then the Agent shall notify the other Syndicated Facility Lenders of same and such other Syndicated Facility Lenders may elect to receive such additional repayment amount and have their Syndicated Facility Commitment further reduced by such amount. If more than one Syndicated Facility Lender elects to receive such additional repayment, then the Agent shall distribute such additional repayment (and reduce the applicable Commitments of such Syndicated Facility Lenders) on a Proportionate Share basis as between such Syndicated Facility Lenders. If no Syndicated Facility Lenders elect to receive such additional repayment, then the Agent shall distribute such additional repayment (and reduce the applicable Commitments of the other Syndicated Facility Lenders) on a Proportionate Share basis as between all such other Syndicated Facility Lenders.

6.3 Cancellation of Commitment and Prepayment

The Ensign Parent may, without penalty or premium, at any time during the term of this Agreement upon at least 3 Business Days prior written notice, cancel any Credit Facility or any portion thereof in minimum amounts of Cdn. $5,000,000 and in Cdn. $1,000,000 multiples thereof by cancelling the Commitment of the applicable Lenders (on a Proportionate Share basis, if such cancellation is in respect of the Syndicated Facility) provided that on or prior to the last day of such notice period the Borrowers have:

(a) prepaid or otherwise reduced Outstanding Principal to the applicable Lenders in an amount equal to the amount by which the Canadian Dollar Equivalent of the Outstanding Principal to such Lenders would otherwise be in excess of their Commitments under the applicable Credit Facility immediately after the reduction of the Commitments under such Credit Facility provided for in such notice; and

(b) paid all accrued interest and other charges and fees in respect of the Outstanding Principal being repaid or reduced as aforesaid (including without limitation, amounts payable pursuant to Section 16.12).

Any such notice of cancellation is irrevocable and the amount of the Credit Facility so cancelled and reduced may not be reinstated hereunder.

Notwithstanding the foregoing, (i) any payment of a CORRA Advance prior to the end of its applicable Interest Period or a SOFR Advance prior to the end of its applicable SOFR Period will be subject to breakage costs in accordance with Section 8.5; and (ii) a Letter of Credit may only be cancelled if the original Letter of Credit is returned undrawn to the Applicable LC Lender prior to its expiry date. The Borrowers shall provide at least three (3) Business Days' notice of a prepayment under a Credit Facility, except for repayments of Cdn. Prime Rate Advances, U.S. Base Rate Advances and U.S. Prime Rate Advances by way of overdraft under the Operating Facility which may be made by deposits to the applicable Designated Account on the same day. The applicable Borrowers shall give the Agent prior written notice of each repayment of Advances, except for repayments of Cdn. Prime Rate Advances, U.S. Base Rate Advances and U.S. Prime Rate Advances by way of overdraft under the Operating Facility, substantially in the form of a Repayment Notice.

6.4 Principal Amount of Advances

The Outstanding Principal under the Syndicated Facility shall be repaid immediately upon notice by the Agent to the Borrowers to the extent that the aggregate Canadian Dollar Equivalent of the Outstanding Principal under the Syndicated Facility exceeds the then current Syndicated Facility Limit or cash collateralized if the Canadian Dollar Equivalent of the Outstanding Principal with respect to Letter of Credit Advances under the Syndicated Facility exceeds the then current Fronted LC Limit, whether as a result of oversight or otherwise. Notwithstanding the foregoing, if solely as a result of exchange rate fluctuations, the Canadian Dollar Equivalent of the Outstanding Principal under the Syndicated Facility exceeds the Syndicated Facility Limit or the Canadian Dollar Equivalent of the Outstanding Principal with respect to Letter of Credit Advances under the Syndicated Facility exceeds the then current

Fronted LC Limit (in each case, referred to herein as a "**Currency Excess**") the Agent shall, if requested by the Syndicated Facility Lenders or the LC Fronting Lender, as applicable, notify the Borrowers of the amount (in Canadian Dollars) of such Currency Excess, the Syndicated Facility Lenders shall not be obligated to provide any further Advances to any Borrower and the Borrowers shall, within ten (10) days of the giving of such notice relating to a Currency Excess, pay to the Syndicated Facility Lenders on the date of payment, the amount by which the Canadian Dollar Equivalent of the Outstanding Principal exceeds the Syndicated Facility Limit or cash collateralize with the Agent the amount by which the Canadian Dollar Equivalent of the Outstanding Principal with respect to Letter of Credit Advances under the Syndicated Facility exceeds the Fronted LC Limit, as applicable. Any cash collateral amount paid to the Agent for the account of the LC Fronting Lender shall be held by the Agent for the account of the LC Fronting Lender in a separate collateral account of the Borrowers as security for the repayment of future indebtedness of the Borrowers to the LC Fronting Lender in respect of Letters of Credit under the Syndicated Facility which are drawn down. Pending the expiry or cancellation of all outstanding Letters of Credit under the Syndicated Facility, any amounts paid to the Agent for the account of the LC Fronting Lender shall bear interest at the rate established by the Agent from time to time as that payable in respect of 30 day certificates of deposit of the Agent for monies of like amount. The Agent shall release any amounts remaining in such collateral account after applying the amount necessary to discharge the Obligations relating to such Letters of Credit when the Canadian Dollar Equivalent of the Outstanding Principal of the outstanding Letter of Credit Advances under the Syndicated Facility no longer exceeds the then current Fronted LC Limit, provided that no Event of Default shall have occurred that is continuing and no Event of Default shall occur as a result of such release.

The Outstanding Principal under the Operating Facility shall be repaid immediately upon notice by the Operating Facility Lender to the Borrowers to the extent that the aggregate Canadian Dollar Equivalent of the Outstanding Principal under the Operating Facility exceeds the then current Operating Facility Limit or cash collateralized if the Canadian Dollar Equivalent of the Outstanding Principal with respect to Letter of Credit Advances under the Operating Facility exceeds the then current Operating Facility LC Limit, in each case whether as a result of oversight or otherwise. Notwithstanding the foregoing, if solely as a result of exchange rate fluctuations, the Canadian Dollar Equivalent of the Outstanding Principal under the Operating Facility exceeds the then current Operating Facility Limit or the Canadian Dollar Equivalent of the Outstanding Principal with respect to Letter of Credit Advances under the Operating Facility exceeds the then current Operating Facility LC Limit (in each case, referred to herein as an "**Operating Excess**") the Operating Facility Lender may notify the Borrowers of the amount (in Canadian Dollars) of such Operating Excess, the Operating Facility Lender shall not be obligated to provide any further Advances to any Borrower and the Borrowers shall, within ten (10) days of the giving of such notice relating to an Operating Excess, pay to the Operating Facility Lender on the date of payment, the amount by which the Canadian Dollar Equivalent of the Outstanding Principal exceeds the Operating Facility Limit or cash collateralize with the Agent the amount by which the Canadian Dollar Equivalent of the Outstanding Principal with respect to Letter of Credit Advances under the Operating Facility exceeds the Operating Facility LC Limit, as applicable. Any cash collateral amount paid to the Agent for the account of the Operating Facility Lender shall be held by the Agent for the account of the Operating Facility Lender in a separate collateral account of the Borrowers as security for the repayment of future indebtedness of the Borrowers to the Operating Facility Lender in respect of Letters of Credit under the Operating Facility which are drawn down. Pending the expiry or cancellation of all outstanding Letters of Credit under the Operating Facility, any amounts paid to the Agent for the account of the Operating Facility Lender shall bear interest at the rate established by the Agent from time to time as that payable in respect of 30 day certificates of deposit of the Agent for monies of like amount. The Agent shall release any amounts remaining in such collateral account after applying the amount necessary to discharge the Obligations relating to such Letters of Credit when the Canadian Dollar Equivalent of the Outstanding Principal of the outstanding Letter of Credit Advances under the Operating Facility no longer exceeds the then current Operating Facility LC Limit, provided that no Event of Default shall have occurred that is continuing and no Event of Default shall occur as a result of such release.

The Outstanding Principal under the Letter of Credit Facility shall be repaid or cash collateralized immediately upon notice by the Letter of Credit Facility Lender to the Borrowers to the extent that the aggregate U.S. Dollar Equivalent of the Outstanding Principal under the Letter of Credit Facility exceeds the then current Letter of Credit Facility Limit, whether as a result of oversight or otherwise. Notwithstanding the foregoing, if solely as a result of exchange rate fluctuations, the U.S. Dollar Equivalent of the Outstanding Principal under the Letter of Credit Facility exceeds the then current Letter of Credit Facility Limit, (referred to herein as an "**LC Excess**") the Letter of Credit Facility Lender may notify the Borrowers of the amount (in U.S. Dollars) of such LC Excess, the Letter of Credit Facility Lender shall not be obligated to provide any further Advances to any Borrower under the Letter of Credit Facility and the Borrowers shall, within ten (10) days of the giving of such notice relating to an LC Excess, pay to the Agent for the account of the Letter of Credit Facility Lender on the date of payment, the amount by which the U.S. Dollar Equivalent of the Outstanding Principal exceeds the Letter of Credit Facility Limit. Any such LC Excess amount paid to the Agent for the account of the Letter of Credit Facility Lender shall be held by the Agent for the account of the Letter of Credit Facility Lender in a separate collateral account of the Borrower as security for the repayment of future indebtedness of such Borrower to the Letter of Credit Facility Lender in respect of Letters of Credit which are drawn down. Pending the expiry or cancellation of all outstanding Letters of Credit, any LC Excess amounts paid to the Agent for the account of the Letter of Credit Facility Lender shall bear interest at the rate established by the Agent from time to time as that payable in respect of 30 day certificates of deposit of the Agent for monies of like amount. The Agent shall release any LC Excess amount remaining in such collateral account after applying the amount necessary to discharge the Obligations relating to such Letter of Credit when the U.S. Dollar Equivalent of the Outstanding Principal under the Letter of Credit Facility no longer exceeds the then current Letter of Credit Facility Limit, provided that no Event of Default shall have occurred that is continuing and no Event of Default shall occur as a result of such release.

6.5 Payments to the Agent, the Letter of Credit Facility Lender and Operating Facility Lender

The payments of principal, interest and fees payable in connection with (i) the Operating Facility shall be made to the Operating Facility Lender, (ii) the Letter of Credit Facility shall be made to the Letter of Credit Facility Lender, and (iii) all payments of principal, interest and fees with respect to the Syndicated Facility will be made to the Agent, for distribution to the Syndicated Facility Lenders.

6.6 Extension of the Credit Facilities

(a) The Borrowers may request an extension in respect of any of the Credit Facilities for a further one year period at any time but not less than 60 days or such lesser period as the Agent may agree prior to the Stated Maturity Date, and each successive anniversary thereafter. Such request shall be made by the Borrowers by delivering an executed Request for Extension to the Agent. The Agent shall notify the Borrowers as to whether or not the Applicable Credit Facility Majority

Lenders agree to such request and any additional conditions thereof, no later than 30 days after the Request for Extension is received by the Agent (the "**Notification Date**"); provided that if the Agent does not so advise the Borrowers on or prior to the Notification Date, the Applicable Credit Facility Majority Lenders shall be deemed to have elected not to agree to such request. For certainty, the decision of any Lender to agree to such request for an extension, and any conditions thereof, is in the sole discretion of each Lender. Any such Lender that does not, or is deemed not to, agree to such request shall become a "**Non-Agreeing Lender**" and unless its applicable Commitment is purchased pursuant to Section 6.6(f) or repaid pursuant to Section 6.6(g), the Stated Maturity Date of such Non-Agreeing Lender shall not be extended and the provisions of Section 6.6 shall become applicable to such Non-Agreeing Lender on its Stated Maturity Date.

(b) If the Applicable Credit Facility Majority Lenders agree to such request and the Borrowers have advised the Agent that such additional conditions are acceptable, the Agent shall forthwith deliver a Letter of Extension to the Borrowers extending the Stated Maturity Date with respect to only that portion of the Credit Facilities relating to the Applicable Credit Facility Majority Lenders who have agreed to such extension (the "**Agreeing Lenders**"). Upon written notice by the Agent to the Borrowers agreeing to a Request for Extension, the Stated Maturity Date for the applicable Credit Facilities shall be extended by one year.

(c) The Credit Facilities may only be extended pursuant to Sections 6.6(a) and (e) if the Applicable Credit Facilities Majority Lenders agree to provide a Letter of Extension, and only with respect to the Credit Facilities relating to the Agreeing Lenders.

(d) This Section 6.6 shall apply from time to time to permit successive extensions of the Stated Maturity Date if and for as long as the Applicable Credit Facilities Majority Lenders have agreed to all prior extensions.

(e) If the Borrowers do not request an extension in accordance with Section 6.6(a) in any one or more years, the Borrowers shall be entitled in subsequent years to make a Request for Extension for a further period of one or more years, provided that the Stated Maturity Date, as so extended, shall not be later than two (2) years after the date of such anniversary that gave rise to such Request for Extension, and the terms of such extension shall be subject to the provisions of this Section 6.6.

(f) Each of the Agreeing Lenders shall have the right (but not the obligation) to purchase the applicable Commitment of any Non-Agreeing Lender for a purchase price in an amount equal to the aggregate outstanding principal amount of the Advances under the Credit Facilities owing to such Non-Agreeing Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Non-Agreeing Lender under this Agreement. Each of the Agreeing Lenders (each, a "**Purchasing Lender**") wishing to exercise its rights to purchase the applicable Commitment of a Non-Agreeing Lender shall forthwith so notify the Borrowers, the Agent and each of the other applicable Lenders, if any, and such Purchasing Lender shall thereupon be obligated to purchase not less than fifteen (15) days prior to the then current Stated Maturity Date an undivided share of the applicable Commitment of each Non-Agreeing Lender equal to the ratio that such Purchasing Lender's Commitment under the applicable Credit Facilities is of the aggregate of all Purchasing Lenders' Commitments under the applicable Credit Facilities or as otherwise agreed to by the Borrowers and all Purchasing Lenders under the applicable Credit Facilities. The Non-Agreeing Lender, the Purchasing Lenders, the Agent, the Borrowers and each of the other applicable Lenders, if any, shall forthwith duly execute and deliver any necessary documentation to give effect to such purchase, whereupon each Non-Agreeing Lender shall, as of the effective date thereof, be released from its obligations to the Borrowers under the Credit Facilities and under this Agreement and the other Credit Documents arising subsequent to such date.

(g) If a Non-Agreeing Lender's Commitment is not purchased pursuant to Section 6.6(f), at the option of the Borrower:

(i) so long as there exists no Default or Event of Default and no Default or Event of Default would occur as a result, the applicable Borrower shall repay all Advances (which shall include, for greater certainty, providing Cash and Cash Equivalent collateral for the Face Amount of all Banker's Acceptances and Notional Banker's Acceptances accepted by such Non-Agreeing Lender, and the Face Amount of all Letters of Credit issued by such Non-Agreeing Lender) and other amounts owing under the Credit Facilities to such Non Agreeing Lender on its then current Stated Maturity Date and, upon such repayment, (A) such Non-Agreeing Lender shall cease to be a Lender under the Credit Facilities and such Non-Agreeing Lender's Commitment under the Credit Facilities shall be terminated, (B) the applicable Commitment in respect of the applicable Credit Facilities shall be reduced by the amount of the Non-Agreeing Lender's terminated Commitment, and (C) the Proportionate Share of each remaining Lender in respect of each applicable Credit Facilities shall be adjusted accordingly; or

(ii) the applicable Borrower may have such Non-Agreeing Lender's outstanding Commitment under the Credit Facilities sold, assigned and transferred to a replacement Lender pursuant to Section 15.2.

ARTICLE 7 - INTEREST RATES AND FEES

7.1 Interest Rates and Letter of Credit Fees

With respect to the Credit Facilities, the Borrowers shall pay: (i) interest on Cdn. Prime Rate Advances at a rate per annum equal to the Cdn. Prime Rate plus the Applicable Margin, (ii) interest on CORRA Advances at the applicable CORRA Advance Rate plus the Applicable Margin, (iii) interest on U.S. Base Rate Advances at the rate per annum equal to the U.S. Base Rate plus the Applicable Margin, (iv) interest on U.S. Prime Rate Advances at the rate per annum equal to the U.S. Prime Rate plus the Applicable Margin, (v) interest on SOFR Advances at a rate per annum equal to the Adjusted Term SOFR (or the Adjusted Reg. D. Term SOFR, if applicable) for the SOFR Period plus the Applicable Margin, (vi) fees on Letter of Credit Advances at rate per annum equal to the applicable Letter of Credit Rate on the Face Amount of such Letter of Credit.

Such payments shall be for the account of the applicable Lenders at such address as the Agent designates from time to time, at the applicable rate or rate of interest specified in Section 7.1.

(a) Interest on Cdn. Prime Rate Advances, U.S. Base Rate Advances and U.S. Prime Rate Advances shall be payable in the currency of the applicable Advance monthly in arrears on each Interest Payment Date.

(b) Interest on SOFR Advances shall be payable in U.S. Dollars on the last day of the applicable SOFR Period and, if the SOFR Period is longer than 90 days, on the 90th day after the date of the relevant SOFR Advance.

(c) All interest and fees shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest or fees were payable, as the case may be, to but excluding the date on which interest or fees is payable, or the last day of the applicable Interest Period or SOFR Period, as applicable, both before and after maturity, demand, default and judgment, with interest on overdue principal and interest at the same rate payable on demand. The principal and overdue interest with respect to a CORRA Advance, upon the expiry of the Interest Period applicable to such CORRA Advance, shall bear interest, payable on demand, calculated at the rate per annum applicable to Cdn. Prime Rate Advances plus the Applicable Margin. The principal and overdue interest with respect to a SOFR Advance, upon the expiry of the SOFR Period applicable to such SOFR Advance, shall bear interest, payable on demand, calculated at the rate per annum applicable to U.S. Base Rate Advances plus the Applicable Margin with respect to SOFR Advances made to Ensign Canada and calculated at the rate per annum applicable to U.S. Prime Rate Advances plus the Applicable Margin with respect to SOFR Advances made to Ensign US.

(d) Interest calculated with reference to the Cdn. Prime Rate, U.S. Base Rate and U.S. Prime Rate shall be calculated daily on the basis of a calendar year. Interest calculated with respect to a CORRA Advance shall be calculated on the basis of a year of 365 days and in the case of a CORRA Advance for a term equal to the applicable Interest Period. Interest calculated with respect to a SOFR Advance shall be calculated on the basis of a year of 360 days and in the case of a SOFR Advance for a term equal to the applicable SOFR Period or, if a SOFR Period is longer than 90 days, every 90 days and at the end of the SOFR Period, as applicable.

(e) In this Agreement, each rate of interest which is calculated with reference to a period (the "**deemed interest period**") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.

7.2 Interest Rates; Reference Notification

The interest rate on an Advance may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform.

Without limiting the generality of the foregoing, upon the occurrence of a Canadian Benchmark Transition Event or a Benchmark Transition Event, Section 16.36 and Section 16.35, respectively, provides a mechanism for determining an alternative reference rate of interest for the Canadian Benchmark or the Benchmark, as applicable. The Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to (a) the continuation of, the administration of, submission of, calculation of, performance of or any other matter related to any reference interest rate used in this Agreement (including U.S. Prime Rate, U.S. Base Rate, Cdn. Prime Rate, Adjusted Daily Compounded CORRA, Adjusted Term CORRA, Term CORRA Reference Rate, Term CORRA, Daily Compounded CORRA, CORRA, SOFR, Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR) or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative or successor rate thereto, or replacement rate thereof (including any Canadian Benchmark Replacement or Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Canadian Benchmark Replacement or Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as U.S. Prime Rate, U.S. Base Rate, Cdn. Prime Rate, Adjusted Daily Compounded CORRA, Adjusted Term CORRA, Term CORRA Reference Rate, Term CORRA, Daily Compounded CORRA, CORRA, SOFR, Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR or any other Canadian Benchmark or Benchmark (or any component thereof) prior to its discontinuance or unavailability or (b) the effect, implementation or composition of any Canadian Conforming Changes or Conforming Changes. The Agent, the Lenders, their affiliates and/or other related entities may engage in transactions that affect the calculation of any reference interest rate (or component thereof) used in this Agreement or any alternative, successor or replacement rate (including any Canadian Benchmark Replacement or Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers. The Agent may select information sources or services in its reasonable discretion to ascertain any reference interest rate used in this Agreement, any component thereof, or rates referred to in the definition thereof or any other Canadian Benchmark or Benchmark, in each case pursuant to and in accordance with the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person 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 reference interest rate (or component thereof) provided by any such information source or service.

7.3 Letter of Credit Fees

The Borrowers shall pay the applicable Letter of Credit Fee with respect to each Letter of Credit issued under the Syndicated Facility to the Agent for the account of the Syndicated Facility Lenders in accordance with their Proportionate Share of the Syndicated Facility Commitment and the Letter of Credit Fronting Fee to the LC Fronting Lender for its own account, with respect to each Fronted LC. The Borrowers shall pay the applicable Letter of Credit Fee with respect to each Letter of Credit issued under the Operating Facility to the Operating Facility Lender, for its own account. The Borrowers shall pay the applicable Letter of Credit Fee with respect to each Letter of Credit issued under the Letter of Credit Facility to the Letter of Credit Facility Lender, for its own account. The applicable Letter of Credit Fee and the Letter of Credit Fronting Fee shall be based on a year of 365 days or 366 days, as applicable. The Letter of Credit Fee and the Letter of Credit Fronting Fee shall be payable for the period from and including the date of issuance of the Letter of Credit to and including the stated expiry date thereof, calculated on the Face Amount of the Letter of Credit and payable by the

Borrowers quarterly in arrears on the third Business Day after the end of each calendar quarter and on the day such Letter of Credit is drawn upon or expires. Such Letter of Credit Fee and Letter of Credit Fronting Fee shall be payable in the currency in which the applicable Letter of Credit is denominated, provided that if the Letter of Credit is in a currency other than U.S.$ or Cdn.$, the Letter of Credit Fee shall be payable in U.S. Dollars based on the current Exchange Rate for the exchange of such other currency into U.S. Dollars. In addition, each Borrower shall pay to the Applicable LC Lender all usual and customary fees of such Applicable LC Lender with respect to the issuance and administration of such Letter of Credit including any amendments to such Letter of Credit according to the then current fee schedule of such Applicable LC Lender. If any Letters of Credit remain outstanding after the applicable Credit Facilities Stated Maturity Date, the Letter of Credit Fee and the Letter of Credit Fronting Fee shall continue to accrue and be payable in respect of such Letters of Credit in the manner set out above, or as may otherwise be agreed to by the Applicable LC Lender and the Borrowers. The Borrowers acknowledge and agree that if any Letter of Credit initially characterized as a Performance Letter of Credit is determined by the Office of the Superintendent of Financial Institutions Canada or other applicable Governmental Body to be a Financial Letter of Credit after the issuance thereof, the Applicable Margin used in calculating the Letter of Credit Fee shall be adjusted to the Letter of Credit Rate applicable to Financial Letters of Credit with retroactive effect to the date of issuance of the applicable Letter of Credit and the incremental Letter of Credit Fee payable for the period from the date of issuance to the date of such determination shall be payable on the last Business Day of the month in which such determination is made.

7.4 <u>Commitment Fee</u>

The Borrowers shall pay to the Agent for the applicable Lenders, commitment fees (collectively, the "**Commitment Fee**") calculated at the rate per annum equal to the Commitment Fee Rate based on a year of 365 days or 366 days, as applicable, from the date hereof, on the daily undrawn balance of the Commitment under the applicable Credit Facility. The Commitment Fee shall be calculated daily and payable by the Borrowers quarterly in arrears on the first Business Day following the end of each calendar quarter for the calendar quarter then ended. For the purpose of calculating the Commitment Fee payable hereunder, the Lenders shall, on a daily basis, determine the Canadian Dollar Equivalent of all Advances outstanding under each Credit Facility, based on the Exchange Rate in effect on the first Business Day of the month in respect of which such determination is made.

7.5 <u>Automatic Withdrawal</u>

The Borrower authorizes and directs the Agent to automatically debit the applicable Designated Account for all amounts payable by the Borrowers under this Agreement, including the repayment of principal and the payment of interest and fees and all charges agreed to by the Borrowers for the maintenance of a Designated Account, and to credit the applicable Designated Account for amounts, if any, to be repaid to the Borrowers by the Lenders under this Agreement. The Agent shall, as soon as is practical after making any such debit or credit, inform the Borrowers of the amount thereof and provide reasonable details of the calculation thereof.

ARTICLE 8 - ADVANCES

8.1 Cdn. Prime Rate, CORRA Advances, U.S. Base Rate, U.S. Prime Rate and SOFR Advances

Upon timely fulfillment of all applicable conditions as set forth in this Agreement, (i) the applicable Lenders will make the requested amount of a Cdn. Prime Rate Advance, Daily Compounded CORRA Advance, Term CORRA Advance, U.S. Base Rate Advance, U.S. Prime Rate Advance or SOFR Advance available to the Borrowers, on the Advance Date requested by such Borrower by crediting the Agent's account with such amount. Except for Advances under the Operating Facility by way of overdraft, each: (a) Cdn. Prime Rate Advance shall be in an aggregate minimum amount of Cdn. $500,000 and in a whole multiple of Cdn. $100,000; (b) CORRA Advance shall be in an aggregate minimum amount of Cdn. $1,000,000 and, in all cases, in whole multiples of Cdn. $100,000 (c) U.S. Base Rate Advance and U.S. Prime Rate Advance shall be in an aggregate minimum amount of U.S. $500,000 and in a whole multiple of U.S. $100,000 and (d) SOFR Advance shall be in an aggregate minimum amount of U.S. $500,000 and, in all cases, in whole multiples of U.S. $100,000.

8.2 Evidence of Indebtedness

The indebtedness of the Borrowers resulting from Advances made by the Lenders under the Credit Facilities shall be evidenced by records maintained by the Agent and each Lender. The records maintained by the Agent and each Lender shall constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrowers to the applicable Lender in respect of Advances it has made to the Borrowers and all details relating thereto, unless the contrary is proved. The failure of the Agent or any Lender to correctly record any such amount or date shall not, however, adversely affect the obligation of any Borrower to pay amounts due hereunder to the Lenders in accordance with this Agreement.

8.3 Conversions

Subject to the other terms of this Agreement, the Borrowers may from time to time convert all or any part of the Outstanding Principal amount of any Advance under a Credit Facility into another Available Credit under such Credit Facility.

8.4 Notice of Advances, Rollovers and Conversions

Each Borrower shall give (i) the Agent in respect of the Syndicated Facility, and (ii) the Operating Facility Lender in respect of the Operating Facility, irrevocable written notice in the form of a Conversion Notice for a Conversion requested by it, in the form of a Rollover Notice for a Rollover requested by it and in the form of a Drawdown Notice for any other Advance under the applicable Credit Facility requested by it. Each Borrower shall give the Letter of Credit Facility Lender irrevocable written notice in the form of a Drawdown Notice for the issuance of a Letter of Credit requested by it and in the form of a Rollover Notice for any extension of a Letter of Credit requested by it.

Notice shall be given no later than three Business Days prior to the date of any CORRA Advance, SOFR Advance or proposed Letter of Credit Advance or Rollover of or Conversion to a CORRA Advance or a SOFR Advance. Notice shall be given one Business Day prior to the date of any proposed Cdn. Prime Rate Advance, U.S. Base Rate Advance or U.S. Prime Rate Advance.

Drawdowns, Rollovers of and Conversions into U.S. Base Rate Advances, U.S. Prime Rate Advances and SOFR Advances shall only be permitted if on the date of the Drawdown Notice, Rollover Notice or Conversion Notice (as applicable) is given and on the date of the Drawdown, Rollover or Conversion (as applicable), no Currency Excess exists. For greater certainty, no Drawdown or Rollover of or Conversion into any U.S. Dollar denominated Advance shall be permitted at any time that a Currency Excess exists or would result from such Drawdown, Rollover or Conversion.

Notices shall be given not later than 12:00 noon (Toronto time) on the date for notice. Payments (other than payments of Advances by way of overdraft under the Operating Facility and those being made solely from the proceeds of Rollovers and Conversions) must be made prior to 12:00 noon (Toronto time) on the date for payment. If a notice or payment is not given or made by those times, it shall be deemed to have been given or made on the next Business Day, unless each Lender affected by the late notice or payment agrees, in its sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made.

8.5 Repayments

Each Borrower may from time to time repay Advances outstanding under the Credit Facilities except that (i) a SOFR Advance may not be paid prior to the end of the applicable SOFR Period, unless the Borrowers indemnify each Lender for any loss or expense that such Lender incurs as a result, including any breakage costs, and each such prepayment shall be in a minimum amount of U.S. $5,000,000 in the case of SOFR Advances and in whole multiples of U.S. $1,000,000, (ii) a CORRA Advance may not be paid prior to the end of the applicable Interest Period, unless the Borrowers indemnify each Lender for any loss or expense that such Lender incurs as a result, including any breakage costs, and each such prepayment shall be in a minimum amount of Cdn. $1,000,000 in the case of CORRA Advances and in whole multiples of Cdn. $100,000, (iii) Letters of Credit may only be cancelled if the original Letter of Credit is returned to the Applicable LC Lender undrawn, together with a confirmation of termination from the beneficiary; and (iv) notice (in the form of a Repayment Notice) of a prepayment shall be given not later than: (A) 10:00 a.m. (Toronto time) on the date of repayment for the repayment of any Cdn. Prime Rate Advance or U.S. Base Rate Advance, and (B) one Business Day prior to the date of the prepayment of any other Advance.

8.6 Co-ordination of Prime Rate Advances, CORRA Advances, U.S. Base Rate Advances, U.S. Prime Rate Advances and SOFR Advances under Syndicated Facility

Each Syndicated Facility Lender shall advance its Proportionate Share of each Prime Rate Advance, CORRA Advance, U.S. Base Rate Advance, U.S. Prime Rate Advance and SOFR Advance, as applicable, under the Syndicated Facility, in accordance with the following provisions:

(a) the Agent shall advise each Syndicated Facility Lender of its receipt of a notice from a Borrower pursuant to Section 8.4, on the day such notice is received and shall, as soon as possible, advise each such Syndicated Facility Lender of its Proportionate Share of any Advance requested by the notice;

(b) each Syndicated Facility Lender shall deliver its Proportionate Share of the Advance to the Agent not later than 10:00 a.m. (Calgary time) on the Advance Date; and

(c) subject to the applicable Borrower meeting the conditions precedent in respect thereof by not later than 10:00 a.m. (Calgary time) on the Advance Date, the Agent shall advance to the applicable Borrower the amount delivered by each Syndicated Facility Lender by crediting such Borrower's Designated Account.

8.7 Post-Acceleration Commitment True-up

After the Agent delivers an Acceleration Notice to the Borrowers declaring all Outstanding Principal to be due and payable pursuant to Section 13.2 or upon the occurrence of any event with respect to any Borrower described in Section 13.1(e), Section 13.1(f) or Section 13.1(l) each Lender agrees that 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 aggregate principal Outstanding Principal owing to each Lender, as adjusted pursuant to this Section 8.7, will be in the same proportion as the aggregate of such Lender's Commitment is to the total Commitments of all Lenders immediately prior to the occurrence of the Event of Default that gave rise to such Acceleration Notice, and the amount of any repayment made by or on behalf of the Credit Parties (or any of them) under the Credit Documents or any proceeds received by the Agent or the Lenders will be applied by the Agent in a manner such that to the extent possible the amount of the aggregate principal amount owing to each Lender after giving effect to such application will be in the same proportion as each Lender's Commitment was to the total Commitments of all Lenders immediately prior to the Event of Default that gave rise to the Acceleration Notice; provided that if Applicable Law or a Lender's internal regulations and policies prohibits such Lender from purchasing a participation in Outstanding Principal owing by Ensign US, such Lender shall not be required to purchase a participation in the Outstanding Principal owing by such Borrower, provided that such Lender hereby indemnifies the other Lenders for its Proportionate Share of such Outstanding Principal as if such purchase had occurred.

8.8 CORRA Advances

(a) Subject to Sections 8.4, each CORRA Advance initially shall be of the type specified in the applicable Drawdown Notice and shall have an initial Interest Period as specified in such Drawdown Notice. Thereafter, the Borrowers may elect to Convert such CORRA Advance or to Rollover such CORRA Advance and may elect Interest Periods therefor, all as provided in this Section 8.8.

(b) To make an election pursuant to this Section 8.8, the applicable Borrower shall notify the Agent of such election by delivering a written Interest Election Request signed by such Borrower at the time as required under Section 8.4. Each such Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall specify the following information:

(i) the CORRA Advance to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting CORRA Advance (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting CORRA Advance);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting CORRA Advance is to be a Term CORRA Advance or, if permitted pursuant to the terms of Section 8.9 or Section 16.36, a Daily Compounded CORRA Advance; and

(iv) the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

(d) If any such Interest Election Request requests a CORRA Advance but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one (1) months' duration.

(e) If a Borrower fails to deliver a timely Interest Election Request with respect to a CORRA Advance prior to the end of the Interest Period applicable thereto, then, unless such CORRA Advance is repaid as provided herein, at the end of such Interest Period such CORRA Advance shall be converted to a Cdn. Prime Rate Advance. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, then, so long as an Event of Default is continuing, (i) no outstanding CORRA Advance may be Converted to or be subject to a Rollover as a CORRA Advance and (ii) unless repaid, each CORRA Advance shall be Converted to a Cdn. Prime Rate Advance at the end of the Interest Period applicable thereto.

(f) If a Borrower specifies in the Interest Election Request an effective date for an election made pursuant to such Interest Election Request that is a day prior to the last day of the applicable Interest Period, such Borrower shall be required to pay to the Agent the breakage fees pursuant to Section 8.5.

8.9 <u>Inability to Determine Rates</u>

(a) Subject to Section 16.36, if, on or prior to the first day of any Interest Period for any CORRA Advance:

(i) the Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term CORRA" or “Daily Compounded CORRA” cannot be determined pursuant to the definition thereof, for reasons other than a Canadian Benchmark Transition Event, or

(ii) the Majority Lenders determine that for any reason in connection with any request for a Term CORRA Advance or Daily Compounded CORRA Advance, as applicable, or a Conversion thereto or a Rollover thereof that Term CORRA or Daily Compounded CORRA, as applicable, for any requested Interest Period with respect to a proposed Term CORRA Advance or Daily Compounded CORRA Advance, as applicable, does not adequately and fairly reflect the cost to such Lenders of making and maintaining such CORRA Advance, and the Majority Lenders have provided notice of such determination to the Agent, the Agent will promptly so notify the Borrowers and each Lender.

(b) Upon delivery of such notice by the Agent to the Borrowers under Section 8.9(a), any obligation of the Lenders to make Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, and any right of the Borrowers to continue Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, or to Convert a type of Advance to Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, shall be suspended (to the extent of the affected Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, or affected Interest Periods) until the Agent revokes such notice.

(c) Upon receipt of such notice by the Agent to the Borrowers under Section 8.9(a), (i) (x) the Borrowers may revoke any pending request for an Advance of, Conversion to or Rollover of Term CORRA Advances or Daily Compounded CORRA Advances, as applicable (to the extent of the affected Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, or affected Interest Periods); (y) in respect of Term CORRA Advances, the Borrowers may elect to Convert any such request into a request for an Advance of or Conversion to a Daily Compounded CORRA Advance (provided that the notice delivered pursuant to Section 8.9(a), does not include Daily Compounded CORRA); or, failing such revocation or election (or if such notice includes Daily Compounded CORRA), (z) the applicable Borrower will be deemed to have converted any such request into a request for an Advance of or Conversion to Cdn. Prime Rate Advances, in the amount specified therein, and (ii) (x) in respect of Term CORRA Advances, a Borrower may elect to Convert any outstanding affected Term CORRA Advances at the end of the applicable Interest Period into Daily Compounded CORRA Advances (provided that the notice delivered pursuant to Section 8.9(a), does not include Daily Compounded CORRA), and (y) otherwise, or failing such election (or if such notice includes Daily Compounded CORRA), any outstanding affected Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, will be deemed to have been Converted, at the end of the applicable Interest Period, into Cdn. Prime Rate Advances. Upon any such Conversion, the applicable Borrower shall also pay accrued interest on the amount so Converted, together with any additional amounts required pursuant to Section 8.5.

8.10 <u>SOFR Periods</u>

In the Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, for each SOFR Advance, the Borrower requesting the Advance will notify the Agent (or the Operating Facility Lender in the case of any SOFR Advance under the Operating Facility) of the SOFR Period to apply to the relevant SOFR Advance. If a Borrower fails to select and give the Agent (or the Operating Facility Lender, as applicable) notice of a SOFR Period for a SOFR Advance in accordance with Section 8.4, any such SOFR Advance shall be converted to a U.S. Base Rate Advance in respect of a SOFR Advance made to Ensign Canada or a U.S. Prime Rate Advance in respect of a SOFR Advance made to Ensign US, on the last day of the SOFR Period applicable to such SOFR Advance.

8.11 <u>Termination of SOFR Advances</u>

If at any time a Lender determines, acting reasonably, (which determination shall be conclusive and binding on the Borrowers) that:

(a) adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR applicable to a SOFR Advance;

(b) the Adjusted Term SOFR does not adequately reflect the effective cost to that Lender of making or maintaining a SOFR Advance; or

(c) it cannot readily obtain or retain funds in the London interbank market in order to fund or maintain any SOFR Advance;

then such Lender shall inform the Agent and upon at least three Business Days' written notice by the Agent to the Borrowers,

(d) the right of the Borrowers to request SOFR Advances from that Lender shall be and remain suspended until the Agent notifies the Borrowers that any condition causing such determination no longer exists; and

(e) if such Lender is prevented from maintaining a SOFR Advance, the Borrowers shall, at their option, either repay the relevant Advance to that Lender or convert the SOFR Advance into other forms of Advance which are permitted by this Agreement, and the Borrowers shall not be responsible for any loss or expense that such Lender incurs as a result, including breakage costs, notwithstanding that such repayment or conversion does not occur on the last day of a SOFR Period.

If at any time the Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in Sections 8.11(a) or (b) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in Sections 8.11(a) or (b) have not arisen but the supervisor for the administrator of the Adjusted Term SOFR or a Governmental Body having jurisdiction over the Agent has made a public statement identifying a specific date after which the Adjusted Term SOFR shall no longer be used for determining interest rates for loans, then the Agent and the Borrowers shall endeavor to establish an alternate rate of interest to the Adjusted Term SOFR that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in Canada at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest agreed to by the Borrowers and the Agent and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Sections 14.7(b) and 14.7(c), such amendment shall become effective without any further action or consent of any other party to this Agreement other than the Borrowers, so long as the Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to Lenders, a written notice from the Majority Lenders stating that such Majority Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this Section 8.11, any Drawdown Notice, Rollover Notice or Conversion Notice that requests a SOFR Advance shall be ineffective and such Advance shall be made as a U.S. Base Rate Advance in respect of Ensign Canada and a U.S. Prime Rate Advance in respect of Ensign US; provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

8.12 Letters of Credit

Upon timely fulfillment of all applicable conditions as set forth in this Agreement, but subject to the limitations in Sections 2.1, 3.1 and 4.1, as applicable, and Section 8.19, the Applicable LC Lender agrees to issue Letters of Credit under the applicable Credit Facility on any Business Day for the account of the applicable Borrower as it sees fit including for the benefit of its Subsidiaries. All Fronted LCs issued under the Syndicated Facility shall be issued by the LC Fronting Lender on behalf of the Syndicated Facility Lenders under the Syndicated Facility in proportion to their Proportionate Share of the Syndicated Facility on the date the Fronted LC was issued and in reliance on the agreements of the other Syndicated Facility Lenders set out in this Agreement.

8.13 Fronted LCs

(a) Each Letter of Credit issued under the Syndicated Facility shall be issued as a Fronted LC. Each Fronted LC shall be substantially in the LC Fronting Lender's standard form with modifications thereto consistent with the provisions hereof, and agreed to by the applicable LC Fronting Lender acting reasonably.

(b) At no time shall the Canadian Dollar Equivalent of the aggregate Face Amount of all outstanding Letter of Credit Advances under the Syndicated Facility issued by the LC Fronting Lender exceed the LC Fronting Lender Commitment.

(c) Upon receipt of any Drawdown Notice requesting a Letter of Credit Advance under the Syndicated Facility: (i) the Agent will process such request and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures; (ii) the Agent will notify each Syndicated Facility Lender and the LC Fronting Lender thereof, which notice shall also specify each Syndicated Facility Lender's share of the amount of such Letter of Credit based upon such Syndicated Facility Lender's Proportionate Share of the Syndicated Facility on the date such Letter of Credit is to be issued; and (iii) the LC Fronting Lender will promptly issue or renew the Letter of Credit requested thereby (but in no event will the LC Fronting Lender be required to issue or renew any Letter of Credit earlier than three (3) Business Days after its receipt of a Drawdown Notice, Conversion Notice or renewal notice in respect of the Letter of Credit to be issued or renewed, as the case may be) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the LC Fronting Lender and the applicable Borrower. Notwithstanding any provision of this Agreement, the LC Fronting Lender shall not issue any Letter of Credit if the Canadian Dollar Equivalent of the Face Amount of the Letter of Credit would exceed the aggregate of the undrawn Commitments of the Syndicated Facility Lenders under the Syndicated Facility on the date of the issuance of such Letter of Credit. The LC Fronting Lender will furnish a copy of such Letter of Credit to the applicable Borrower and the Agent promptly following the issuance or renewal thereof, and, thereafter, the Agent will promptly furnish a copy thereof to the other Syndicated Facility Lenders. To the extent that any provision of any Drawdown Notice, Conversion Notice or renewal notice related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement will prevail.

(d) Each Borrower and the Syndicated Facility Lenders agree that each Fronted LC shall provide that all drafts and other documents presented thereunder shall be delivered to the LC Fronting Lender. All payments under each Fronted LC shall be made by the Syndicated Facility Lenders through the Agent. Each Syndicated Facility Lender shall be severally liable under each Fronted LC in proportion to its Proportionate Share of the Syndicated Facility on the date of issuance of such Letter of Credit. Each Borrower and each Syndicated Facility Lender hereby authorize the LC Fronting Lender to review on behalf of such Syndicated Facility Lender each draft and other document presented under each Fronted LC. The determination of the LC Fronting Lender as to the conformity of any documents presented under a Fronted LC to the requirements of such Letter of Credit shall, in the absence of the LC Fronting Lender's gross negligence or wilful misconduct, be conclusive and binding on the Borrowers and each Syndicated Facility Lender. The LC 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. The LC Fronting Lender shall promptly after such examination:

(i) notify the Agent, each of the Syndicated Facility Lenders and the applicable Borrower in writing of such demand for payment and of each Syndicated Facility Lender's share of such payment;

(ii) deliver to the Agent and each Syndicated Facility Lender a copy of each document purporting to represent a demand for payment under such Letter of Credit; and

(iii) notify the Agent, each Syndicated Facility Lender and the applicable Borrower whether said demand for payment was properly made under such Letter of Credit.

(e) On the date that any assignee becomes a Syndicated Lender party to this Agreement, participating interests in any outstanding Fronted LCs under which the assignor Lender is liable, will be proportionately reallocated between such assignee and such assignor Lender.

(f) Effective on the date of issuance of each Fronted LC, the LC Fronting Lender irrevocably agrees to grant and hereby grants to each Syndicated Facility Lender and each such Syndicated Facility Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from the LC Fronting Lender, on the terms and conditions hereinafter stated and, for such Syndicated Facility Lender's own account and risk an undivided interest (equal to such Syndicated Facility Lender's then Proportionate Share of the Syndicated Facility) in the LC Fronting Lender's obligations and rights under each Fronted LC issued by the LC Fronting Lender and the amount paid by the LC Fronting Lender thereunder. Each such Syndicated Facility Lender unconditionally and irrevocably agrees with the LC Fronting Lender that, if an amount is paid under any Fronted LC for which the LC Fronting Lender is not reimbursed in full by the Borrowers in accordance with the terms of this Agreement, such Syndicated Facility Lender will pay to the Agent, for the account of the LC Fronting Lender, upon demand at the Agent's address specified herein, an amount equal to such Syndicated Facility Lender's Proportionate Share of such amount, or any part thereof, which is not so reimbursed, such amount to be paid in the currency in which the applicable Fronted LC is denominated; provided however if a payment is made under a Letter of Credit that is not denominated in U.S. Dollars or Canadian Dollars, the LC Fronting Lender shall on the date of such payment, convert the amount of such draw into U.S. Dollars as contemplated in Section 8.19(c).

(g) Each Syndicated Facility Lender hereby agrees that its obligation to participate in each Fronted LC, and to pay or to reimburse the LC Fronting Lender for its Proportionate Share of the amounts drawn or amounts otherwise paid thereunder, is absolute, irrevocable and unconditional and will not be affected by any circumstances whatsoever, and that each such payment will be made without offset, abatement, withholding or other reduction whatsoever (including the occurrence or continuance of any Default or Event of Default), and that each such payment will be made without offset, abatement, withholding or other reduction whatsoever.

(h) If any amount that is required to be paid by any Syndicated Facility Lender to the LC Fronting Lender pursuant to Section 8.13(g) (in respect of any unreimbursed portion of any amount paid by the LC Fronting Lender under any Fronted LC), is not paid to the LC Fronting Lender within three (3) Business Days after the date such amount is due, such Syndicated Facility Lender will pay to the Agent, for the account of the LC Fronting Lender, on demand, an amount equal to the product of (i) such amount, multiplied by (ii) the rate of interest applicable to such amount incurred by the LC Fronting Lender during the period from and including the date such amount is drawn under a Letter of Credit to the date on which such amount owed by such Syndicated Facility Lender to the LC Fronting Lender is paid to the LC Fronting Lender, multiplied by (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 365 or 366, as applicable. If any such amount required to be paid by any Syndicated Facility Lender pursuant to Section 8.13(g) is not in fact paid to the Agent, for the account of the LC Fronting Lender, by such Syndicated Facility Lender within three Business Days after the date such payment is due, the LC Fronting Lender will be entitled to recover from such Syndicated Facility Lender, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to Cdn. Prime Rate Advances hereunder, in the case of Letters of Credit in Canadian Dollars or U.S. Base Rate Advances hereunder, in the case of Letters of Credit in U.S. Dollars or any other currency. If an amount is payable pursuant to this Section 8.13(h) with respect to a Letter of Credit that is not denominated in U.S. Dollars or Canadian Dollars, the LC Fronting Lender shall convert such amount into U.S. Dollars in the manner contemplated under section 8.19(c). A certificate of the LC Fronting Lender submitted to any Syndicated Facility Lender with respect to any amounts owing under this Section 8.13(h) will be conclusive in the absence of manifest error.

(i) If at any time after the LC Fronting Lender has paid an amount under any Fronted LC and has received from any Syndicated Facility Lender that Lender’s Proportionate Share of such payment in accordance with Section 8.13(g), the LC Fronting Lender receives any reimbursement on account of such unreimbursed portion, or any payment of interest on account thereof, the LC Fronting Lender will pay to the Agent, for the account of such Syndicated Facility Lender that Syndicated Lender’s Proportionate Share thereof; provided, however, that in the event that any such payment received by such LC Fronting Lender is required to be returned by the LC Fronting Lender, such Syndicated Facility Lender will return to the Agent for the account of the LC Fronting Lender, the portion thereof previously distributed to it.

(j) If a Letter of Credit is issued under the Syndicated Facility with a maturity date that is later than a Non-Agreeing Lender's Credit Facilities Stated Maturity Date:

(i) the applicable Non-Agreeing Lender will continue to be obligated to provide its Proportionate Share of any amounts drawn under such Letter of Credit on or before the date such Non-Agreeing Lender ceases to be a Lender hereunder; and

(ii) each Agreeing Lender will be obligated to provide its Proportionate Share (for greater certainty, calculated by excluding the Commitments of any Non-Agreeing Lenders that have expired) of any amounts drawn under such Letter of Credit after such date referred to in Section 8.13(j)(i).

(k) Each Syndicated Facility Lender agrees to indemnify the LC Fronting Lender with respect to each Fronted LC issued under the Syndicated Facility (to the extent not reimbursed by the Borrowers), according to its Proportionate Share of the Syndicated Facility on the date such Fronted LC is issued from and against any and all liabilities and 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 LC Fronting Lender in any way relating to or arising out of the issuance of a Fronted LC under the Syndicated Facility in accordance with this Agreement, provided that no Syndicated Facility Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the LC Fronting Lender's gross negligence or wilful misconduct.

8.14 Reimbursement Obligation of the Borrowers

Each Borrower agrees to absolutely and unconditionally pay to the Applicable LC Lender on or prior to each date on which an amount is payable by such Applicable LC Lender pursuant to a demand for payment under any Letter of Credit for (a) such amount so payable, and (b) any Taxes, fees, charges or other costs or expenses incurred by such Applicable LC Lender in connection with such payment, failing which the payment by such Applicable LC Lender of such drawing on such Letter of Credit shall constitute the making of a Cdn. Prime Rate Advance, U.S. Base Rate Advance or a U.S. Prime Rate Advance as provided for in Section 8.19 below. Each such payment by a Borrower will be made to the Applicable LC Lender in the same currency as the amount paid by such Applicable LC Lender (unless the amount paid by such Applicable LC Lender has been converted into another currency in accordance with the provisions of this Agreement, in which case such payment by the Borrowers to the Applicable LC Lenders shall be made in the currency into which such amount is converted) and in each case in immediately available funds.

8.15 Obligations Absolute

Subject to the last sentence of this Section 8.15, each Borrower's reimbursement obligations with respect to Letters of Credit issued under this Agreement will be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defence to payment which a Borrower or any other Person may have or have had against the Applicable LC Lender or any beneficiary of a Letter of Credit. Each Borrower also agrees with the Applicable LC Lender and the Agent that none of them will be responsible for, and a Borrower's obligations under Section 8.14 will not be affected by, among other things, any dispute between or among a Borrower and any beneficiary of any Letter of Credit or any other Person to which such Letter of Credit may be transferred or any claims whatsoever of a Borrower against any beneficiary of such Letter of Credit or any such transferee; any matter referred to in Section 8.16; any invalidity of any obligation secured by any Letter of Credit; or any incapacity, disability or lack or limitation of status or of power of a Borrower or any beneficiary of any Letter of Credit. Each Borrower agrees that, subject to the following sentence, any action taken or omitted by the Applicable LC Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or wilful misconduct and in accordance with Applicable Law, will be binding on the Borrowers and will not result in any liability of the Applicable LC Lender to a Borrower. The responsibility of the Applicable LC Lender to a Borrower in connection with any demand for payment (which may include a draft) made under any Letter of Credit will, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit in accordance with the applicable ICC Rule (as defined below).

8.16 No Liability

The Borrowers agree that, other than to the extent provided in the last two sentences of Section 8.15, the Applicable LC Lender shall not, nor will any of its officers, directors, employees or correspondents assume liability for, or be responsible for:

(a) the use which may be made of any Letter of Credit;

(b) any acts or omissions of the beneficiary of any Letter of Credit including the application of any payment made to such beneficiary;

(c) 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;

(d) payment by the Applicable LC Lender of any draft which does not comply with the terms of any Letter of Credit, unless such payment results from the gross negligence or wilful misconduct of such Applicable LC Lender;

(e) the failure of any document or instrument to bear any reference or adequate reference to any Letter of Credit;

(f) 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 either a Borrower or any other Person;

(g) any errors, inaccuracies, omissions, interruptions or delays in transmission or delivery of any messages, directions or correspondence by mail, facsimile or otherwise;

(h) any inaccuracies in the translation of any messages, directions or correspondence or for errors in the interpretation of any technical terms;

(i) any failure by the Applicable LC Lender 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 government instrumentality or as a result of any other cause beyond the control of such Applicable LC Lender or its respective officers, directors, employees or correspondents; or

(j) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing including, without limitation, any other circumstance that might otherwise constitute a defense available to, or discharge of the Borrowers or any other Person.

8.17 Records

The Applicable LC Lender shall maintain records evidencing the undrawn and unexpired amount of each Letter of Credit issued or renewed by it outstanding hereunder (and, in the case of a Fronted LC, the LC Fronting Lender shall maintain records evidencing each Syndicated Facility Lender's Proportionate Share of such amount) and evidencing for each Letter of Credit issued or renewed hereunder:

(a) the dates of issuance or renewal and expiration thereof;

(b) the amount thereof; and

(c) the date and amount of all payments made thereunder.

The Applicable LC Lender shall make copies of such records available to any Borrower upon its reasonable request.

8.18 Uniform Customs

Each Letter of Credit, except as specifically provided therein, and subject to any provision hereof to the contrary, will be subject to: (i) the Uniform Customs and Practice for Documentary Credits or Standby Credits of the International Chamber of Commerce ("**ICC**") Publication Nos. 600 (2007 Revision) ("**UCP 600**") or, at the Applicable LC Lender's option, such later revision thereof in effect at the time of the issuance of a Letter of Credit, (ii) the International Standby Practices 1998, ICC Publication No. 590 or, at the Applicable LC Lender's option, such later revision thereof in effect at the time of issuance of any such Letter of Credit ("**ISP 98**"), or (iii) the Uniform Rules for Demand Guarantees publication No. 758 or, at the Applicable LC Lender's option, such later revision thereof in effect at the time of issuance of any such Letter of Credit ("**URDG 758**" and each of UCP 600, ISP 98 and URDG 758, an "**ICC**

Rule"). The Applicable LC Lender's privileges, rights and remedies under such ICC Rule shall be in addition to, and not in limitation of, its privileges, rights and remedies expressly provided for herein.

8.19 Procedures and Limitations

The following provisions shall apply to Letter of Credit Advances:

(a) no Letter of Credit shall have any expiry date that is later than three (3) years after issue; provided that Letters of Credit with terms of up to one (1) year shall also be permitted to contain customary standard form automatic renewal provisions;

(b) the Applicable LC Lender shall not have any obligation to issue a Letter of Credit (or any additional Letter of Credit) until:

(i) it has been paid the applicable fee(s);

(ii) such ancillary documents, including applications and indemnities, as it normally requires for similar transactions have been executed and delivered to it, provided the applicable Borrower and the Applicable LC Lender agree to make such changes thereto to ensure such ancillary documents are consistent with the provisions hereof; and

(iii) the proposed text of the Letter of Credit does not violate any of the internal policies of the Applicable LC Lender and the proposed text of the Letter of Credit is in a form acceptable to the Applicable LC Lender, acting reasonably;

(c) all payments made by the Applicable LC Lender to any Person pursuant to a Letter of Credit shall, unless the applicable Borrower reimburses such Applicable LC Lender for such payment on or before the date it is made, be deemed as and from the date of such payment to be a Cdn. Prime Rate Advance, in the case of a Letter of Credit denominated in Canadian Dollars, a U.S. Base Rate Advance, in the case of a Letter of Credit issued at the request of Ensign Canada denominated in U.S. Dollars or any other currency and a U.S. Prime Rate Advance in the case of a Letter of Credit issued at the request of Ensign US denominated in U.S. Dollars or any other currency, with the proceeds of such Cdn. Prime Rate Advance, U.S. Base Rate Advance or U.S. Prime Rate Advance being applied against the applicable Borrower's Obligations to reimburse the Applicable LC Lender for payment made under the Letter of Credit. If a draw is made under a Letter of Credit that is not denominated in U.S. Dollars or Canadian Dollars, the Applicable LC Lender shall on the date of such draw, convert the amount of such draw into U.S. Dollars at such Applicable LC Lender's spot rate of exchange for purchases of U.S. Dollars with such other currency in the Toronto foreign exchange market at or about 4:30 pm on the day of such draw;

(d) if any Letter of Credit issued hereunder shall remain outstanding at the applicable Credit Facilities Stated Maturity Date, the maximum amount of the contingent liability of the Applicable LC Lender under any Letter of Credit which is then outstanding shall immediately become due and payable to such Applicable LC Lender notwithstanding that such Applicable LC Lender has not at such date been required to make payment under any such Letter of Credit. Any such amount paid to the Agent for the account of the Applicable LC Lender shall be held by the Agent for the account of the Applicable LC Lender in a separate collateral account as security for the repayment of future indebtedness of such Borrower to the Applicable LC Lender in respect of Letters of Credit which are drawn down. Pending the expiry or cancellation of all outstanding Letters of Credit, any amounts paid to the Agent for the account of the Applicable LC Lender shall bear interest at the rate established by the Agent from time to time as that payable in respect of 30 day certificates of deposit of the Agent for monies of like amount. The Agent shall release any amount remaining in such collateral account after applying the amount necessary to discharge the Obligations relating to such Letter of Credit, upon the later of:

(i) 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 Applicable LC Lender from paying under such Letter of Credit;

(ii) the earlier of:

(A) the date on which either the original Letter of Credit is returned to the Agent for cancellation or the Applicable LC Lender is released by the beneficiary thereof from any other obligation in respect of such Letter of Credit; and

(B) the expiry of such Letter of Credit; and

(iii) the payment and satisfaction of all Obligations and the cancellation or termination of the applicable Credit Facility, other than the provisions of this Agreement (and the obligations related thereto) which by their terms survive the termination and cancellation of such Credit Facility.

8.20 <u>Payment Under Letters of Credit</u>

Each Borrower unconditionally and irrevocably authorizes each Applicable LC Lender to pay the amount of any draft or demand made on such Applicable LC Lender under and in accordance with the terms of any Letter of Credit without requiring proof of such Borrower's agreement between the Borrower and the beneficiary of the Letter of Credit that the amount so demanded was due and notwithstanding that such Borrower may dispute the validity of any such draft, demand or payment.

Subject to the last two sentences of Section 8.15, the Applicable LC Lender shall not have any responsibility or liability for, or any duty to inquire into, the authorization, execution, signature, endorsement, correctness, genuineness or legal effect of any certificate or other document presented to such Applicable LC Lender pursuant to any Letter of Credit, and each Borrower fully and unconditionally assumes all risks with respect to the same.

None of the above shall affect or impair any of the rights or powers of the Applicable LC Lender hereunder or the obligations of the Borrowers under Sections 8.12, 8.13, 8.14, 8.15 and

8.18. Without limiting the generality of the foregoing but subject to the last two sentences of Section 8.15, it is agreed that any payment made by the Applicable LC Lender in good faith under and in accordance with the terms of a Letter of Credit shall be binding upon each Borrower and shall not result in any liability of the Agent or the Applicable LC Lender or any other Lender to the Borrower and shall not lessen the obligations of each Borrower under Sections 8.12, 8.13, 8.14, 8.15 and 8.18.

Notwithstanding the provisions of this Section 8.20, the Borrowers shall not be responsible for, and none of the Agent or the Applicable LC Lender shall be relieved of responsibility for, any wilful misconduct or gross negligence of or by the Agent or the Applicable LC Lender.

8.21 <u>Acceleration</u>

Upon the Agent delivering an Acceleration Notice under Section 13.2, the Face Amount of any Letter of Credit which is then outstanding shall immediately become due and payable to the Applicable LC Lender notwithstanding that the Applicable LC Lender has not at such date been required to make payment under any such Letter of Credit. Any such amount paid to the Agent for the account of the Applicable LC Lender shall be held by the Agent for the account of the Applicable LC Lender in a separate collateral account of a Borrower as security for the repayment of future indebtedness of such Borrower to the Applicable LC Lender in respect of Letters of Credit which are drawn down, pending the expiry of all outstanding Letters of Credit, any amounts paid to the Agent for the account of the Applicable LC Lender shall bear interest at the rate established by the Agent from time to time as that payable in respect of 30 day certificates of deposit of the Agent for monies of like amount. The Agent shall release any amount remaining in such collateral account after applying the amount 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 Applicable LC Lender from paying under such Letter of Credit;

(b) the earlier of:

  (i) the date on which either the original Letter of Credit is returned to the Agent for cancellation or the Applicable LC Lender 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) the payment and satisfaction of all Obligations and the cancellation or termination of the Credit Facilities other than the provisions of this Agreement (and the obligations related thereto) which by their terms survive the termination and cancellation of the Credit Facilities.

8.22 Conflict with Applications

To the extent that any provision of any application for the issuance of a Letter of Credit in the standard form of the Applicable LC Lender is inconsistent with the provisions of this Agreement, and applicable Letters of Credit, the provisions of this Agreement shall apply.

ARTICLE 9 - GUARANTEES AND SECURITY

9.1 Guarantee and Subordination Agreements

As continuing collateral security for the Obligations, including without limitation, the Outstanding Principal, the Permitted Hedge Obligations and the Cash Management Obligations, each Credit Party shall execute and deliver, to the Agent, on behalf of the Secured Parties, the following (collectively, the "**Security**"):

(a) a Guarantee and Subordination Agreement from each Credit Party;

(b) a General Security Agreement from each Credit Party;

(c) a pledge by each Credit Party of all of the issued and outstanding Securities held by it in any Material Subsidiary (as applicable);

(d) certificates evidencing Securities issued by the Material Subsidiaries that are pledged by the Credit Parties and transfer powers executed in blank; and

(e) if and at the time any other entity becomes a Material Subsidiary, the documents referred to in clauses (a) to (c) above from such Material Subsidiary.

In addition to the foregoing, at the time any such Security is executed and delivered by a Credit Party to the Agent, such Credit Party will execute and deliver or cause to be executed and delivered to the Agent, all such other documents, certificates, resolutions and legal opinions (which shall be in the form and substance satisfactory to the Agent) as the Agent shall reasonably request.

The Borrowers, the Agent and the Lenders agree and acknowledge that the Security is being shared among the Agent, the Lenders, the Hedge Providers and the Cash Manager to secure the Obligations, including without limitation, the Outstanding Principal, the Permitted Hedge Obligations and the Cash Management Obligations, on a *pari passu* basis, and that the Agent will hold the Security for the benefit of itself, the Lenders, the Hedge Providers and the Cash Manager.

Notwithstanding anything to the contrary in this Agreement or any other Credit Document, in no circumstances shall proceeds of any Security constituting an asset of a Credit Party which is not a Qualified ECP Guarantor be applied towards the payment of any Excluded Swap Obligations nor shall any guarantee provided by any Credit Party pursuant to any Credit Document guarantee any obligations which are Excluded Swap Obligations, notwithstanding the terms of such Credit Document (and in the case of any conflict between the terms of any Credit Document and this Section 9.1, the terms of this Section 9.1 shall prevail).

9.2 Exclusivity of Remedies

Nothing herein contained or in the Security now held or hereafter acquired by the Secured Parties (or any of them) nor any act or omission of the Secured Parties (or any of them), will in any way prejudice or affect the rights, remedies or powers of the Secured Parties (or any of them), the Lenders or the Hedge Providers with respect to any other security at any time held by them.

9.3 Form of Security

The Security and all other agreements, documents and instruments referred to in Section 9.1 will be in such form or forms as will be required by the Agent acting reasonably. Should the Agent, acting reasonably, determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the Secured Parties with the Security Interests and priority to which each is entitled hereunder, the Credit Parties, will forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrowers' expense, such supplements or amendments to the Security or provide such new security as the Agent may reasonably request.

9.4 Continuing Security

The Security shall for all purposes be treated as separate and continuing guarantees and security and shall be deemed to have been given in addition to and not in place of any other security, guarantee or subordination now held or hereafter acquired by the Agent or any Lender. No item or part of any Security shall be merged or be deemed to have been merged in or by any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any Security shall be independent of and not create a merger with any other right available to the Agent or any Lender under this Agreement, any other guarantees and security, or other Credit Document held by it or them or at law or in equity.

9.5 Dealing with the Security

The Agent and the Lenders may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with each Credit Party and other parties (including other guarantors) and with securities as the Agent and the Lenders may see fit, and the Lenders may, subject to the provisions hereof, apply all moneys received from the Credit Parties or others, or from securities to such part of the Obligations as the Lenders may think best, without prejudice to or in any way limiting the liability of the Credit Parties (or any of them) under any of the Credit Documents.

9.6 Effectiveness

The Security contemplated or required to be created hereby shall be effective upon execution and delivery thereof, and the undertakings as to the Security herein or in any document hereunder shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such Security or before or after or upon the date of execution of any amendments to or restatements of this Agreement, and shall not be affected by any amounts of indebtedness fluctuating from time to time.

9.7 Limitation

The rights of the Agent and the Lenders under Sections 9.1 and 9.3 to require additional Security shall be subject to limitations on the granting of guarantees and subordinations and security under Applicable Law. Each Borrower shall use its reasonable commercial efforts to comply with all requirements of Applicable Law to permit the execution and delivery of the Security requested by the Agent under Sections 9.1 and 9.3.

The Agent shall act reasonably in connection with requesting additional security from any Credit Party and shall when requesting such additional security, shall consider the value of such additional Security in relation to the benefit to be afforded to the Lenders thereby. Notwithstanding the foregoing in this Article 9:

(a) no serial number registrations shall be required for any serial numbered goods having a fair market value less than $1,000,000; and

(b) no Security Interest in any real Property having a fair market value less than $10,000,000 shall be required to be granted by any Credit Party.

9.8 Registrations and Renewals

The Borrowers shall and shall cause each other Credit Party to do all such acts, execute all such instruments and provide such further assurances as Agent's Counsel may reasonably request to ensure that the priority of the Security Interests created by all of the Security executed and delivered to the Agent as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of advantage to the protection or perfection thereof; and to so cooperate with the Agent and the Agent's Counsel in renewing or refiling any registration, filing or recordation required hereby in order to preserve, protect and maintain the priority of such Security Interests, from time to time.

9.9 Further Assurances re: Security

If required by the Agent in the exercise of the rights of the Agent or the Secured Parties under this Article 9, the Ensign Parent and each Borrower shall and the Ensign Parent shall and shall cause any other Material Subsidiary to:

(a) provide the Agent with such information as is reasonably required by the Agent in connection with the Security;

(b) do all such things as are reasonably required by the Agent to confirm the enforceability of the Security;

(c) provide the Agent with certified copies of all corporate resolutions and other actions as the Agent may reasonably require authorizing the granting to the Agent of such Security;

(d) subject to Section 9.7(a), provide the Agent with such agreements, notices of registration and such other instruments and documents which the Agent deems necessary, including without limitation fixed first-ranking Security Interests;

(e) provide the Agent with legal opinions from counsel concerning the authorization, execution, delivery, enforceability, registration, perfection and compliance with Applicable Laws and such other matters as the Agent requires, acting reasonably;

(f) assist the Agent in the registration or recording of such Security with all appropriate Governmental Body and in all appropriate jurisdictions, if necessary; and

(g) pay all reasonable out-of-pocket costs and expenses incurred by the Agent and the Lenders in connection with the preparation, execution and registration of all agreements, notices of registration and other instruments and documents, including any amendments to the Credit Documents.

9.10 Removal of a Credit Party

If the Ensign Parent provides evidence satisfactory to the Agent, acting reasonably, that one or more Material Subsidiaries no longer satisfies the definition of a “Material Subsidiary” or that such Material Subsidiary is no longer required as a Material Subsidiary in order to satisfy the requirements set forth in Section 12.1(o), then the Agent shall promptly release such Subsidiary from all Security and all related Security Interests and such Subsidiary shall thereafter cease to be a Credit Party for purposes of this Agreement, and the Agent agrees to promptly return any stock certificates it possesses representing any Securities previously pledged by such Subsidiary.

9.11 Kuwait Rigs

The Lenders acknowledge and agree that the Borrowers and/or other Credit Parties may enter into the Kuwait LC Facility and in connection therewith, grant security over the Kuwait Rigs in favour of the Kuwait Bank. Upon the request of the Borrowers, the Agent will promptly release the Kuwait Rigs from the Security and related Security Interests, provided that no Default or Event of Default exists at the time of such release or would occur immediately after such release.

ARTICLE 10 - CONDITIONS PRECEDENT AND DISBURSEMENT CONDITIONS

10.1 Conditions Precedent to Effectiveness

This Agreement shall become effective, the “Advances” under the Original Credit Agreement shall be continued as Advances hereunder and the rights and obligations of the Borrowers to the Lenders and Agent under the Original Credit Agreement shall be dealt with in accordance with Section 1.3, at such time as the following conditions are satisfied including, where applicable, the receipt by the Agent for and on behalf of itself and the Lenders of the documents listed below, each in full force and effect, and in form and substance satisfactory to the Lenders, acting reasonably (unless delivery has been waived by all of the Lenders or unless the delivery is herein stated to be made at a later date):

(a) this Agreement shall have been duly executed and delivered to the Agent and the Lenders;

(b) a confirmation and acknowledgement from each Credit Party with respect to any existing Guarantee and Subordination Agreement and Security executed by such Credit Party;

(c) the Agent and the Lenders shall have received favourable legal opinions of the Borrowers' Counsel relating to, inter alia, subsistence of the Credit Parties and the authorization, execution and delivery of this Agreement and the other Credit Documents executed and delivered on the Closing Date and the enforceability of this Agreement, the Security and each such other Credit Document to which they are a party;

(d) the Agent and the Lenders shall have received in respect of the Credit Parties, the following:

  (i) a certificate of status, certificate of compliance, good standing or similar certificate issued by an appropriate Governmental Body of its jurisdiction of organization;

  (ii) a certified copy of its Constating Documents (to the extent not previously received), and a certified copy of the resolutions of its board of directors (and where appropriate, its shareholders) authorizing the execution and delivery of this Agreement and any other Credit Documents executed and delivered on the Closing Date and the transactions contemplated thereby and the performance by it of its obligations thereunder, together with a certificate to the effect that all such documents are in full force and effect in such form with no proceedings pending to amend or rescind the same, and no agreements or other documents are in effect which restrict the powers of its board of directors (or where appropriate, its shareholders);

  (iii) a certificate of incumbency with specimen signatures of the individuals executing this Agreement and any of the Credit Documents to which they are a party; and

  (iv) a certificate of a Senior Officer of the Ensign Parent certifying that since the date of the most recently completed Fiscal Quarter of the Ensign Parent, there has not been any change, development or event relating to the Ensign Parent, any Borrower or any Material Subsidiary which would have a Material Adverse Effect and the making, maintenance and funding of the Advances contemplated under the Credit Facilities shall not have become unlawful:

(e) the Borrowers shall pay to the Agent for the applicable Lenders all fees and expenses then due in respect of the Credit Facilities;

(f) no Default or Event of Default shall have occurred and be continuing, and no Default or Event of Default shall occur as a result of the Ensign Parent or the Borrowers entering into this Agreement;

(g) the representations and warranties in this Agreement and in the other Credit Documents shall be true, complete and correct on and with effect from the date of this Agreement;

(h) the Agent and the Lenders shall have received in respect of the Credit Parties a certificate of status, certificate of compliance, good standing or similar certificate issued by an appropriate Governmental Body of its jurisdiction of organization; and

(i) the Agent and the Lenders shall have received an up to date organizational chart confirming the corporate and legal structure of the Borrowers and the Ensign Parent.

10.2 Conditions Precedent to All Advances

The obligation of the Lenders to make any Advance is subject to the satisfaction of the following conditions precedent:

(a) for each Advance under the Credit Facilities, the applicable Borrower shall have delivered to the Agent a duly executed Drawdown Notice, Rollover Notice or Conversion Notice, as applicable;

(b) the Canadian Dollar Equivalent of the aggregate amount of the proposed Advance, when added to the then Canadian Dollar Equivalent of all Outstanding Principal under the applicable Credit Facility shall not exceed the Syndicated Facility Limit (in the case of the Syndicated Facility), the Fronted LC Limit (in the case of Fronted LCs under the Syndicated Facility), the Operating Facility Limit (in the case of the Operating Facility), the Operating Facility LC Limit (in the case of Letter of Credit Advances under the Operating Facility), or the Letter of Credit Facility Limit (in the case of the Letter of Credit Facility);

(c) the representations and warranties in this Agreement shall continue to be true and correct on and with effect as of the date of such Advance except for those expressly stated to be made as of the date hereof;

(d) since the date of the delivery by the Ensign Parent to the Agent of the most recent Compliance Certificate required pursuant to subsection 12.3(b), there shall not have occurred any change, development or event relating to any Credit Party which could have a Material Adverse Effect;

(e) no Default or Event of Default shall have occurred and is continuing, and no Default or Event of Default shall occur as a result of the making of the Advance;

(f) the funding of an Advance shall not have been made unlawful; and

(g) all other terms and conditions of this Agreement upon which the applicable Borrower may obtain an Advance are fulfilled.

10.3 Waiver

The conditions in Sections 10.1 and 10.2 are inserted for the sole benefit of the Lenders, and may be waived by the Agent on the instructions of all of the Lenders in each of such Lender's unfettered discretion.

ARTICLE 11 - REPRESENTATIONS AND WARRANTIES

11.1 General

Each Borrower represents and warrants to the Agent and the Lenders in respect of itself, and the Ensign Parent represents and warrants to the Agent and the Lenders for and on behalf of itself and each other Credit Party, as follows:

(a) it is duly organized or incorporated under the laws of the jurisdiction of its organization or incorporation, as the case may be, and is valid and subsisting under such laws, and is duly registered to carry on business in each Relevant Jurisdiction, except to the extent failure to be so registered would not reasonably be expected to have a Material Adverse Effect;

(b) it has the power and capacity to own or lease its Property, to carry on its business as presently conducted, and:

(i) in the case of each Borrower, to borrow money and to perform all of its obligations hereunder; and

(ii) in the case of the Ensign Parent and each other Credit Party, to guarantee the obligations of the Borrowers hereunder and the obligations of the Hedge Providers under the Permitted Hedges;

(c) it has obtained all Permits necessary to the ownership of its Property and to the conduct of its business in each Relevant Jurisdiction, including but not limited to those issued or granted by Governmental Bodies, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect;

(d) it is duly authorized to execute and deliver the Credit Documents to which it is a party and to perform its obligations thereunder; all steps and proceedings necessary for the due execution and delivery by it of the Credit Documents to which it is a party and the performance of its obligations thereunder have been taken; and the entry into and performance of its obligations under each Credit Document to which it is a party is for its corporate benefit;

(e) the Credit Documents to which it is a party have been duly executed and delivered by it, and constitute legal, valid and binding obligations, enforceable in accordance with their respective terms, subject to Applicable Laws, the rights of creditors generally and rules of equity of general application;

(f) the execution and delivery by it of the Credit Documents to which it is a party and the performance by it of its obligations thereunder, do not and will not:

(i) contravene, violate or result in a breach of its Constating Documents or any shareholders' agreement (or other similar agreement) relating to it;

(ii) contravene, violate or result in a breach of any Applicable Law;

(iii) contravene, violate or result in a breach of any Contract to which it is a party or other agreement or commitment to which it or its Property is bound;

(iv) contravene, violate or result in a breach of any resolution of its directors or officers or any committee of either;

(v) constitute, with or without notice or lapse of time or both, an event or circumstance entitling any Person to accelerate or demand the payment of any indebtedness;

(vi) result in the creation or imposition of any Security Interest on any of its Property other than, if applicable, pursuant to the Credit Documents; or

(vii) result in any requirement on it to grant any Security Interest or result in any Person becoming entitled to call for any Security Interest from it;

(g) no consent, authorization, approval or other action by, and no publication, notice to or filing or registration with, any Governmental Body is required for the due execution and delivery by it of the Credit Documents to which it is a party and the performance by it of its Obligations thereunder or to ensure the validity or enforceability thereof other than filings and registrations, if any, necessary in respect of the Guarantee and Subordination Agreements;

(h) there are no actions, suits, claims or proceedings (including counterclaims or third party proceedings) existing or, to its knowledge, threatened against it or affecting its Property before any Governmental Body which would reasonably be expected to have a Material Adverse Effect, or which purports to challenge the validity or enforceability of any Credit Document;

(i) in respect of each Contract to which it is a party, and each Permit of which it is a holder:

(i) it is not in default in any respect in the performance or observance of any of the terms or conditions contained or referenced therein; and

(ii) to its knowledge, no other Person thereto is in default thereunder in any respect, nor has any such party taken any action to terminate the same;

in either case except to the extent any such default would not reasonably be expected to have a Material Adverse Effect;

(j) it is in compliance in all respects with all Applicable Laws to which it is bound except to the extent failure to be in compliance would not reasonably be expected to have a Material Adverse Effect;

(k) no Default or Event of Default has occurred and is continuing hereunder or under any of the other Credit Documents;

(l) the Ensign Parent is, directly or indirectly, the legal and beneficial owner of all of the issued and outstanding Securities in each of the Borrowers;

(m) it has in full force and effect such policies of insurance in such amounts issued by such insurers of recognized standing covering its property, assets and undertaking, as are customarily maintained by Persons engaged in the same or similar business in the locations where its properties and assets are located;

(n) except to the extent permitted by the provisions of this Agreement, no acts or proceedings have been taken by or against the Ensign Parent, any Borrower or any other Credit Party, their directors or shareholders in connection with the dissolution, liquidation, winding up, bankruptcy, administration or reorganization of the Ensign Parent, any Borrower or such other Credit Party and none of the Ensign Parent or any Borrower has any knowledge of any Person contemplating any such acts or proceedings;

(o) the Ensign Parent, the Borrowers and each other Credit Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property material to its business, and the use thereof by the Ensign Parent, the Borrowers and such other Credit Party does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Ensign Parent, the Borrowers and each other Credit Party either own or have valid licenses or other rights to use all technical information used in their businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for similar businesses, with such exceptions as would not reasonably be expected to have a Material Adverse Effect;

(p) it is not an "**investment company**" or a company "**controlled**" by an "**investment company,**" within the meaning of, or subject to regulation under, the *Investment Company Act* of 1940, as amended;

(q) there is no agreement which restricts, in whole or in part, the power of the directors of the Ensign Parent or the Borrowers management of the business and affairs of the Ensign Parent or any Borrower or which imposes any similar restrictions in respect of any other Credit Party in any material respect;

(r) the Ensign Parent and the Borrowers have provided to the Lenders all material information relating to the financial condition and business of the Borrowers and each other Credit Party and all such information (other than forecasts, projections and budgets) is true, accurate and complete in all material respects and omits no material fact necessary to make such information not misleading. All forecasts, projections and budgets furnished to the Agent have been prepared in good faith, with commercially reasonable assumptions at their respective time of preparation;

(s) attached hereto as Schedule H is a complete list of all of the Material Subsidiaries of the Ensign Parent as such schedule may be updated from time to time by information provided by the Ensign Parent or a Borrower to the Agent;

(t) the legal name of each Material Subsidiary of the Ensign Parent is set forth in Schedule H as such schedule may be updated from time to time by information provided by the Ensign Parent or a Borrower to the Agent;

(u) the jurisdiction of organization, and the location of the principal place of business of the Ensign Parent, each Borrower and the Material Subsidiaries of the Ensign Parent or, if it has more than one principal place of business, its chief executive office, is set forth in Schedule H as such schedule may be updated from time to time by information provided by the Ensign Parent or a Borrower to the Agent;

(v) none of the Ensign Parent or any other Credit Party has granted any Security Interests (other than Permitted Encumbrances) to any Person and effective after the Security Implementation Date none of the Ensign Parent or any other Credit Party has granted any Security Interests that rank equal with or in priority to the Security Interests constituted by the Security (other than Permitted Encumbrances that by their terms provide as such);

(w) no actions, suits, proceedings or Environmental Claims are pending or, to the knowledge of the Ensign Parent and each Borrower, threatened against or affecting a Credit Party (including any claims against any of their Property at law, in equity or before any arbitrator or before any Governmental Body) in respect of which there is a reasonable possibility of determination adverse to a Credit Party and which, if determined adversely to a Credit Party, would have a Material Adverse Effect;

(x) none of the Credit Parties is unable to pay its liabilities generally as they become due and the net realizable value of the Property of each Credit Party exceeds its liabilities;

(y) none of the Borrowers nor any of their respective Subsidiaries is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board), or extending credit for the purpose of purchasing or carrying margin stock; and

(z) except as disclosed in Schedule L, none of the Borrowers, the Ensign Parent nor any other Credit Parties are a party or subject to any Contract that, if breached, terminated or expired, could reasonably be expected to have a Material Adverse Effect on the Credit Parties taken as a whole.

11.2 Financial

The Ensign Parent represents and warrants to the Agent and the Lenders, as follows:

(a) since the date of the most recent quarterly consolidated Financial Statements of the Ensign Parent, no change in the financial affairs of the Ensign Parent or any other Credit Party has occurred which would reasonably to be expected to have a Material Adverse Effect;

(b) all Financial Statements of the Ensign Parent and its Subsidiaries which have been delivered to the Agent and the Lenders have been prepared in accordance with IFRS, and fairly present the financial position and condition of the Ensign Parent and its Subsidiaries as at the respective dates thereof, all other information, certificates, schedules, reports and other papers and data (other than forecasts, projections and budgets) which have been furnished or caused to be furnished to the Agent and the Lenders are complete, accurate and correct in all material respects at the time the same were stated to be effective and all forecasts, projections and budgets furnished to the Agent and the Lenders have been prepared in good faith, with commercially reasonable assumptions at the times of their respective preparation; and

(c) each Credit Party has duly filed on a timely basis all tax returns required to be filed by it, and it has paid all taxes which are due and payable by it, and has paid all assessments and reassessments, and all other taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against it (except where it is contesting the payment of same in good faith) and each Credit Party has 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, except to the extent the failure to pay such instalments would not reasonably be expected to have a Material Adverse Effect; there are no agreements, waivers or other arrangements providing for any material extension of time with respect to the filing of any tax return or the payment of any taxes; and there are no actions or proceedings being taken by any Governmental Body to enforce the payment of any taxes and it has no knowledge of any such actions or proceedings being contemplated by such authorities.

11.3 Properties

Each Borrower represents and warrants to the Agent and the Lenders in respect of itself and the Ensign Parent represents and warrants to the Agent and the Lenders for and on behalf of itself and each other Credit Party, as follows:

(a) it has good and valid legal and beneficial title to its Properties, free and clear of any Security Interests and adverse claims, other than Permitted Encumbrances;

(b) it is in compliance in all respects with all Applicable Environmental Laws except to the extent failure to be in compliance would not reasonably be expected to have a Material Adverse Effect;

(c) it is not subject to any judicial, administrative, government, regulatory or arbitral proceeding alleging the violation of any Applicable Environmental Law or that may lead to claims for clean-up costs, remedial work, reclamation, conservation, damage to natural resources or personal injury, or to the issuance of a stop-work order, suspension order, control order, prevention order or clean-up order and none of its Properties has been (or could reasonably be expected to be) declared to be a “contaminated site” or equivalent designation under an Applicable Environmental Law, in any case which would reasonably be expected to have a Material Adverse Effect;

(d) it is not, to its knowledge, the subject of any federal, provincial, local or foreign review, audit or investigation which may lead to a proceeding referred to in paragraph (c);

(e) to its knowledge, no predecessors in title to any of its Properties are the subject of any federal, provincial, local or foreign review, audit or investigation with respect to any such Property which may lead to a proceeding referred to in paragraph (c);

(f) it has not filed any notice nor is the filing of any notice pending under any Applicable Environmental Law indicating past or present Release of any Hazardous Materials into the environment, which Release would reasonably be expected to have a Material Adverse Effect; and

(g) it has obtained and continues to hold all Permits and other authorizations which are required under Applicable Environmental Laws except to the extent that the failure to so hold such approvals, permits, licenses, consents, certificates or authorizations would not reasonably be expected to have a Material Adverse Effect.

11.4 ERISA

Only if and only to the extent applicable to any of the Ensign Parent, Ensign US, any other Material Subsidiary or any ERISA Affiliate, the Ensign Parent and Ensign US each represents and warrants to the Agent and the Lenders in respect of itself and the Ensign Parent represents and warrants to the Agent and the Lenders for and on behalf of each Material Subsidiary, as follows:

(a) it and each ERISA Affiliate have complied in all material respects with ERISA and, where applicable, the Code regarding each Plan;

(b) each Plan is, and has been, maintained in substantial compliance with ERISA and, where applicable, the Code;

(c) no act, omission or transaction has occurred which could result in imposition on it or any ERISA Affiliate (whether directly or indirectly) of (i) either a material civil penalty assessed pursuant to subsections (c), (i) or (l) of section 502 of ERISA or a tax imposed pursuant to Chapter 43 of Subtitle D of the Code or (ii) material breach of fiduciary duty liability damages under section 409 of ERISA;

(d) no Plan (other than a defined contribution plan) or any trust created under any such Plan has been terminated since September 2, 1974. No material liability to the PBGC by it or any ERISA Affiliate has been or is expected by it or any ERISA Affiliate to be incurred with respect to any Plan. No ERISA Event with respect to any Plan has occurred;

(e) full payment when due has been made of all material amounts which it or any ERISA Affiliate is required under the terms of each Plan or applicable law to have paid as contributions to such Plan as of the date hereof, and no accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any Plan;

(f) the actuarial present value of the benefit liabilities under each Plan which is subject to Title IV of ERISA does not, as of the end of the Borrower's most recently ended fiscal year, exceed the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities. The term "actuarial present value of the benefit liabilities" shall have the meaning specified in section 4041 of ERISA;

(g) neither it nor any ERISA Affiliate sponsors, maintains, or contributes to an employee welfare benefit plan, as defined in section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by it or any ERISA Affiliate in its sole discretion at any time without any material liability;

(h) neither it nor any ERISA Affiliate sponsors, maintains or contributes to, or has at any time in the six-year period preceding the date hereof sponsored, maintained or contributed to, any Multiemployer Plan; and

(i) neither it nor any ERISA Affiliate is required to provide security under section 401(a)(29) of the *Code* due to a Plan amendment that results in an increase in current liability for the Plan.

11.5 Anti-Terrorism Laws

Each Borrower represents and warrants to the Agent and the Lenders in respect of itself and the Ensign Parent represents and warrants to the Agent and the Lenders for and on behalf of each other Credit Party, as follows:

(a) it is not, and to its knowledge, none of its Affiliates is in violation of any Applicable Law relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), the Uniting and Strengthening America by Providing Appropriate Tools Required to *Intercept and Obstruct Terrorism Act* of 2001, Public Law 107-56, and the *Trading with the Enemy Act*, 50 U.S.C. App. 1 et seq., in each case, as amended from time to time;

(b) it is not, and none of its Subsidiaries or, to its knowledge, its Affiliates, directors, officers or employees or agents acting or benefiting in any capacity in connection with the Credit Facilities is any of the following:

(i) a Person that is (x) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury, or Canada (collectively, "**Sanctions**") or (y) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is the subject of Sanctions or located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions;

(iii) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(iv) a Person that is named as a "specially designated national and blocked Person" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list;

(c) It does not and none of its Subsidiaries or, to its knowledge, Affiliates, directors, officers or employees or agents acting on its behalf in any capacity in connection with the Credit Facilities (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in paragraph (b) above, (ii) deals in, or otherwise engages in any transaction relating to, any Property or interests in Property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or any Sanction.

11.6 Survival and Inclusion

(a) The Ensign Parent and each Borrower acknowledges that the Lenders have entered into this Agreement and agreed to make Advances in full reliance upon the foregoing representations and warranties. Such representations and warranties shall survive until this Agreement has been terminated.

(b) All statements, representations and warranties contained in any Compliance Certificates or in any instruments delivered by or on behalf of the Ensign Parent and the Borrowers pursuant to this Agreement shall constitute statements, representations and warranties made by the Ensign Parent and the Borrowers (as applicable) to the Agent and the Lenders under this Agreement.

ARTICLE 12 - COVENANTS

12.1 General

Each Borrower covenants and agrees for and on behalf of itself and the Ensign Parent covenants and agrees for and on behalf of itself and each other Credit Party that during the term of this Agreement, it shall, and the Ensign Parent shall cause each other Credit Party to:

(a) maintain and preserve its existence, organization, incorporation and status in each jurisdiction of organization or incorporation, as the case may be, and in each other Relevant Jurisdiction and make all corporate and other filings and registrations necessary or advisable in connection therewith except to the extent failure to make such filings would not reasonably be expected to have a Material Adverse Effect;

(b) carry on and continuously conduct its business in an efficient, diligent and businesslike manner and in accordance with good industry practices except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect;

(c) comply with all Contracts, the non-compliance with which would, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(d) comply with Applicable Laws and obtain and maintain all Permits necessary to the ownership of its Property and to the conduct of its business in each Relevant Jurisdiction, including but not limited to those issued or granted by Governmental Bodies, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect;

(e) duly file on a timely basis all tax returns required to be filed by it, and duly and punctually pay all business, goods and services, income, capital and/or profits taxes and other governmental charges levied or assessed against it or its Property except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect;

(f) upon reasonable notice and on a confidential basis, permit any representative of the Agent to inspect its records and discuss with its senior management, its business, material Property, financial condition and prospects;

(g) pay all amounts of principal, interest, fees and other amounts owing to the Agent and the Lenders hereunder on the dates, times and in the places and manner specified herein;

(h) use the proceeds of any Advance under (i) the Syndicated Facility only for the purposes set out in Section 2.3, (ii) the Operating Facility only for the purposes set out in Section 3.3, and (iii) the Letter of Credit Facility only for the purposes set out in Section 4.3;

(i) execute and deliver to the Agent the Security as and when required pursuant to Article 9;

(j) after the applicable Security Implementation Date, ensure that the Security granted by it to the Agent remains legal, valid, binding and enforceable in accordance with its terms (subject to Applicable Laws affecting the rights of creditors generally and rules of equity of general application);

(k) after the applicable Security Implementation Date, co-operate with the Agent so as to permit the Agent to:

  (i) forthwith register, file and record the Security (or notices or other registrations in respect thereof) in all proper offices where such registration, filing or recording may be necessary to protect the interests of the Agent and the Lenders thereunder;

  (ii) maintain all such registrations in full force and effect;

(l) for so long as there remains any Obligations of a Borrower to the Agent or any Lender under the Credit Facilities, each Borrower shall remain as a direct or indirect wholly-owned Subsidiary of the Ensign Parent;

(m) not declare, not pay, nor make any Distribution unless (i) on a *pro forma* basis, the Lenders are satisfied, acting reasonably, that the Ensign Parent shall meet the Minimum Liquidity Test, and (ii) no Default or Event of Default shall have occurred and be continuing and no Default or Event of Default shall reasonably be expected to occur as a result of the making of any such Distribution;

(n) not accumulate or maintain Cash or Cash Equivalents (including without limitation from the proceeds of any Advance) in one or more accounts (including, for certainty, any depository, investment or securities account) maintained by the Borrowers, the Ensign Parent or any other Credit Party other than in the ordinary course of business which will be reflective of the geographically diverse operations of the Borrowers and the other Credit Parties, and (for certainty) the Lenders may refuse to make any requested Advance which the Lenders, acting reasonably, determine would result in a contravention of this Section 12.1(n); and

(o) ensure that:

(i) the Borrowers and the Credit Parties shall at all times directly own not less than **[Redacted]**% of the Consolidated Total Assets of the Ensign Parent, and receive or be entitled to not less than **[Redacted]**% of the Consolidated Total Revenues of the Ensign Parent; and

(ii) each Subsidiary that has total revenue (excluding any intercompany revenue) which constitutes more than **[Redacted]**% of the Consolidated Total Revenue of the Ensign Parent for the then preceding twelve month period or that has total assets (excluding any intercompany accounts) which constitutes more than **[Redacted]**% of the Consolidated Total Assets of the Ensign Parent be designated and remain as a Credit Party under this Agreement and grant the Security to the Agent, as required by Article 9.

12.2 Ensign Canada

Ensign Canada covenants and agrees that it shall maintain and preserve its existence, organization, incorporation and status only under the laws of Canada or under the laws of a Province of Canada and shall maintain business operations and own property in Canada.

12.3 Reporting

(a) The Ensign Parent shall furnish to the Agent:

(i) within 90 days after the end of each of its Fiscal Years, the audited Financial Statements for the Ensign Parent for each such Fiscal Year prepared in accordance with IFRS on a consolidated basis and within 30 days after the end of each Fiscal Year, an annual consolidated operating and capital budget (including a summary of capital expenses expected to be incurred in the next Fiscal Year) for the Ensign Parent for the next succeeding fiscal year, approved by the board of directors of the Ensign Parent;

(ii) within 45 days after the end of each of its first 3 Fiscal Quarters, the unaudited Financial Statements (reviewed by the Ensign Parent auditors) for the Ensign Parent for each such quarter prepared in accordance with IFRS on a consolidated basis;

(iii) within 30 days after the end of each Fiscal Quarter, a report setting out the location of the drilling rigs of the Ensign Parent and its Material Subsidiaries as of the last day of the previous Fiscal Quarter, together with a drilling rig utilization report; provided that following the occurrence of a Default or Event of Default which is continuing, such report shall be required to be provided within 10 days after the end of each month, as of the last day of the previous month; and

(iv) such other information from time to time reasonably requested by the Agent,

such Financial Statements to set forth in each case, where applicable, comparative figures for the corresponding period in the preceding Fiscal Year;

(b) The Ensign Parent shall:

(i) together with each delivery of Financial Statements required by Section 12.3(a), furnish to the Agent a Compliance Certificate;

(ii) promptly upon transmission thereof, furnish to the Agent copies of all Financial Statements, proxy statements, notices and reports sent to the shareholders of the Ensign Parent.

(c) The Ensign Parent and each Borrower shall, and the Ensign Parent shall cause each other Credit Party to:

(i) keep and maintain proper books of account and records accurately and completely covering all material aspects of its business and affairs;

(ii) permit, on a confidential basis and on reasonable notice, any representatives of the Agent to inspect any of its books of account (in whatever form maintained) and to make copies thereof, or extractions therefrom all during ordinary business hours;

(iii) if it changes its name, it will provide certified copies of the certificate and supporting documents effecting any change of its name within ten Business Days after effecting such name change;

(iv) if it changes the location of its chief executive office or principal place of business from the state or province, as applicable, in which it is currently located it will provide the Agent with notice of the same and the new location within ten Business Days of doing so; and

(v) from time to time, provide the Agent with an update of the information included in Schedule H attached hereto and upon the Agent being provided with such updated information, Schedule H will be deemed to be amended accordingly.

(d) The Borrowers shall provide to the Agent, from time to time, upon the request of the Agent (acting reasonably) a detailed report describing the terms and provisions of each Hedging Agreement entered into by the Borrowers and the other Credit Parties.

(e) The Ensign Parent, each Borrower and each other Credit Party will promptly provide to the Agent any documentation and other evidence which is from time to time:

(i) reasonably required by any Lender to comply with its know your client procedures;

(ii) reasonably requested by that Lender (through the Agent); and

(iii) not already been made available to that Lender by the Ensign Parent, a Borrower or other Credit Party.

12.4 Property

Each Borrower covenants and agrees for and on behalf of itself, and the Ensign Parent covenants and agrees for and on behalf of itself and each other Credit Party, that during the term of this Agreement, it shall and the Ensign Parent shall cause each other Credit Party to:

(a) defend its Properties against any Person claiming or attempting to claim the same, or asserting any interest adverse to its interest therein and keep at an appropriate office accurate and complete records of its Properties;

(b) subject to normal safety precautions, upon reasonable notice, permit any representatives of the Agent to visit and inspect its Properties during ordinary business hours, and furnish the Agent with any information thereon reasonably requested by the Agent from time to time as may be available to it;

(c) comply in all respects with all Applicable Environmental Laws except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect; and

(d) where the Lenders reasonably believe that the Ensign Parent, a Borrower or another Credit Party is in material breach of an Applicable Environmental Law and that the result of such breach would have a Material Adverse Effect, permit properly qualified representatives of the Ensign Parent, such Borrower, such other Credit Party or the Agent (at the option of the Agent) to conduct tests, inspections and appraisals of or on the subject Property, including environmental audits and soil tests, and to remove soil and other samples from the subject Property from time to time to determine whether there is a breach of an Applicable Environmental Law by the Ensign Parent, such Borrower or such other Credit Party which would reasonably be expected to have a Material Adverse Effect, provided that the results of any such tests shall also be delivered to such Borrower or such other Credit Party, and the Borrowers shall be responsible for the costs thereof, and further provided that, notwithstanding the foregoing, such audits and soil tests may be conducted by the Ensign Parent, a Borrower or such other Credit Party, if conducted by the Ensign Parent, a Borrower or such other Credit Party in a manner and with consultants satisfactory to the Agent, acting reasonably.

12.5 <u>Mergers and Dispositions</u>

Each Borrower agrees that it will not and the Ensign Parent agrees that it will not and will not permit any other Credit Party to (subject in each case to Section 12.2):

(a) merge or amalgamate with any other Person or Persons (other than with a Borrower or a direct or indirect wholly-owned Subsidiary of the Ensign Parent, if no Default or Event of Default has occurred and is continuing or would exist if such transaction is effected and the successor assumes the obligations of such Borrower and Subsidiary (as applicable) under the Credit Documents in a manner satisfactory to the Lenders acting reasonably), or become a party to any transaction whereby, directly or indirectly, all or any substantial part of its Property would become the Property of any other Person (other than a Borrower or any direct or indirect wholly-owned Subsidiary of the Ensign Parent if no Default or Event of Default has occurred and is continuing or would exist if such transaction is effected and, if such purchaser, transferee or assignee is a "Credit Party" after the completion of such transaction, such purchaser, transferee or assignee executes and delivers to the Agent the documents described in Section 9.1 in a manner satisfactory to the Lenders, acting reasonably (if not previously delivered) upon the completion of such transaction), whether by way of reorganization, dissolution, winding-up, liquidation, administration, amalgamation, arrangement, transfer, lease or otherwise; provided, however, if the surviving Person from such reorganization, dissolution, winding-up, liquidation, administration, amalgamation, arrangement, transfer, lease or otherwise of a Borrower or a Credit Party is not a Borrower or a Credit Party (as applicable), such surviving Person is subject to the prior approval of the Lenders;

(b) change in any material respect the nature of its business or operations, or engage directly or indirectly in any material business activity, in either case not reasonably related to or required for the conduct of its business as it is currently conducted; or

(c) Dispose of any its Property, other than Permitted Dispositions, provided at the time of any such Permitted Disposition no Default or Event of Default shall have occurred that is continuing and no Default or Event of Default occur as a result of such Permitted Disposition.

12.6 <u>Restrictions on Additional Debt, Guarantees, Security Interests and Investments</u>

Each Borrower agrees that it will not and the Ensign Parent agrees that it will not and it will not permit any other Credit Party to:

(a) create, incur, assume or permit to exist any Debt, unless (i) such Debt is included in the Consolidated Total Debt, (ii) at the time such Debt is incurred, no Default or Event of Default has occurred that is continuing, (iii) after the incurrence of such Debt, the Ensign Parent on a pro forma basis, will continue to be in compliance with the financial covenants set out in Section 12.8, (iv) such Debt shall not be payable on demand and there shall be no scheduled or mandatory principal payments under such Debt prior to the Stated Maturity Date, (v) at the time of incurrence of such Debt, the maturity date of such Debt is at least six months after the Stated Maturity Date, (vi) immediately after the incurrence of such Debt, the Consolidated Total Debt (other than the Outstanding Principal under the Credit Facilities) shall not be in excess of **[Redacted]**% of the Consolidated Total Assets of the Ensign Parent as set out in the most recent Financial Statements delivered to the Agent; provided that: (A) the Ensign Parent will not permit any Subsidiary that is not a Material Subsidiary to create, incur, assume or permit to exist any Debt, in the aggregate in excess of **[Redacted]%** of the Consolidated Total Assets of the Ensign Parent as set out in the most recent Financial Statements delivered to the Agent; and (B) the net proceeds of such Debt shall be used for general business purposes of Ensign Parent and its Subsidiaries; and provided further that in addition to the foregoing, the Credit Parties shall be permitted to create, incur, assume and permit to exist the Debt arising under: (i) the Kuwait LC Facility, and (ii) the RBC Unsecured LC Facility;

(b) provide any Guarantee, loans or other financial assistance to any Person, other than:

(i) to or for the benefit of a Borrower or another Credit Party provided that at all times during which such Guarantee, loan or other financial assistance is outstanding, the Credit Party remains (directly or indirectly) a wholly-owned subsidiary of the Ensign Parent;

(ii) Guarantees, loans or financial assistance provided in the ordinary course of business and for the purpose of carrying on the same in an aggregate amount not exceeding **[Redacted]%** of the Consolidated Total Assets of the Ensign Parent, as set out in the most recent Financial Statements delivered to the Agent; and

(iii) Guarantees and indemnities, to the extent required under the Kuwait LC Facility;

(c) create, assume, suffer to exist or otherwise have outstanding any Security Interest on any Property except for Permitted Encumbrances;

(d) enter into any Contract with any Affiliate of the Ensign Parent or purchase or otherwise acquire any property, assets (including Securities) or undertaking, real or personal, tangible or intangible, of any Affiliate of the Ensign Parent, unless such Contract, purchase or acquisition is on terms and conditions not more onerous to such Borrower or such other Credit Party than if such Contract, purchase or acquisition was completed at fair market value with an arm's length third party;

(e) sell, with or without recourse or discount any of its notes or accounts receivable, except notes or accounts receivable the collection of which is doubtful; or

(f) make any Investment, other than Permitted Investments.

12.7 Restrictions on Hedging

Each Borrower agrees that it will not and the Ensign Parent agrees that it will not and it will not permit any other Credit Party to enter into or otherwise become a party to or obligated under any Hedging Agreement unless such Hedging Agreement is entered into by the Ensign

Parent, a Borrower or another Credit Party in the ordinary course of business and for the purpose of managing currency risk, exchange rate risk, commodity price risk or interest rate risk of the Ensign Parent, such Borrower or such other Credit Party.

12.8 Financial Covenants

The Ensign Parent shall ensure that:

(a) the Consolidated Net Debt to Consolidated EBITDA Ratio of the Ensign Parent as at the end of each Fiscal Quarter shall not exceed 3.50:1.00; provided that in any Fiscal Quarter in which a Material Acquisition is completed, the Consolidated Net Debt to Consolidated EBITDA Ratio of the Ensign Parent as at the end of such Fiscal Quarter and the next Fiscal Quarter shall not exceed 4.00:1.00, and 3.50:1.00 for each Fiscal Quarter thereafter;;

(b) the Consolidated EBITDA to Consolidated Interest Expense of the Ensign Parent as at the end of each Fiscal Quarter shall not be less than 3.00:1.00; and

(c) the Consolidated Net Senior Debt to Consolidated EBITDA Ratio of the Ensign Parent as at the end of each Fiscal Quarter shall not exceed 2.50:1.00; provided that in any Fiscal Quarter in which a Material Acquisition is completed, the Consolidated Net Senior Debt to Consolidated EBITDA Ratio of the Ensign Parent as at the end of such Fiscal Quarter and the next Fiscal Quarter shall not exceed 3.00:1.00, and 2.50:1.00 for each Fiscal Quarter thereafter.

12.9 Covenants Regarding Insurance

(a) Each Borrower shall keep and the Ensign Parent shall and shall cause each other Credit Party to keep, such of its Property that is of an insurable nature and is of a character usually insured by companies owning or operating the same or similar Property in such Relevant Jurisdiction in which such Property is located, insured with responsible insurers of recognized standing against loss or damage by fire and other causes customarily insured against by similar companies owning or operating the same or similar Property in each Relevant Jurisdiction in which such property is located and within customary limits of coverage and with customary deductibles.

(b) Each Borrower shall and the Ensign Parent shall and shall cause each other Credit Party to maintain, with reputable insurers of recognized standing third party public liability and property damage insurance covering all of its operations with limits of coverage usually carried by companies owning or operating the same or a similar type and size of business in each Relevant Jurisdiction in which such Property is operated, as that being conducted by it.

12.10 ERISA Compliance

(a) Each Borrower will, and the Ensign Parent will and will cause its Subsidiaries to, promptly furnish and will cause any ERISA Affiliate to promptly furnish to the Agent (i) promptly after the filing thereof with the United States Secretary of Labor, the Internal Revenue Service or the PBGC, copies of each annual and other report with respect to each Plan or any trust created thereunder,

(ii) immediately upon becoming aware of the occurrence of any ERISA Event or of any "prohibited transaction", as described in section 406 of ERISA or in section 4975 of the Code, in connection with any Plan or any trust created thereunder, a written notice signed by a Senior Officer of the Ensign Parent or such Subsidiary of the Ensign Parent or the ERISA Affiliate, as the case may be, specifying the nature thereof, what action the Borrower, the Subsidiary of the Ensign Parent or the ERISA Affiliate is taking or proposes to take with respect thereto, and, when known, any action taken or proposed by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto, and (iii) immediately upon receipt thereof, copies of any notice of the PBGC's intention to terminate or to have a trustee appointed to administer any Plan. With respect to each Plan (other than a Multiemployer Plan), each Borrower will and will cause each ERISA Affiliate to, and the Ensign Parent will and will cause its Subsidiaries to, (i) satisfy in full and in a timely manner, all of the material contribution and funding requirements of section 412 of the Code (determined without regard to subsections (d), (e), (f) and (k) thereof) and of section 302 of ERISA (determined without regard to sections 303, 304 and 306 of ERISA), and (ii) pay, or cause to be paid, to the PBGC in a timely manner, all material premiums required pursuant to sections 4006 and 4007 of ERISA.

(b) Each Borrower agrees that it will not and the Ensign Parent agrees that it will not and will not permit any of its Subsidiaries to, at any time:

(i) engage in, or permit any ERISA Affiliate to engage in, any transaction in connection with which the Ensign Parent, a Borrower or any ERISA Affiliate could be subjected to either a material civil penalty assessed pursuant to subsections (c), (i) or (l) of section 502 of ERISA or a material tax imposed by Chapter 43 of Subtitle D of the *Code*;

(ii) terminate, or permit any ERISA Affiliate to terminate, any Plan in a manner, or take any other action with respect to any Plan, which could result in any liability to it or any ERISA Affiliate to the PBGC;

(iii) fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all material amounts which, under the provisions of any Plan, agreement relating thereto or applicable law, the Ensign Parent, a Borrower or any ERISA Affiliate is required to pay as contributions thereto;

(iv) permit to exist, or allow any ERISA Affiliate to permit to exist, any material accumulated funding deficiency within the meaning of section 302 of ERISA or section 412 of the *Code*, whether or not waived, with respect to any Plan;

(v) permit, or allow any ERISA Affiliate to permit, the actuarial present value of the benefit liabilities under any Plan maintained by it or any ERISA Affiliate which is regulated under Title IV of ERISA to exceed in any material way the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities. The term "actuarial present value of the benefit liabilities" shall have the meaning specified in section 4041 of ERISA;

(vi) contribute to or assume an obligation to contribute to, or permit any ERISA Affiliate to contribute to or assume any material obligation to contribute to, any Multiemployer Plan;

(vii) acquire, or permit any ERISA Affiliate to acquire, an interest in any Person that causes such Person to become an ERISA Affiliate with respect to the Ensign Parent, a Borrower or with respect to any ERISA Affiliate if such Person sponsors, maintains or contributes to, or at any time in the six-year period preceding such acquisition has sponsored, maintained, or contributed to, (i) any Multiemployer Plan, or (ii) any other Plan that is subject to Title IV of ERISA under which the actuarial present value of the benefit liabilities under such Plan exceeds in any material way the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities;

(viii) incur, or permit any ERISA Affiliate to incur, a material liability to or on account of a Plan under sections 515, 4062, 4063, 4064, 4201 or 4204 of ERISA;

(ix) contribute to or assume an obligation to contribute to, or permit any ERISA Affiliate to contribute to or assume an obligation to contribute to, any material amount to any employee welfare benefit plan, as defined in section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any material liability; or

(x) amend, or permit any ERISA Affiliate to amend, a Plan resulting in an increase in current liability such that it or any ERISA Affiliate is required to provide security to such Plan under section 401(a)(29) of the *Code*.

(c) Notwithstanding the foregoing, Sections 12.10(a) and (b) shall be operative only if and to the extent that ERISA is applicable to the Ensign Parent and any of its Subsidiaries including, without limitation, Ensign US and any ERISA Affiliate.

12.11 <u>Proceeds of Loans</u>

In addition to and without limiting Section 3.3, the Borrowers will not permit the proceeds of the Credit Facilities to be used for any purpose other than those permitted in Section 3.3. None of the Ensign Parent or any Borrower nor any Person (if any) acting on behalf of the Ensign Parent or any Borrower in connection with the Credit Facilities has, directly or indirectly, taken or will take any action which might cause any of the Credit Documents or the use of the proceeds of the Credit Facilities to violate Regulations T, U or X or any other regulation of the Board or to violate Section 7 of the *Securities Exchange Act* of 1934 or any rule or regulation thereunder, in each case as now in effect or as the same may hereinafter be in effect. If requested by the Agent, acting reasonably, the Borrowers will furnish to the Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 or such other form referred to in Regulation U, Regulation T or Regulation X of the Board, as the case may be.

12.12 Anti-Terrorism Law; Anti-Money Laundering

Each Borrower agrees that it will not and the Ensign Parent agrees that it will not and it will not permit any of its Subsidiaries to, at any time, directly or indirectly (with respect clauses (ii), (iii) and (iv) hereof) and directly or, to the Borrower's knowledge, indirectly (solely with respect to clause (i) hereof), (i) fund the activities of, or conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in Section 11.5 or any country or territory that is, or whose government is, the subject of Sanctions, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any Property or interests in Property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iv) use the proceeds of the Credit Facilities in any other manner that would result in a violation of any Sanctions by any Person.

The Borrowers will not, and the Ensign Parent will not and will not permit any of its Subsidiaries to, cause or permit any of the funds of the Ensign Parent, the Borrowers or any Subsidiary of the Ensign Parent that are used to repay the Credit Facilities to be knowingly derived from any unlawful activity.

No part of the proceeds of the Credit Facilities shall be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the *United States Foreign Corrupt Practices Act* of 1977.

12.13 Embargoed Person

Each Borrower agrees that it will not and the Ensign Parent agrees that it will not and it will not permit any of its Subsidiaries to, knowingly permit (a) any of the funds or Properties of the Ensign Parent, the Borrowers or any Subsidiary of the Ensign Parent that are used to repay the Credit Facilities to constitute Property of, or be beneficially owned, directly or indirectly by, any Person subject to sanctions or trade restrictions under United States law ("**Embargoed Person**" or "**Embargoed Persons**") that is identified on (i) the "List of Specially Designated Nationals and Blocked Persons" maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the *International Emergency Economic Powers Act*, 50 U.S.C. §§ 1701 et seq., *The Trading with the Enemy Act*, 50 U.S.C. App. 1 et seq., and any Executive Order or Applicable Law promulgated thereunder, or (ii) the Executive Order, any related enabling legislation or any other similar Executive Orders or (b) any Embargoed Person to have any direct or indirect interest, of any nature whatsoever in a Borrower or any Subsidiary of the Ensign Parent, with the result that the investment in a Borrower or any Subsidiary of the Ensign Parent (whether directly or indirectly) is prohibited by an Applicable Law or the Credit Facilities is in violation of an Applicable Law.

12.14 Notice Requirements

The Ensign Parent and each Borrower shall promptly give written notice to the Agent of:

(a) any Default or Event of Default, promptly upon the Ensign Parent or such Borrower becoming aware of the same;

(b) any material amendment to its method of financial reporting, together with full particulars thereof, the reasons therefor and effect thereof;

(c) to the extent and only if ERISA is applicable to the Ensign Parent or any of its Subsidiaries including, without limitation, Ensign US and any ERISA Affiliate, the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in liabilities of the Ensign Parent and, its subsidiaries, taken as a whole, that, in the aggregate, are material;

(d) any matter of which it is aware that would reasonably be expected to have a Material Adverse Effect; and

(e) any demand for payment made upon the Ensign Parent, a Borrower or another Credit Party under a Contract entered into by the Ensign Parent, a Borrower or such other Credit Party as a result of a default by the Ensign Parent, the Borrower or another Credit Party of the payment or performance of its obligations thereunder, where such demand is in excess of Cdn. $**[Redacted]** (or the U.S. Dollar Equivalent) whether in the nature of a margin call or otherwise.

12.15 Notice of Environmental Matters

The Ensign Parent and each Borrower shall promptly upon acquiring knowledge thereof, give written notice to the Agent of any Environmental Liability occurring on or in relation to its properties or the properties of a Material Subsidiary, which would reasonably be expected to have a Material Adverse Effect.

ARTICLE 13 - EVENTS OF DEFAULT

13.1 Events of Default

Each of the following events or circumstances shall be an "**Event of Default**":

(a) if the Borrowers shall fail to pay (i) any principal owing hereunder on the date upon which the same is due and payable; (ii) any interest or fees due hereunder within three Business Days from the date upon which the same becomes due and payable, or (iii) any other amount due hereunder within 30 days from the date upon which the same becomes due and payable;

(b) if the Ensign Parent, a Borrower or any other Credit Party shall commit any breach of or omit to observe any of its covenants, obligations or undertakings under the Credit Documents (other than any breach or omission specifically dealt with in another paragraph of this Section 13.1) to which it is a party, and (i) such breach or omission is not capable of being remedied by the Ensign Parent, such Borrower or such other Credit Party, or (ii) if such breach or omission is capable of being remedied by the Ensign Parent, such Borrower or another Credit Party, the same shall continue unremedied for more than 30 days after the earlier of: (A) a Senior Officer of the Ensign Parent, such Borrower or such other Credit

Party having actual knowledge of the breach or omission, or (B) the Ensign Parent, such Borrower or such other Credit Party receives notice from the Agent of such breach or omission;

(c) if any representation or warranty made by the Ensign Parent, a Borrower or another Credit Party in any of the Credit Documents to which it is a party is, or shall prove to be, incorrect or misleading in when made or deemed to be made, and (i) the matter is not capable of being remedied by the Ensign Parent, such Borrower or such other Credit Party, or (ii) if the matter is capable of being remedied by the Ensign Parent, such Borrower or such other Credit Party, the same shall continue unremedied for more than 30 days after the earlier of (A) a Senior Officer of the Ensign Parent, such Borrower or such other Credit Party having actual knowledge of the breach or omission, or (B) the Ensign Parent, such Borrower or such other Credit Party receiving notice from the Agent of such breach or omission;

(d) if any event or circumstance (including non-payment) shall occur under an agreement or instrument relating to Debt of the Ensign Parent, a Borrower or any other Credit Party which would permit a Person to declare (whether immediately or with notice or lapse of time or both) an amount in excess of Cdn. $**[Redacted]** to become due prior to the stipulated date for repayment thereof, or maturity (or in the case of Debt payable on demand or a Guarantee, if any demand is made at all), and such circumstance shall continue unremedied for more than 30 days (provided that such grace period shall cease to apply if a demand has been made on the Ensign Parent, a Borrower or another Credit Party therefore and any applicable grace period has expired or if the default is not being contested in good faith by the Ensign Parent, such Borrower or such other Credit Party, as applicable);

(e) if the Ensign Parent, a Borrower or any other Credit Party shall:

(i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors;

(ii) make an assignment of its property for the general benefit of its creditors whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so) whether or not under such Act;

(iii) institute any proceeding seeking to adjudicate it an insolvent, or seeking liquidation, dissolution, deregistration, winding-up, reorganization, administration, compromise, arrangement or scheme of arrangement (other than permitted hereunder or consented to by the Agent, on the instructions of the Lenders, in each case in connection with a solvent reorganization, amalgamation or merger), adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any other statute, rule or regulation relating to bankruptcy, deregistration, winding-up, insolvency, reorganization, administration, plans of arrangement, relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable *Business Corporations Act* or *Company Act*);

(iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator, provisional liquidator or other similar official for it or any material part of its Property;

(v) commence any case, proceeding or other action under any existing or future Debtor Relief Law, seeking (A) to have an order for relief entered with respect to it, (B) to adjudicate it as bankrupt or insolvent, (C) reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, other than as permitted herein (D) appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or (E) general assignment for the benefit of its creditors; or

(vi) take any overt action to approve, consent to or authorize any of the actions described in this Section 13.1(e) or in Section 13.1(f) below;

(f) if any petition shall be filed, application made or other proceeding instituted by a third party against or in respect of the Ensign Parent, a Borrower or any other Credit Party:

(i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred;

(ii) seeking a receiving order against it including under the *Bankruptcy and Insolvency Act* (Canada);

(iii) seeking liquidation, dissolution, winding-up, deregistration, reorganization, administration, compromise, arrangement or scheme of arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, winding-up, deregistration, insolvency, reorganization, administration, plans of arrangement, relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable *Business Corporations Act* or *Companies Act*);

(iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator, provisional liquidator or other similar official for it or any material part of its Property;

(v) commencing any case, proceeding or other action under any existing or future Debtor Relief Law, seeking (A) to have an order for relief entered with respect to it, (B) to adjudicate it as bankrupt or insolvent, (C) reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, other than as permitted herein (D) appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or (E) general assignment for the benefit of its creditors,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 30 days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against the Ensign Parent, such Borrower or such Material Subsidiary, as applicable, thereunder in the interim, such grace period shall cease to apply;

(g) if Property of the Ensign Parent, a Borrower or any other Credit Party having a fair market value in excess of Cdn. $**[Redacted]** (or the U.S. Dollar Equivalent) shall be seized (including by way of execution, attachment, garnishment or distraint) or any Security Interest thereon shall be enforced, or such Property shall become subject to any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of Cdn. $**[Redacted]** (or the U.S. Dollar equivalent) shall exist in respect of the Ensign Parent, a Borrower, any other Credit Party or such Property, or any sheriff, civil enforcement agent or other Person shall become lawfully entitled to seize or distrain upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Laws whereunder similar remedies are provided;

(h) if one or more judgments for the payment of money in the aggregate in excess of Cdn. $**[Redacted]** (or the U.S. Dollar equivalent) from time to time, and not substantially covered by insurance, shall be rendered by a court of competent jurisdiction against the Ensign Parent, a Borrower or any other Credit Party and such party shall not have provided for its discharge in accordance with its terms or arranged for the stay of such judgment or judgments pending appeal within 30 days from the date of entry thereof;

(i) if any Property of the Ensign Parent, a Borrower or any other Credit Party shall be expropriated without fair market value compensation being paid to the Ensign Parent, such Borrower or such other Credit Party and such expropriations, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect;

(j) only if and to the extent that ERISA is applicable to the Ensign Parent or any of its Subsidiaries including, without limitation, Ensign US and any ERISA Affiliate, if an ERISA Event shall have occurred that when taken together with all other ERISA Events that have occurred, has resulted in liabilities of the Ensign Parent and its Subsidiaries, taken as a whole, that, in the aggregate are material and the applicable ERISA Events and the payments resulting therefrom are not cured and/or paid within 30 days of the applicable ERISA Event resulting in such material liabilities;

(k) if any material provision of any Credit Document shall at any time cease to be in full force and effect, be declared to be void or voidable or shall be repudiated, or the validity or enforceability thereof shall at any time be contested by the Ensign Parent, a Borrower or any other Credit Party, or the Ensign Parent, a Borrower or any other Credit Party shall deny that it has any or any further liability or obligation thereunder, or if at any time it is unlawful for the Ensign Parent, a Borrower or any other Credit Party to perform any of its material obligations under any Credit Document, and the Ensign Parent, such Borrower or such other Credit Party, as applicable, fails to provide assurances to the Agent within 30 days of a request therefor by the Agent;

(l) if any receiver, receiver manager, liquidator, provisional liquidator or similar officer is appointed over the Ensign Parent, a Borrower, another Credit Party or over all or substantially all of the property and assets of the Ensign Parent, a Borrower or another Credit Party and such receiver, receiver manager, liquidator, provisional liquidator or similar official is not removed or discharged within ten (10) days of such appointment; provided however, such grace period shall cease to apply if the Ensign Parent, such Borrower or such other Credit Party consents to such appointment, fails to diligently object and contest the appointment with appropriate proceedings, or if such receiver, receiver manager, liquidator, provisional liquidator or similar official is not effectively stayed from realizing on the property and assets of the Ensign Parent, such Borrower or such other Credit Party;

(m) if there occurs a Change of Control in respect of the Ensign Parent and the Lenders have not consented to such Change of Control. In this Section 13.1(m), "**Change of Control**" means in respect of the Ensign Parent, the occurrence of any of the following events:

(i) a Person or group of Persons, acting jointly or in concert, acquires, directly or indirectly (other than by way of security for a *bona fide* debt), Securities of the Ensign Parent to which are attached more than 35% of the votes that may be cast to elect any director of the Ensign Parent;

(ii) a Person or group of Persons, acting jointly or in concert, acquires, directly or indirectly (other than by way of security for a *bona fide* debt), a sufficient number of securities of the Ensign Parent that the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the Ensign Parent; or

(iii) the Ensign Parent amalgamates or otherwise merges its business and properties with or into any other Person if that amalgamation or merger results in the condition described in either paragraph (i) or (ii) above;

(n) if any condition, circumstance or event occurs that in the opinion of the Lenders (acting reasonably) has a Material Adverse Effect; or

(o) if the report of the auditor of the Ensign Parent with respect to the audited Financial Statements of the Ensign Parent required to be delivered to the Agent pursuant to Section 12.3(a) is subject to any qualification with respect to the Ensign Parent as a "going concern" and the Ensign Parent is not able to arrange for the removal of such qualification within thirty (30) days from the date thereof.

13.2 Acceleration and Termination of Rights

If any Event of Default occurs, no Lender shall be under any further obligation to make Advances and the Agent on the instructions of the Majority Lenders may give notice (an "**Acceleration Notice**") to the Borrowers or any other Credit Party (i) declaring the Lenders' obligations to make Advances to be terminated, whereupon the same shall forthwith terminate, and/or (ii) declaring the Obligations to be forthwith due and payable, whereupon they shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower.

In case of any event with respect to any Borrower described in Section 13.1(e) or 13.1(f), the Commitments of the Lenders (if not theretofore terminated) shall automatically terminate and the principal of the Advances then outstanding, together with accrued interest thereon and all fees and other Obligations (including all amounts of Letter of Credit exposure, whether or not the beneficiary of any then outstanding Letter of Credit shall have demanded payment thereunder) accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

13.3 Payment of Letters of Credit

Immediately upon the giving of an Acceleration Notice by the Agent or the Obligations otherwise automatically becoming due and payable, each Borrower shall, without necessity of further act or evidence, be and become thereby unconditionally obligated to deposit forthwith with the Agent for the Lenders' benefit Collateral equal to the Face Amount of all Letters of Credit then outstanding for the Borrowers' account, and each Borrower hereby unconditionally promises and agrees to deposit with the Agent immediately upon such demand Collateral in the amount so demanded. Each Borrower authorizes the Lenders, or any of them, to debit its account with the amount required to pay any drawings under Letters of Credit. Amounts paid to the Agent pursuant to such a demand shall be held and applied in accordance with Section 8.21.

13.4 Remedies

Upon the making of a declaration contemplated by Section 13.2 or the Obligations otherwise automatically becoming due and payable, the Agent may take such action or proceedings on behalf of the Lenders as the Agent (on the instructions of the Majority Lenders) deems expedient to enforce the rights and remedies available to the Agent and the Lenders under or in respect of the Credit Documents, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by each Borrower.

13.5 Waivers

Subject to Section 14.7(b), on the instructions of the Majority Lenders the Agent may from time to time waive an Event of Default, absolutely or for a limited time and subject to such terms and conditions as the Agent (on the instructions of the Majority Lenders) may specify. No such waiver shall be construed to extend to the occurrence of any other Event of Default. Any such waiver may be given prospectively or retrospectively. No failure of the Agent or the Lenders to exercise, or delay by the Agent or the Lenders in exercising, any of its rights or remedies shall be construed as a waiver of any Event of Default.

13.6 No Obligation to Enforce

Neither the Lenders nor the Agent shall be under any obligation to the Ensign Parent, any Borrower or any other Person to enforce any rights or remedies available to the Lenders or the Agent under any of the Credit Documents from time to time or any part thereof. The Lenders shall not be responsible or liable to any Borrower or any other Person for any loss or damage upon the enforcement of any rights or remedies available to the Lenders under any of the Credit Documents from time to time, the failure to realize or enforce such rights and remedies or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that a Lender may be responsible or liable for any loss or damage arising from the wilful misconduct or negligence of that Lender.

13.7 Perform Obligations

If an Event of Default has occurred and is continuing and if the Ensign Parent or a Borrower has failed to perform any of its covenants or agreements in the Credit Documents, on the instructions of the Majority Lenders the Agent may, but shall be under no obligation to, on behalf of the Lenders, to perform any such covenants or agreements in any manner it deems fit without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs) paid by the Agent and/or the Lenders in respect of the foregoing shall, at the option of the Agent, be added to the Obligations outstanding hereunder.

13.8 Remedies Cumulative

The rights and remedies of the Agent and the Lenders (or any of them) under the Credit Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Agent and the Lenders (or any of them) of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained 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 the Agent or the Lenders (or any of them) may be lawfully entitled for the same default or breach. Any waiver by the Agent or the Lenders (or any of them) of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Agent or the Lenders (or any of them) shall be deemed not to be a waiver of any subsequent default.

13.9 Set-Off or Compensation

In addition to and not in limitation of any rights now or hereafter granted under Applicable Laws, upon the occurrence and during the continuance of an Event of Default, the Lenders, or any of them, may at any time and from time to time without notice to the Ensign Parent, any Borrower or any other Person, any notice being expressly waived, set-off, combine accounts and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the

Lenders, or any of them, to or for the credit of or the account of the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent, against and on account of the Obligations owing by the Borrowers to the Lenders, notwithstanding that any of them are contingent or unmatured.

ARTICLE 14 - THE AGENT AND THE LENDERS

14.1 Authorization of Agent and Relationship

Each Lender hereby appoints BMO as Agent and BMO hereby accepts such appointment. The appointment may only be terminated as expressly provided in this Agreement. Each Lender hereby authorizes the Agent to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement and the other Credit Documents, together with all powers reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Agent shall have no duties or obligations except those expressly set forth herein and no other duties or obligations of the Agent shall be implied in this Agreement or in any other Credit Documents. The Agent may perform such duties or obligations by or through its agents or employees. The Agent shall not by reason of this Agreement or any of the other Credit Documents have a fiduciary duty in respect of any Lender. As to any matters not expressly provided for by this Agreement, the Agent is not required to exercise any discretion or to take any action but is required to act or to refrain from acting (and is fully protected in so acting or refraining from acting) upon the instructions of the Lenders or the Majority Lenders, as the case may be. Those instructions shall be binding upon all Lenders, but the Agent is not required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or Applicable Law.

14.2 Disclaimer of Agent

The Agent makes no representation or warranty, and assumes no responsibility with respect to the due execution, legality, validity, sufficiency, enforceability or collectability of this Agreement or any other Credit Document. The Agent assumes no responsibility for the financial condition of the Ensign Parent, any Borrower or any Subsidiary, or for the performance of the obligations of the Ensign Parent, any Borrower or any Subsidiary under this Agreement or any other Credit Document. The Agent assumes no responsibility with respect to the accuracy, authenticity, legality, validity, sufficiency or enforceability of any documents, papers, materials or other information furnished by the Ensign Parent, any Borrower or any Subsidiary to the Agent. The Agent shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or as to the use of the proceeds of the Credit Facilities or of the existence or possible existence of any Default or Event of Default unless the officers or employees of the Lender acting as Agent active in their capacity as officers or employees on the accounts of the Borrowers have actual knowledge thereof, or have been notified thereof in writing by a Borrower or a Lender. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Agent under or in connection with the Agreement except for its or their own gross negligence or willful misconduct. With respect to its Commitment, the Lender acting as Agent shall have the same rights and powers hereunder as any other Lender, and may exercise the same as though it were not performing the duties and functions delegated to it as Agent hereunder.

14.3 Agent's Clawback

(a) Funding by Lenders; Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to the proposed Advance Date that such Lender will not make available to the Agent such Lender's share of such Advance, the Agent may assume that such Lender has made such share available on such Advance Date in accordance with the provisions of this Agreement concerning funding by the Lenders and may (although it is not its current practice to do so), in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Advance available to the Agent, then such Lender and the applicable Borrower severally agree to pay or in the case of the applicable Borrower, repay, to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Agent, at (i) in the case of a payment to be made by such Lender, a rate equal to a rate determined by the Agent in accordance with prevailing banking industry practice on interbank compensation and (ii) in the case of a payment to be made by the applicable Borrower, the interest rate applicable to such Advances. If the applicable Borrower and such Lender shall pay such interest to the Agent for the same or overlapping period, the Agent shall promptly remit to the applicable Borrower the amount of such interest paid by such Lender for such period. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender's Proportionate Share included in such Advance and if the applicable Borrower has previously paid such amount to the Agent, the Agent will re-advance such Proportionate Share to the Borrower. Any payment by a Borrower shall be without prejudice to any claim such Borrower may have against a Lender that has failed to make such payment to the Agent.

(b) Payments by Borrowers; Presumptions by the Agent. Unless the Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Agent for the account of any Lender hereunder that such Borrower will not make such payment, the Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the applicable Lenders. If the payment by such Borrower is in fact not received by the Agent on the required date and the Agent has made available corresponding amounts to any applicable Lender, the applicable Borrower shall, without limiting its other obligations under this Agreement, indemnify the Agent against any and all liabilities, obligations, losses, damages, penalties, and all reasonable costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on or incurred by the Agent as a result of such non-payment. A certificate of the Agent with respect to any amount owing under this Section 14.3(b) shall be prima facie evidence of the amount owing in the absence of manifest error. If a payment is not in fact received by the Agent from the applicable Borrower and the Agent has paid to an applicable Lender a corresponding amount, such Lender shall pay to the Agent on demand an amount equal to the aggregate of the amount of such payment made to such Lender plus the product of (i) such Lender's rate per annum applicable to overnight deposits for amounts approximately equal to the amount paid by the Agent to such Lender and not so received from such Borrower multiplied by (ii) the amount paid by the Agent to such Lender and not so received from the applicable Borrower, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including the date of payment by the Agent to such Lender to but excluding the date on which payment is made by such Lender to the Agent and the denominator of which is 365 or 366 (as applicable).

14.4 Payments by the Borrowers and Material Subsidiaries

Prior to an Acceleration Notice being given by the Agent, all payments made by or on behalf of the Ensign Parent, a Borrower or another Credit Party pursuant to this Agreement or the other Credit Documents under or in respect of the Credit Facilities shall be made to and received by (i) the Agent on behalf of the Syndicated Facility Lenders in respect of the Syndicated Facility, (ii) the Letter of Credit Facility Lender in respect of the Letter of Credit Facility, and (iii) the Operating Facility Lender in respect of the Operating Facility. Upon and after an Acceleration Notice being given by the Agent or the Obligations otherwise becoming due and payable, all payments made by or on behalf of the Ensign Parent, a Borrower or other Credit Parties pursuant to this Agreement or the other Credit Documents under or in respect of the Credit Facilities shall be made to and received by the Agent on behalf of all of the Lenders and shall be distributed by the Agent to the Lenders, as follows :

(a) unpaid fees, costs and expenses of the Agent;

(b) payments of interest and fees in accordance with each Lender's Proportionate Share of the aggregate of all of the then outstanding Obligations owing to all of the Lenders at the time of such declaration. For the purpose of this Section 14.4(b), "**Lenders**" shall include the Cash Manager and each Hedge Provider which is not a Lender (or an Affiliate of a Lender) hereunder at the time of a declaration or deemed declaration pursuant to Section 13.2;

(c) repayments of principal in accordance with each Lender's Proportionate Share of the aggregate of all of the then outstanding Obligations owing to all of the Lenders at the time of such declaration. For the purpose of this Section 14.4(c) "**Lenders**" shall include the Cash Manager and each Hedge Provider which is not a Lender (or is not an Affiliate of a Lender) hereunder at the time of a declaration or deemed declaration pursuant to Section 13.2;

(d) amounts received (net of all relevant costs and expenses of the Agent) by the Agent as a result of the exercise of any right of set-off, combination or consolidation of accounts, or by counterclaim or cross-action, in accordance with each Lender's Proportionate Share of the then outstanding Obligations owing to all of the Lenders at the time of such set-off, combination or consolidation of accounts or if applicable, at the time of the receipt of such amounts from any counterclaim or cross-action. For the purpose of this Section 14.4(d), "**Lenders**" shall include the Cash Manager and each Hedge Provider which is not a Lender (or is not an Affiliate of a Lender) hereunder at the time of such set-off, combination or consolidation, or if applicable, at the time of receipt of such amounts from any counterclaim or cross-action; and

(e) all other payments received by the Agent under this Agreement, in accordance with what would otherwise be each Lender's Proportionate Share of the Credit Facilities.

Notwithstanding the foregoing, any such distribution that would otherwise be made pursuant to Section 14.4(c) on account of any outstanding Letters of Credit shall be set aside in a separate collateral account for the primary benefit of the Lenders who have issued such Letters of Credit (and for the secondary benefit of the Lenders in respect of other Obligations owing by the Borrower to the Lenders) until and to the extent that such Obligations become matured and not contingent, at which time such distributions shall be made to the Lenders for whose primary benefit such amounts are held, with any amounts remaining to be distributed in accordance with this Section 14.4.

Subject to Section 14.5, if the Agent does not distribute a Lender's Proportionate Share of a payment made by a Borrower to or for the benefit of that Lender for value on the day that payment is made or deemed to have been made to the Agent, the Agent shall pay to the Lender on demand an amount equal to the product of (i) the Agent's rate per annum applicable to overnight deposits for amounts approximately equal to the amount of the payment multiplied by (ii) the Lender's Proportionate Share of the amount received by the Agent from the applicable Borrower and not so distributed, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Agent to but excluding the date on which the payment is made by the Agent to such Lender and the denominator of which is 365 or 366 (as applicable).

Each of the parties hereto acknowledges and agrees that if during the time that a Person is a Lender hereunder, such Person or an Affiliate of such Person enters into Permitted Hedges, and thereafter such Person ceases to be a Lender hereunder or ceases to be an Affiliate of a Lender, the Obligations owing to such Person under the Permitted Hedges to which it is a party, shall continue to be guaranteed and secured by the Security. Except for the right of such Person to receive its Proportionate Share of the amounts received by the Agent, as set out in this Section 14.4, such Person shall not have any rights under this Agreement, the Security or under any other Credit Document. Without limiting the generality of the foregoing, without notice to or the consent of any such Person, the Lenders hereunder may:

(i) permit any increase or decrease, however significant, of the Credit Facilities or the Obligations or otherwise supplement, amend, restate, substitute, in whole or in part, however significant, the Obligations, this Agreement, the Security or any other Credit Document, or in whole or in part, terminate the availability of the Credit Facilities or demand payment or performance of all or any of the Obligations;

(ii) enforce or take any action under or abstain from enforcing or taking action under this Agreement or any other Credit Document;

(iii) take, give up, subordinate, release or discharge any Security, supplement, amend, restate, substitute, renew, abstain from receiving, perfect or abstain from perfecting or maintaining the perfection of any of the Security, enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any of the Security, deal with or abstain from dealing with all or any part of the undertaking, property and assets of a Borrower, the other Credit Parties or others to deal with such undertaking, properly;

(iv) renew all or any part of the Credit Facilities or the Obligations or grant extensions of time or any other indulgences to the Borrowers, the other Credit Parties or any other Person;

(v) accept or make compromises or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrowers, the other Credit Parties or any other Person;

(vi) in whole or in part prove or abstain from proving a claim in any bankruptcy or insolvency proceeding of or affecting the Borrowers, the other Credit Parties or any other Person; and

(vii) agree with the Borrowers, the other Credit Parties or any other Person to do anything described in Subsections (i) to (vi) above.

Each Person which holds Obligations under Permitted Hedges at the time a declaration is made or is deemed to have been made pursuant to Section 13.2, but is not at such time a Lender hereunder, acknowledges and agrees that the Agent on the instructions of the Majority Lenders shall be entitled to vote the claims of such Person in respect of the Obligations owed to it under all of the Permitted Hedges in any bankruptcy or insolvency proceeding relating to any of the Borrowers and the other Credit Parties. Such Person shall do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, every such further act, deed or document that the Agent may reasonably request, to give effect to the foregoing.

14.5 Payments by Agent

(a) For greater certainty, the following provisions shall apply to any and all payments made by the Agent to the Lenders hereunder:

(i) the Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Agent from the applicable Borrower;

(ii) if the Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by a Borrower under this Agreement, the Agent shall have no obligation to remit to each Lender any amount other than such Lender's Proportionate Share of that amount which is the amount actually received by the Agent;

(iii) if any Lender advances more or less than its Proportionate Share, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;

(iv) if a Lender's Proportionate Share of an Advance has been advanced for less than the full period to which any payment by the applicable Borrower relates, such Lender's entitlement to such payment shall be reduced in proportion to the length of time such Lender's Proportionate Share of the applicable Advance has actually been outstanding;

(v) the Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall, in the absence of manifest error, be binding and conclusive;

(vi) upon request, the Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein; and all payments by the Agent to a Lender hereunder shall be made to such Lender at its address set forth opposite such Lender's name on the signature pages hereto unless notice to the contrary is received by the Agent from such Lender.

14.6 Direct Payments

(a) The Lenders agree among themselves that, except as otherwise provided for in this Agreement, and except as necessary to adjust for Advances that are not in each Lender's Proportionate Share under a Credit Facility, all sums received by a Lender (including amounts received by an Affiliate of a Lender with respect to Permitted Hedges) relating to this Agreement, by virtue of the other Credit Documents or by virtue of any Permitted Hedges, whether received by voluntary payment, by the enforcement of the Security, the exercise of the right of set-off, combination or consolidation of accounts, or compensation or by counterclaim, cross-action or otherwise, shall be shared by each Lender in its Proportionate Share of the Credit Facilities or the Obligations then outstanding, as applicable, in accordance with Section 14.4 and each Lender undertakes and agrees to do all such things as may be reasonably required to give full effect to this Section, including, without limitation, the purchase from other Lenders of a portion of any Advances by the Lender who has received an amount in excess of the amount otherwise agreed to by the Agent and the Lenders as shall be necessary to cause such purchasing Lender to share the excess amount rateably in its Proportionate Share with the other Lenders, provided that if Applicable Law or a Lender's internal regulations and policies prohibits such Lender from purchasing a portion of any Advances made to Ensign US, as applicable, such Lender shall not be required to purchase a portion of such Advances from the other Lenders, provided that such Lender hereby indemnifies the other Lenders for its Proportionate Share of such Advances as if such purchase had occurred. If any sum which is so shared is later recovered from the Lenders who originally received it, the Lender shall restore its Proportionate Share of such sum to such Lenders, without interest. If any Lender (a "**Receiving Lender**") shall obtain any payment of the Obligations as referred to above, the Receiving Lender shall forthwith remit such payment to the Agent and, upon receipt, the Agent shall distribute such payment in accordance with the provisions of Section 14.4.

14.7 Administration of the Credit Facilities

(a) Unless otherwise specified herein, the Agent shall perform the following duties under this Agreement:

(i) take delivery of each Lender's Proportionate Share of an Advance under the Credit Facilities (other than in respect of Advances under the Operating Facility or under the Letter of Credit Facility) and make all

Advances under the Credit Facilities hereunder in accordance with the procedures set forth in Section 8.6;

(ii) use reasonable efforts to collect promptly all sums due and payable by the Borrowers pursuant to this Agreement;

(iii) make all payments to the Lenders in accordance with the provisions hereof;

(iv) hold all legal documents relating to the Credit Facilities, maintain complete and accurate records showing all Advances, all remittances and payments made by the applicable Borrowers to the Agent, all remittances and payments made by the Agent and allow each Lender and its respective advisors to examine such accounts, records and documents at their own expense, and provide any Lender, upon reasonable notice, with such copies thereof as such Lender may reasonably require from time to time at its expense;

(v) except as otherwise specifically provided for in this Agreement, promptly advise each Lender upon receipt of each notice and deliver to each Lender, promptly upon receipt, all other written communications furnished by the Ensign Parent or a Borrower to the Agent pursuant to this Agreement, including without limitation copies of financial reports and certificates which are to be furnished to the Agent;

(vi) forward to each of the Lenders, one copy each of this Agreement and other Credit Documents;

(vii) promptly forward to each Lender, any other information respecting the Ensign Parent or the Borrowers reasonably requested by such Lender; and

(viii) upon being advised of same by a Credit Party, promptly advise each Lender in writing of the occurrence of an Event of Default or the occurrence of any event, condition or circumstance which would have a Material Adverse Effect, provided that, except as aforesaid, the Agent shall be under no duty or obligation whatsoever to provide any notice to the Lenders and further provided that each Lender hereby agrees to notify the Agent of any Default or Event of Default and Material Adverse Effect of which it may reasonably become aware.

(b) The Agent may take the following actions only if the prior unanimous consent of all of the Lenders is obtained, unless otherwise contemplated or provided for in this Agreement:

(i) amend, modify, discharge, terminate or waive any of the material terms of the Security

(ii) amend, modify, discharge, terminate or waive this Section 14.7(b) or the third paragraph of Section 14.7(c); and;

(iii) amend, modify, discharge, terminate or waive any of the terms of this Agreement if such amendment, modification, discharge, termination or waiver would increase the amount of the Credit Facilities, reduce the interest rate applicable to the Credit Facilities, reduce the fees payable with respect to the Credit Facilities, extend any date fixed for payment of principal or interest relating to the Credit Facilities (including a waiver of any requirement of a Borrower to repay outstanding Obligations and a waiver of an Event of Default described in Section 13.1(a)), shorten the Stated Maturity Date or affect the priority of the Security or the Guarantee and Subordination Agreements.

(c) Except for the matters which require the unanimous consent of the Lenders as set out in Section 14.7(b) above any amendment, waiver, action, consent or other determination to be taken or decision to be made by the Lenders or the Agent pursuant to this Agreement (specifically including for greater certainty the issuance of written notice to a Borrower of the occurrence of a Default or Event of Default, the issuance of a demand for payment of the Obligations, the provision of any waiver in respect of a breach of any covenant or the issuance of any consent which may be required under Article 12) shall be effective if approved by the Agent, on the instructions of the Majority Lenders; and any such amendment, waiver, action, consent or other determination approved or executed by the Agent, on the instructions of the Majority Lenders, shall be final and binding upon all the Lenders and the Hedge Providers. Notwithstanding Section 14.7(b) above and this Section 14.7(c), an amendment, extension, modification or waiver applicable only to the Operating Facility shall only require the consent of the Operating Facility Lender.

Notwithstanding Section 14.7(b) above and this Section 14.7(c), an extension that is stated in this Agreement to be in the discretion of the Agent, shall only require the consent or approval of the Agent and not require the consent or approval of any of the Lenders.

Notwithstanding Section 14.7(b) above and this Section 14.7(c), an amendment, extension, modification or waiver applicable only to the Syndicated Facility shall only require the consent of the Majority Syndicated Facility Lenders provided, however, any amendment, modification, discharge, termination or waiver that would increase the amount of the Syndicated Facility, reduce the interest rate applicable to the Syndicated Facility, reduce the fees payable with respect to the Syndicated Facility, extend any date fixed for payment of principal or interest relating to the Syndicated Facility (including a waiver of any requirement of a Borrower to repay outstanding Obligations under the Syndicated Facility and a waiver of an Event of Default described in Section 13.1(a) applicable to the Syndicated Facility) or extend the Credit Facilities Stated Maturity Date applicable to the Syndicated Facility, will require the approval of all of the Syndicated Facility Lenders.

Notwithstanding Section 14.7(b) above and this Section 14.7(c), an amendment, extension, modification or waiver applicable only to the Letter of Credit Facility shall only require the consent of the Letter of Credit Facility Lender.

(d) As between the Ensign Parent and the Borrowers, on the one hand, and the Agent and the Lenders, on the other hand:

(i) all statements, certificates, consents and other documents which the Agent purports to deliver on behalf of the Lenders shall be binding on each of the Lenders, and the Borrowers shall not be required to ascertain or confirm the authority of the Agent in delivering such documents;

(ii) all certificates, statements, notices and other documents which are delivered by the Ensign Parent or a Borrower to the Agent in accordance with this Agreement shall be deemed to have been delivered to each of the Lenders; and

(iii) all payments which are delivered by the Ensign Parent or a Borrower to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders, as applicable.

14.8 Rights of Agent

(a) In administering the Credit Facilities or in realizing on the rights available under this Agreement or the other Credit Documents, the Agent may retain, at the expense of the Lenders if such expenses are not recoverable from the Borrowers, such solicitors, counsel, auditors and other experts and agents as the Agent may select, in its sole discretion, acting reasonably and in good faith after consultation with the Lenders.

(b) The Agent shall be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed by the proper individual or individuals, and shall be entitled to rely and shall be protected in relying as to legal matters upon opinions of independent legal advisors selected by it. The Agent may also assume that any representation made by a Borrower is true and that no Default or Event of Default has occurred unless the officers or employees of the Lender acting as Agent, active in their capacity as officers or employees responsible for the Borrower's accounts have actual knowledge to the contrary or have received notice to the contrary from any other party to this Agreement.

(c) The Agent may, without any liability to account, but subject to the terms of this Agreement, enter into swap agreements, futures contracts and other similar agreements with the Ensign Parent, any Borrower or any Subsidiary, accept deposits from and lend money to and generally engage in any kind of banking, or other business with the Ensign Parent, any Borrower or any Subsidiary, as if it were not the Agent.

(d) The Agent shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds insurance premiums, taxes or public utility charges or the cost of repairs or maintenance with respect to any of the Property of the Ensign Parent, any Borrower or any Subsidiary of the Ensign Parent, nor shall it be required to pay with its own funds the fees of solicitors, counsel, auditors, experts, or agents engaged by it as permitted hereby.

14.9 <u>Acknowledgements, Representations and Covenants of Lenders</u>

(a) It is acknowledged 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, property, affairs, status and nature of the Ensign Parent, the Borrowers and each Subsidiary of the Ensign Parent. Accordingly, each Lender confirms to the Agent that it has not relied, and will not hereafter rely, on the Agent (i) to check or inquire on its behalf into the adequacy or completeness of any information provided by the Ensign Parent, a Borrower or another Credit Party under or in connection with this Agreement, the other Credit Documents 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, property, affairs, status or nature of the Ensign Parent, a Borrower or another Credit Party.

(b) Each Lender represents and warrants that it has the legal capacity to enter into this Agreement pursuant to its charter and any Applicable Laws and has not violated its charter, constating documents or any Applicable Laws by so doing.

(c) Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrowers), rateably according to its Proportionate Share of the Credit Facilities from and against any and all liabilities and obligations (whether direct or indirect, contingent or otherwise), 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 the Credit Documents or the transactions therein contemplated, 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 willful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand rateably according to its Proportionate Share of the Credit Facilities for 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 or under the other Credit Documents, to the extent that the Agent is not promptly reimbursed for such expenses by the Borrowers. The obligation of the Lenders to indemnify the Agent shall survive the termination of this Agreement.

(d) Each Lender acknowledges and confirms that in the event that the Agent does not receive payment in accordance with this Agreement, it shall not be the obligation of the Agent to maintain the Credit Facilities in good standing nor shall any Lender have recourse to the Agent in respect of any amounts owing to such Lender under this Agreement.

(e) Each Lender acknowledges and agrees that its obligation to advance its Proportionate Share of Advances in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender hereunder.

(f) Each Lender hereby acknowledges receipt of a copy of this Agreement and the other Credit Documents (to the extent that such Credit Documents have been delivered) and acknowledges that it is satisfied with the form and content of such documents.

(g) Except to the extent recovered by the Agent from the Borrowers, promptly following demand therefor, each Lender shall pay to the Agent an amount equal to such Lender's Proportionate Share of any and all reasonable costs, expenses, claims, losses and liabilities incurred by the Agent in connection with this Agreement and the other Credit Documents (including, without limitation, the collection or enforcement thereof, which shall be based on each Lender's Proportionate Share of the Obligations) except for those incurred by reason of the Agent's gross negligence or willful misconduct.

(h) Each Lender shall respond promptly to each request by the Agent for the consent of such Lender required hereunder.

14.10 Action of the Lenders

Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, the remedies available to the Lenders under this Agreement and the other Credit Documents are for the benefit of the Lenders collectively and that its rights hereunder and under the Security are to be exercised by the Agent as required by this Agreement. Accordingly, except as otherwise expressly provided herein, each of the Lenders hereby covenants and agrees that it shall not take any action hereunder or under any of the Security but that any such action shall be taken only by the Agent, the Majority Lenders or all of the Lenders, as required. Each of the Lenders hereby further covenants and agrees that upon any written agreement being given by the Majority Lenders or all of the Lenders, as required, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of the instructions from the Lenders as indicated above and, where in the sole opinion of the Agent, acting reasonably and in good faith, the exigencies of the situation warrant action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

14.11 Successor Agent

Subject to the appointment and acceptance of a Successor Agent as provided in this Section, the Agent may resign at any time by giving 30 days' written notice thereof to the Lenders and the Ensign Parent, and may be removed at any time by the Majority Lenders upon 30 days' written notice if the Agent has been grossly negligent hereunder. Upon receipt of notice by the Lenders of the resignation of the Agent, or upon giving notice of termination to the Agent, the Majority Lenders may with the consent of the Ensign Parent (provided that the Lenders shall only be obligated to obtain such consent if no Default or Event of Default exists), such consent not to be unreasonably withheld, within 21 days, appoint a successor from among the Lenders (who have agreed to accept such appointment) or, if no Lender is willing to accept such an appointment, from among other banks to which the *Bank Act* (Canada) applies, which each have combined capital and reserves in excess of $250,000,000, and which have offices in Calgary, Alberta and New York, New York (the "**Successor Agent**"). If no Successor Agent has been so appointed and has accepted such appointment within 21 days after the retiring Agent's giving of notice of resignation or receiving of notice of termination, then the retiring Agent may, on behalf of the Lenders, appoint a Successor Agent. If neither the Lenders nor the Agent appoint a Successor Agent within such 21 days, then the Majority Lenders or the Agent may apply to a Justice of the Court of Queen's Bench of the Province of Alberta, on such notice as the Justice may direct, for the appointment of a Successor Agent, but any Successor Agent so appointed by the Court shall be subject to removal as aforesaid by the Majority Lenders. Upon the acceptance of any appointment as Agent hereunder by a Successor Agent, the Successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its further duties and obligations as Agent under this Agreement and the other Credit Documents. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall continue to enure to its benefit and be binding upon it as to any actions taken or omitted to be taken by it while it was Agent hereunder.

14.12 <u>Provisions Operative Between Lenders and Agent Only</u>

Except for the provisions of Sections 14.7(b), 14.9(b), 14.9(d) and 14.11, the provisions of this Article relating to the rights and obligations of the Lenders and the Agent inter se shall be operative as between the Lenders and the Agent only, and none of the Borrowers shall have any rights or obligations under or be entitled to rely for any purpose upon such provisions.

14.13 <u>The Agent and Defaulting Lenders</u>

(a) 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 may become owing pursuant to this Agreement, including such Defaulting Lender's obligation to pay, on a pro rata basis, any indemnification or expense reimbursement amounts not paid by the Borrowers. 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 14.9(c).

(b) In addition to the indemnity and reimbursement obligations in Section 14.9(c), each Lender agrees to indemnify the Agent and hold it harmless (to the extent not reimbursed by the Borrowers) on a pro rata basis (and in calculating the pro rata basis 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 14.9(c). 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.

(c) 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 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:

 (i) first, to reimburse the Agent for any amounts owing to it by the Defaulting Lender pursuant to any Credit Document; and

 (ii) second, to cash collateralize all other obligations of such Defaulting Lender to the Agent 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, on a pro rata basis, any indemnification or expense reimbursement amounts not paid by the Borrowers.

(d) 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 Borrowers 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.

14.14 Defaulting Lenders

(a) 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:

(i) the Commitment Fees payable pursuant to Section 7.4 shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender;

(ii) a Defaulting Lender shall not be included in determining whether, and the Commitment of such Defaulting Lender shall not be included in determining whether, all Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver), provided that any waiver or amendment requiring the consent of all Lenders or each affected Lender that affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender; and

(iii) for the avoidance of doubt, the Borrowers shall retain and reserve their other rights and remedies respecting each Defaulting Lender.

(b) If any Lender fails to fund its Proportionate Share of an Advance hereunder, then each other Lender shall fund a portion of such defaulted amount in an amount equal to such other Lender's Proportionate Share (and in calculating the Proportionate Share of a Lender, ignoring the Commitments of Defaulting Lenders) of such unfunded portion; provided that, for certainty, no Lender shall be obligated by this Section to make or provide Advances in excess of its Commitment.

(c) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of the same, the Agent shall notify the other 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 other Lenders shall on a rateable basis sell and assign to such Lender, portions of such Advance equal in total to such Lender's Proportionate Share thereof without regard to Section 14.13(b).

(d) Without limiting the foregoing, if any Lender becomes a Defaulting Lender as a result of the failure to fund any payment or its portion of any Advances required to be made by it hereunder or to purchase any participation required to be purchased by it hereunder and under the other Credit Documents, then the Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Agent for the account of such Lender to satisfy such Lender's obligations until all such unsatisfied obligations are fully paid in cash.

(e) Without limiting the foregoing, if a Defaulting Lender as a result of the exercise of a set off shall have received a payment in respect of its outstanding applicable Advances or participation required hereunder which results in its outstanding applicable Advances and participation share being less than its pro rata share thereof, then no payments will be made to such Defaulting Lender until such time as all amounts due and owing to the Lenders have been equalized in accordance with each Lender's Proportionate Share. Further, if at any time prior to the acceleration or maturity of the Advances, the Agent shall receive any payment in respect of principal while one or more Defaulting Lenders shall be party to this Agreement, the Agent shall apply such payment first to the Obligations for which such Defaulting Lender(s) shall have failed to fund its Proportionate Share until such time as such Obligations are paid in full or each Lender (including each Defaulting Lender) is owed its Proportionate Share of all Obligations. After acceleration or maturity of the Advances, subject to this Section 14.14(e), all principal will be paid rateably as otherwise provided herein.

14.15 <u>Letter of Credit when Defaulting Lender</u>

If any Fronted LC is outstanding at the time that a Syndicated Facility Lender becomes a Defaulting Lender, then:

(a) all or any part of such Defaulting Lender's Proportionate Share of such Fronted LC shall be re-allocated among the non-Defaulting Lenders under the Syndicated Facility in accordance with their respective Proportionate Share; provided that such re-allocation may only be effected if and to the extent that such re-allocation would not cause any non-Defaulting Lender's Proportionate Share of all Advances to exceed its applicable Commitment(s) under the Syndicated Facility;

(b) 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 (1) Business Day following notice by the Agent, provide cash collateral in the currency in which such Fronted LC is denominated to the Agent for such Defaulting Lender's Proportionate Share of such Fronted LC (after giving effect to any partial re-allocation pursuant to clause (a) above) for so long as such Fronted LC is outstanding, and if such Defaulting Lender shall fail to provide such cash collateral, then, at the request of the LC Fronting Lender, the Borrowers shall provide such cash collateral to the Agent;

(c) if the Proportionate Share of the non-Defaulting Lenders are re-allocated pursuant to this Section 14.15, then any issuance fees payable to the Syndicated Facility Lenders for such Fronted LCs shall be adjusted to give effect to such re-allocations in accordance with each such non-Defaulting Lender's Proportionate

Share and if the Borrowers provide cash collateral pursuant to clause (b) above, then the Borrowers shall not be required to pay the issuance fees attributable to the cash collateralized exposure of such Fronted LC; and

(d) the LC Fronting Lender shall not be required to issue, amend or increase any Letter of Credit unless the LC Fronting Lender is satisfied that the related exposure will be 100% covered by the Commitments of the non-Defaulting Lenders under the Syndicated Facility and/or cash collateralized in accordance with Section 14.13(a), 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 14.14(b) (and Defaulting Lenders shall not participate therein).

14.16 <u>Recovery of Erroneous Payments</u>

(a) If the Agent notifies a Lender or any other Secured Party, or any Person who has received funds on behalf of a Lender or any other Secured Party, such Lender or Secured Party (any such Lender, Secured Party or other recipient, a "**Payment Recipient**") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party 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 or Secured Party 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 Business 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 (i) in respect of an Erroneous Payment in U.S. Dollars, the Federal Funds Rate 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 (ii) 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 clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately the preceding clause (a), each Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party, 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) (x) 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, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or Secured Party, 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 clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business 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 14.16(b) .

(c) Each Lender or Secured Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Credit Document, or otherwise payable or distributable by the Agent to such Lender or Secured Party from any source, against any amount due to the Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) 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 with immediately preceding clause (a), from any Lender or Secured Party 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, (i) such Lender shall be deemed to have assigned its Obligations (but not its Commitments) under the relevant Credit Facility with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Obligations (but not Commitments) of the Erroneous Payment Impacted Class, 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 with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any documents evidencing such Obligations to the Borrower or the Agent (but the failure of the Lender to deliver any such document shall not affect the effectiveness of the foregoing assignment), (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) 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 or Secured Party, as applicable, 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 (iv) the Agent may reflect in the register its ownership interest in the Obligations subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion, sell any Obligations 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 Obligations (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 the Obligations (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 or Secured Party under the Credit Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

(e) 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 Credit 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 (i) the Borrower or any other Credit Party or (ii) the proceeds of realization from the enforcement of one or more of the Credit Documents against or in respect of the Borrower or any other Credit Party.

(f) 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.

(g) Each party’s obligations, agreements and waivers under this Section 14.16 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 of the Credit Parties (or any portion thereof) under any Credit Document.

(h) For purposes of this Section 14.16, each Lender:

(i) agrees it is executing and delivering this Agreement with respect to this Section 14.16 both on its own behalf and as agent for and on behalf of any Person receiving funds under the Credit Documents or Permitted Hedges on behalf of such Lender or its Affiliates;

(ii) represents, warrants, covenants and agrees that any Person receiving funds under the Credit Documents or Permitted Hedges on behalf of such Lender or its Affiliate are bound by the provisions of this Section 14.16; and

(iii) agrees that any matter or thing done or omitted to be done by such Lender or any Person receiving funds under the Credit Documents or Permitted Hedges on behalf of such Lender which are the subject of this Section 14.16 will be binding upon such Lender and its Affiliates and each Lender hereby indemnifies and saves 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 or such Persons to comply with their obligations under and in respect of this Section 14.16, in accordance with and subject to the limitations in Section 14.9(c).

ARTICLE 15 - ADDITIONAL LENDERS, SUCCESSORS AND ASSIGNS

15.1 Successors and Assigns

(a) The Credit Documents shall be binding upon and enure to the benefit of the Agent, each Lender, the Ensign Parent, the Borrowers, the Subsidiaries of the Ensign Parent that are a party thereto and their successors and assigns (including without limitation, any successor resulting from the amalgamation of the Ensign Parent, a Borrower or a Subsidiary with one or more corporations or resulting from the winding-up of one or more corporations into the Ensign Parent, a Borrower or a Subsidiary), except that, other than as provided herein, none of the Ensign Parent or any Borrower shall assign any rights or obligations with respect to this Agreement or any of the other Credit Documents without the prior written consent of the Lenders.

The collective rights and obligations of the Lenders under this Agreement are assignable in whole or in part and any Lender shall be entitled to assign in whole or in part its individual rights and obligations hereunder or to permit other financial institutions to participate in the Credit Facilities, all in accordance with the provisions of Section 15.2 and the other terms of this Agreement. Each Borrower hereby consents to the disclosure of any information and opinions relating to it and its Subsidiaries to any potential Lender or participant provided that the potential Lender or participant agrees in writing to keep the information confidential and, if requested by the applicable Borrower, to return such information if it does not become a Lender or a participant.

Each assignment shall be of a uniform, and not a varying, percentage of all rights and obligations of the assignor(s) under or in respect of the Credit Facilities.

Notwithstanding any other provisions of this Agreement, each Lender agrees that it shall not offer to assign or assign or offer to sell or sell a participation in any portion of its rights and obligations under this Agreement including, without limitation, any portion of its Commitment without the prior written consent of and ten Business Days' prior notice to the Agent and the LC Fronting Lender (in the case of a Syndicated Facility Commitment), or such shorter notice as the Agent or, if applicable, the LC Fronting Lender, may agree to (except for an assignment by a Lender to another Lender or to an Affiliate of a Lender, provided that the LC Fronting Lender's consent will still be required in the case of a Lender that does not have a Commitment under the Syndicated Facility or in the case of an assignment to an Affiliate of a Lender) and, unless a Default or an Event of Default has occurred and is continuing and except in the case of an offer to sell or the sale of a participation, without the prior consent of and notice to, the Ensign Parent. The consent of the Ensign Parent and the Agent shall not be unreasonably withheld (provided that it shall be deemed reasonable for the Ensign Parent to withhold its consent of the result of such assignment if the result thereof is that any Borrower is required to pay a greater amount thereafter than before as a result of a gross-up for withholding tax or otherwise). The consent of the Ensign Parent shall be deemed given unless it shall object thereto by written notice to the Agent within five Business Days after having received notice thereof.

(b) A Participation by a Lender of its interest (or a part thereof) hereunder or a payment by a Participant to a Lender as a result of the Participation will not constitute a payment hereunder to the Lender or an Advance to a Borrower.

15.2 Assignments

(a) Subject to Section 15.1 and the other terms of this Agreement, the Lenders collectively or individually may assign to one or more banks or other financial institutions all or a portion of their respective rights and obligations under this Agreement (including, without limitation, all or a portion of their respective Commitments); provided however, after the Agent gives an Acceleration Notice to the Borrowers, a Lender may assign any of its rights and obligations under this Agreement to any Person. The parties to each such assignment shall execute and deliver an Assignment Agreement to the Agent and, unless a Default or an Event of Default has occurred and is continuing, to the Ensign Parent, for its consent and acknowledgement to the extent required by Section 15.1(a), as the case may be. After such execution, delivery and acknowledgement (i) the assignee thereunder shall be a party to this Agreement and, to the extent that rights and obligations hereunder have been assigned to it, have the rights and obligations of a Lender hereunder and (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, relinquish its rights and be released from its obligations under this Agreement, other than obligations in respect of which it is then in default or which arose prior to its assignment, and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto.

(b) The agreements of an assignee contained in an Assignment Agreement shall benefit the assigning Lender thereunder, the other Lenders, the Agent and the Borrowers, all in accordance with the terms of the Assignment Agreement.

(c) The Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to herein a copy of each Assignment Agreement delivered to and acknowledged by it and a register for recording the names and addresses of the Lenders and the Commitment under the Credit Facilities of each Lender from time to time (the "**Register**"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error. The Borrowers, the Agent and each of the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement, and need not recognize any Person as a Lender unless it is recorded in the Register as a Lender. The Register shall be available for inspection by the Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment Agreement executed by an assigning Lender and an assignee and approved by the Ensign Parent (if applicable) and the Agent, the Agent shall, if the Assignment Agreement has been completed and is in the required form with such immaterial changes as are acceptable to the Agent:

    (i) acknowledge the Assignment Agreement;

    (ii) record the information contained therein in the Register; and

    (iii) give prompt notice thereof to the Ensign Parent and the other Lenders, and provide them with an updated version of Schedule B.

15.3 <u>Participation</u>

Each Lender may, without any notice to, or consent of, the Borrowers or the Agent, sell an interest (other than by way of assignment pursuant to Section 15.2) to one or more banks, financial institutions or other Persons (a "**Participant**") in or to all or a portion of its rights and obligations (including, without limitation, all or a portion of its Commitment) under this Agreement, (such interest is referred to herein as a "**Participation**") but the Participant shall not become a Lender and:

(a) the Lender's obligations under this Agreement (including, without limitation, its Commitment) shall remain unchanged;

(b) the Lender shall remain the lender of record and solely responsible to the other parties hereto for the performance of such obligations;

(c) the Borrowers, the Agent and the other Lenders shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement; and

(d) no Participant shall have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by any Person therefrom.

ARTICLE 16 - MISCELLANEOUS PROVISIONS

16.1 Headings and Table of Contents

The headings of the Articles and Sections and the Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

16.2 Accounting Terms

Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under IFRS.

16.3 Capitalized Terms

All capitalized terms used in any of the Credit Documents (other than this Agreement) which are defined in this Agreement shall have the meaning defined herein unless otherwise defined in the other document.

16.4 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not hereby be affected.

16.5 Number and Gender

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, words importing any gender include all genders and references to agreements and other contractual instruments shall be deemed to include all present or future amendments, supplements, restatements or replacements thereof or thereto.

16.6 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of the Credit Documents, nor any consent to any departure by the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Agent for and on behalf of, and with the prior agreement of, the applicable Lenders, the Majority Lenders or all of the Lenders (as applicable in accordance with Sections 14.7(b) and 14.7(c)) and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver or act or omission of the Agent, the Lenders, or any of them, shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or breach by the Ensign Parent, or a Borrower of any provision of the Credit Documents or the rights resulting therefrom.

16.7 Governing Law

Each of the Credit Documents, except for those which expressly provide otherwise, shall be conclusively deemed to be a contract made under, and shall for all purposes be governed by and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in Alberta. Each party to this Agreement hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of Alberta and all courts competent to hear appeals therefrom.

16.8 This Agreement to Govern

In the event of any conflict or inconsistency between the terms of this Agreement and the terms of any other Credit Document, the provisions of this Agreement shall govern to the extent necessary to remove the conflict. Provided however, that a conflict or inconsistency shall not be deemed to exist only by reason of one of the Credit Documents providing for a matter and another of the Credit Documents not providing for such matter.

16.9 Permitted Encumbrances

The designation of any encumbrance or Security Interest as a Permitted Encumbrance in this Agreement or in any other of the Credit Documents is not, and shall not be deemed to be, an acknowledgement by the Lenders that the encumbrance or the Security Interest shall have priority over any interest of the Lenders in the Property of the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent.

16.10 Currency

All payments made hereunder shall be made in the currency in respect of which the obligation requiring such payment arose. Unless the context otherwise requires, all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars.

Except as otherwise expressly provided in this Agreement, wherever this Agreement contemplates or requires the calculation of the equivalent in Canadian Dollars or U.S. Dollars of an amount expressed in another of those currencies, the calculation shall be made on the basis of the Exchange Rate at the effective date of the calculation.

16.11 Liability of Lenders

The liability of the Lenders in respect of all matters relating to this Agreement and the other Credit Documents is several and not joint or joint and several. Without limiting that statement, the obligations of the Lenders to make Advances is limited to their respective Proportionate Shares of any Advance that is requested, and, in the aggregate, to their respective Proportionate Shares of the total amount of the Credit Facilities.

16.12 Expenses and Indemnity

All statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to the Lenders, the Agent, or any of them, by the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent under this Agreement shall be supplied without cost to the Lenders, the Agent, or any of them. The Borrowers shall pay on demand all reasonable out of pocket costs and expenses of the Agent (including, without limitation, reasonable fees and expenses of attorneys and other counsel for the Agent) and the reasonable out of pocket expenses of the Lenders, incurred in connection with (i) the preparation, execution, delivery, administration, periodic review, modification or amendment of the Credit Documents; (ii) any enforcement of the Credit Documents; (iii) obtaining advice as to their rights and responsibilities in connection with the Credit Facilities and the Credit Documents; (iv) reviewing, inspecting and appraising the Property of the Ensign Parent, a Borrower and the Subsidiaries of the Ensign Parent at reasonable intervals as provided for herein; and (v) other matters relating to the Credit Facilities.

Each Borrower hereby indemnifies and agrees to indemnify, defend and hold harmless each of the Lenders, the Agent, their directors, officers, affiliates, employees and representatives (the "**Indemnified Parties**") from and against any and all actions, proceedings, losses, costs, expenses, damages, claims or liabilities incurred by any Indemnified Party, with respect to any Advance to a Borrower hereunder whether before, during or after any period that such Advance is outstanding including, without limitation, any loss of profits, break fees, commissions or fees anticipated hereunder, and any expense or costs incurred in the liquidation and re-deployment of any funds required by the Lenders to fund or maintain any portion of such Advance hereunder, in all cases as a result of:

(a) the failure of a Borrower to borrow or make repayments on the dates required hereunder or in accordance with the terms specified by a Borrower pursuant to any oral instructions or written notices provided to the Agent or the Lenders;

(b) the repayment, prepayment or Conversion (whether by acceleration or otherwise) of a SOFR Advance prior to the end of its SOFR Period or a CORRA Advance prior to the end of its Interest Period;

(c) the failure by a Borrower to give any notice required to be given by it to the Agent or any Lender pursuant to the provisions of this Agreement;

(d) the failure of a Borrower to effect any payment, repayment, prepayment or Conversion arising from the circumstances referred to in Section 16.14; or

(e) the occurrence of an Event of Default;

provided, however, that this indemnity shall not apply in respect of any of the foregoing which is caused by the gross negligence or wilful misconduct of the Lenders or with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Whenever any such claim shall arise, the Indemnified Party shall promptly notify the Ensign Parent of the claim and, when known, the facts constituting the basis for such claim, and if known, the amount or an estimate of the amount of the claim. The failure of an Indemnified Party to give notice of a claim promptly shall not adversely affect the Indemnified Party's rights to indemnity hereunder. The Indemnified Party shall not settle or compromise any claim by a third party for which it is entitled to indemnification under this Section 16.12, without the prior written consent of the Ensign Parent. The Ensign Parent at its sole cost and expense may, upon written notice to the Indemnified Party, assume the defence of any such claim or any legal proceeding resulting therefrom. The Indemnified Party shall be entitled to participate in (but not control) the defence of any such action, with its own counsel and at its own expense. If the Ensign Parent does not assume the defence of any such claim or litigation resulting therefrom, the Indemnified Party may defend against such claim or litigation, in such manner as it may deem appropriate and at the expense of the Ensign Parent, including, but not limited to, settling such claim or litigation, after giving notice of the same to the Ensign Parent. In such case the Ensign Parent shall be entitled to participate in (but not control) the defence of such action, with its own counsel and at its own expense.

The Agreements in this Section shall survive the termination of this Agreement and repayment of the Obligations owing by the Borrowers.

16.13 Manner of Payment and Taxes

(a) "**Indemnified Taxes**" means (i) any Taxes other than Excluded Taxes imposed or on with respect to any payment made or required to be made or on account of any obligation of any Credit Party under the Credit Documents, and (ii) to the extent not otherwise described in (i) Other Taxes.

(b) Any and all payments or reimbursements by or on account of any obligation of the Borrowers or the other Credit Parties under the Credit Documents shall be made without setoff, counterclaim or other defense and free and clear of and without deduction or withholding for or on account of any Taxes, provided that to the extent that any Borrower or any other Credit Party shall be required by Applicable Laws to deduct or withhold any Taxes from, or in respect of, such payments, then (i) the Borrowers shall make (or cause to be made) such deductions or withholdings, (ii) the Borrowers shall timely pay (or cause to be paid) the full amount deducted or withheld to the relevant Governmental Body in accordance with Applicable Laws and (iii) if such Tax is an Indemnified Tax, then the sum payable shall be increased as necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under the Credit Documents) the applicable Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made. The applicable Lender's calculations of the amount of the payments that are required to be made by the Borrowers pursuant to this Section 16.13 shall be conclusive and binding for all purposes, absent manifest error. Without limiting the foregoing, the Borrowers shall timely pay any Indemnified Tax to the relevant Governmental Body in accordance with Applicable Laws.

(c) The Borrowers must promptly pay all stamp duty, transaction, registration and similar Taxes, including fines and penalties which may be payable to, or required to be paid by, any appropriate Governmental Body or determined to be payable in connection with the execution, delivery or performance of the Credit Documents by the Ensign Parent, the Borrowers and other Credit Party and in connection with the enforcement of the Credit Documents or any payment, receipt or other transaction contemplated by them (all such amount, "**Other Taxes**").

(d) Each Borrower shall indemnify, without duplication, each Lender and Agent for the full amount of any Indemnified Taxes (including, Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Subsection 16.13(d)) payable by such Lender and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Body. Payment under this indemnification shall be made within 20 days from the date the applicable Lender or Agent makes written demand therefor. A certificate as to the amount of such payment or liability delivered to the Borrowers by the applicable Lender or Agent shall be conclusive and binding for all purposes, absent manifest error. Any Lender or Agent that is entitled to an exemption from or reduction of any Indemnified Taxes (including any United States withholding taxes imposed under FATCA) with respect to payments hereunder or under any other Credit Document shall deliver to the applicable Borrower (and in the case of a Lender with a copy to the Agent), at the time or times prescribed by Applicable Law or reasonably requested by the applicable Borrower or the Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without payment of any such Taxes or at a reduced rate.

(e) Notwithstanding the foregoing, the Borrowers shall not be liable for any such Taxes of a Lender or Agent, or any liabilities in respect of any thereof, (i) that are branch profits Taxes, franchise Taxes or Taxes imposed on or measured by the net income of a Lender or Agent by the jurisdiction under the laws of which such Lender or Agent is organized or doing business or any political subdivision thereof, (ii) in the case of a Lender, that are branch profits Taxes, franchise Taxes or Taxes imposed on or measured by the net income of a Lender by the jurisdiction of such Lender's applicable lending office or any political subdivision thereof, (iii) any United States withholding taxes imposed under FATCA, and (iv) any Canadian federal withholding Taxes imposed on a payment as a result of having been made to a Lender or Agent that, at the time of making such payment, (A) is a person with which a Credit Party does not deal at arm's length (for the purposes of the Income Tax Act (Canada)), or (B) is a "specified shareholder" (as defined in subsection 18(5) of the Income Tax Act (Canada)) of a Borrower or does not deal at arm's length (for the purposes of the Income Tax Act (Canada)) with such a "specified shareholder", except where the non-arm's length relationship arises, or where the Lender is a "specified shareholder", or does not deal at arm's length with a "specified shareholder", in connection with or as a result of the Lender having become a party to, received or perfected a security interest under or received or enforced any rights under, a Credit Document, and (v) Taxes attributable to such Lender or Agent's failure to comply with the last sentence of Section 16.13(d) (the Taxes set forth in the foregoing clauses (i) to (v), and liabilities in respect thereof are referred to herein as "**Excluded Taxes**").

(f) Any and all amounts required to be paid by Borrowers pursuant to this Section 16.13 shall constitute part of the Obligations.

(g) The consideration payable for any supply made by or through an entity (a "**Supplier**") under or in connection with any Credit Documents does not include GST.

If GST is payable in respect of any supply made by or through a Supplier under or in connection with any Credit Document ("**GST Liability**") then:

(i) where consideration is provided by a party (a "**Recipient**") in relation to that supply, the Recipient will pay an additional amount to the Supplier equal to the full amount of the GST Liability; and

(ii) except where Section 16.13(g)(i) applies, the Recipient will indemnify and keep the Supplier indemnified for the full amount of the GST Liability.

(h) If required by Applicable Law, each Supplier will provide to the relevant Recipient or the relevant Borrower, as applicable, a tax invoice complying with the Applicable Law relating to any payment made to it in accordance with Section 16.13(g).

(i) Any payment or reimbursement required to be made to a Supplier under any Credit Document that is calculated by reference to a cost, expense, charge, liability or disbursement (a "**Cost**") or other amount paid or incurred will be limited to the total Cost or other amount less the amount of any input tax credit or other credit to which the relevant Supplier is entitled in connection with the Cost.

16.14 <u>Increased Costs etc.</u>

(a) If, after the date hereof, the introduction of or any change in any Applicable Laws or in the interpretation or application thereof by any court or by any judicial or governmental authority charged with the interpretation or administration thereof, or if compliance by any Lender with any request or directive from any central bank or other fiscal, monetary or other authority issued after the date hereof (whether or not having the force of law) provided that, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, shall in each case be deemed to be a change in Applicable Law, regardless of the date enacted, adopted, issued or implemented:

(i) subjects the Lenders (or any of them) to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Taxes, or changes the basis of taxation of payments due to the Lenders (or any of them), or increases any existing Taxes on payments of principal, interest or other amounts payable by the Borrowers to the Lenders (or any of them) under this Agreement (in each case, other than Taxes that are Indemnified Taxes or Excluded Taxes);

(ii) 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 the Lenders (or any of them), 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 any Available Credits;

(iii) imposes on the Lenders (or any of them) or requires there to be maintained by the Lenders (or any of them) any capital adequacy or additional capital liquidity requirements (including, without limitation, a requirement which affects a Lenders' allocation of capital resources to its obligations) in respect of any Advance or obligation of a Lender hereunder, or any other condition with respect to this Agreement;

(iv) otherwise imposes on the Lenders (or any of them), any other condition or requirement affecting this Agreement or any Advance or any obligation of the Lenders (or any of them) hereunder which directly or indirectly affects the cost to the Lenders (or any of them) of making available, funding or maintaining any Advance or the Obligations owing by the Borrowers hereunder;

and the result of (i), (ii), (iii) or (iv) above, in the sole determination of the affected Lender acting in good faith, is:

(v) to increase the cost to such Lender of performing its obligations hereunder with respect to any Advance or its Commitment;

(vi) to reduce any amount received or receivable by such Lender hereunder or its effective return hereunder or on its capital in respect of any Advance or its Commitment;

(vii) to reduce the interest, Commitment Fees or other fees payable to the Lenders hereunder; or

(viii) 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 Advance or its Commitment;

such Lender shall determine such additional cost, reduction in income or payment, without duplication, (the "**Additional Compensation**") and shall promptly notify the Ensign Parent. Such affected Lender shall provide to the Ensign Parent a photocopy of the relevant law, rule, guideline, regulation, treaty, or official directive and a certificate of a duly authorized officer of such Lender setting forth the Additional Compensation and the basis of calculation thereof and for the purposes of calculating such amount such Lender shall treat the Borrowers, and the Credit Facilities in a manner consistent with comparable borrowers and transactions. The Borrowers shall pay to such affected Lender forthwith following the giving of such notice such Additional Compensation calculated from the effective date of the relevant adoption or change; provided that the affected Lender shall not be entitled to Additional Compensation to the extent that such increase in costs or reduction in amounts received or to be received or reduction in return is reflected in or recovered by an increase in the interest or other amounts payable hereunder other than pursuant to this Section 16.14. Such affected Lender shall endeavour to minimize the incidence of any Additional Compensation.

Failure or delay on the part of any Lender to demand Additional Compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such Additional Compensation, except that no Borrower shall be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than three months prior to the date that such Lender notifies the applicable Borrower of the change in Applicable Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore, unless the change in Applicable Law giving rise to such increased costs or reductions is retroactive, in which case the six month period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If a Lender notifies the Ensign Parent that Additional Compensation is owed to such Lender, the Ensign Parent shall have the right, upon at least two Business Days' irrevocable written notice to such affected Lender:

(i) to (subject to limitations on repayments contained in Section 8.5) cause the applicable Borrower to repay to such Lender the relevant portion of any Advance on the date specified in such notice together with all interest accrued thereon to the date of repayment, the Additional Compensation if any to the date of payment and all other amounts, if any, payable for the account of the Lender hereunder in respect of such Advance (including any amounts payable under this Section 16.14); or

(ii) to cause the applicable Borrower to effect a Conversion of the relevant portion of any Advance (subject always to the provisions of this Agreement); and

(c) Each Lender shall use its reasonable efforts to reduce the amount of Additional Compensation payable pursuant to this Section 16.14; provided, however, that no Lender shall have an obligation to expend its own funds, suffer any economic hardship or take any action detrimental to its interests in connection therewith.

16.15 Interest on Miscellaneous Amounts

If a Borrower fails to pay any amount payable hereunder (other than principal, interest thereon or interest upon interest which is payable as otherwise provided in this Agreement) on the due date, such Borrower shall, on demand, pay interest on such overdue amount to the Agent from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at a rate of interest per annum, compounded monthly, equal to: (a) the sum of the Cdn. Prime Rate plus the Applicable Margin and 2.0% per annum for overdue amounts in Canadian Dollars, and (b) the sum of the U.S. Base Rate plus the Applicable Margin and 2.0% per annum for overdue amounts in U.S. Dollars.

16.16 Interest Rate Limitation

It is the intention of the parties hereto that each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Lender under laws applicable to it (including the laws of each the Relevant Jurisdiction or any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the Credit Documents or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to any Lender that is contracted for, taken, reserved, charged or received by such Lender under any of the Credit Documents or agreements or otherwise in connection with the Credit Facilities shall under no circumstances exceed the maximum amount allowed by such Applicable Law, and any excess shall be cancelled automatically and if theretofore paid shall be credited by such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Lender to the applicable Borrower); and (ii) in the event that the maturity of the Credit Facilities is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be cancelled automatically by such Lender as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Lender to the applicable Borrower). All sums paid or agreed to be paid to any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Lender, be amortized, prorated, allocated and spread throughout the stated term of the Credit Facilities until payment in full so that the rate or amount of interest on account of any of the Credit Facilities hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (i) the amount of interest payable to any Lender on any date shall be computed at the Highest Lawful Rate applicable to such Lender pursuant to this Section 16.16 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Lender would be less than the amount of interest payable to such Lender computed at the Highest Lawful Rate applicable to such Lender, then the amount of interest payable to such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Lender until the total amount of interest payable to such Lender shall equal the total amount of interest which would have been payable to such Lender if the total amount of interest had been computed without giving effect to this Section 16.16.

16.17 Currency Indemnity

In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing under this Agreement or for the payment of damages in respect of any breach of this Agreement or under or in respect of a judgment or order of another court or tribunal for the payment of such amounts or damages, such judgment or order being expressed in a currency (the "**Judgment Currency**") other than the currency payable hereunder or thereunder (the "**Agreed Currency**"), each party against whom the judgment or order is made shall indemnify and hold each party in whose favour the judgment or order is made harmless against any deficiency in terms of the Agreed Currency in the amounts received by such party arising or resulting from any variation as between (i) the exchange rate at which the Agreed Currency is converted into the Judgment Currency for the purposes of such judgment or order, and (ii) the Exchange Rate at which such party is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by such party on the date of such receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the parties hereunder, shall apply irrespective of any indulgence granted hereunder.

16.18 Environmental Indemnity

Each Borrower hereby agrees to indemnify, defend and hold harmless the Lenders, the Agent and each of them from and against any and all losses, costs, expenses, damages, claims and liabilities (collectively, "**Environmental Claims**") incurred by the Lenders, the Agent and any of them as a result of:

(a) any breach of Applicable Environmental Laws which relates to the property or operations of the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent;

(b) any Release, presence, use, creation, transportation, storage or disposal of Hazardous Materials which relate to the property or operations of the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent; or

(c) any claim or order for any clean-up, restoration, detoxification, reclamation, repair or other securing or remedial action which relates to the property or operations of the Ensign Parent, a Borrower or any Subsidiary of the Ensign Parent;

provided, however, that this indemnity shall not apply in respect of any such Environmental Claims which are caused by the gross negligence or wilful misconduct of the Agent or the Lenders or by reason of any act of, or any act or omission taken at the direction of the Agent or any Lender or any of the officers, directors, employees, agents or assignees thereof. This indemnity shall extend to the officers, directors, employees, agents and assignees of the Lenders, the Agent, and each of them as well as to the Lenders, the Agent and each of them itself, and the Lenders, the Agent and each of them will hold the benefit of this indemnity in trust for such other indemnified Persons to the extent necessary to give effect thereto.

16.19 Illegality

If a Lender determines, in good faith, that (a) the introduction of or any change in any Applicable Laws or in the interpretation or application thereof by any court or by any judicial or governmental authority charged with the interpretation or administration thereof that has occurred after the date hereof or (b) compliance by such Lender with any request or directive from any central bank or other fiscal, monetary or other authority (whether or not having the force of law) issued after the date hereof has made it unlawful for such Lender to make, maintain or fund all or any portion of its Commitment or to perform its obligations in respect of the Credit Facilities hereunder or any relevant portions thereof as contemplated hereby, such Lender may, by notice in writing to the applicable Borrower and the Agent, declare that its obligations hereunder in respect of its Commitment or the Credit Facilities so affected shall be terminated forthwith, whereupon such obligations shall be so terminated and the applicable Borrower shall request a conversion of such Advances to other types of Advances not affected by this Section 16.19 (subject always to the provisions of this Agreement).

16.20 Confidentiality

The Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below) except that, the Agent or any Lender may in their sole discretion, deliver copies of any financial statements and other documents delivered to the Agent or the Lenders, and disclose any other Information disclosed to the Agent or the Lenders, by or on behalf of the

Ensign Parent, the Borrowers and the other Credit Parties in connection with or pursuant to the Credit Documents to:

(a) each of the Agent's and the Lenders' directors, officers, affiliates, employees, agents and professional consultants who have a need to access such information and the Agent and the applicable Lender shall remain responsible for ensuring that arrangements are in place so that such Person maintains the confidentiality of such Information;

(b) any regulatory authority having jurisdiction over the Agent or Lenders;

(c) any other Person to whom such delivery or disclosure may be necessary or appropriate (i) in connection with any assignment or proposed assignment, or any Participation or proposed Participation, by the Agent or a Lender of any of its interests under the Credit Documents, (ii) in compliance with any Applicable Laws, applicable to the Lender, (iii) in response to any subpoena or other legal process, or (iv) in connection with any litigation to which such Lender is a party in any way relating to a Borrower, any Subsidiary of the Ensign Parent, the Credit Documents and the transactions contemplated therein; or

(d) any other Person with the prior written consent of the Ensign Parent.

"**Information**" means all information received from the Ensign Parent, a Borrower or any Subsidiary relating to the Ensign Parent, such Borrower or Subsidiary and their businesses, other than any such information that is available to the Agent or any Lender on a non-confidential basis prior to disclosure by the Ensign Parent, a Borrower or a Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section 16.20 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

16.21 Replacement Lender

If a Lender becomes a Defaulting Lender, the Borrowers may, treating each affected Lender rateably and in the same manner as other Lenders subject to similar circumstances (all such Lenders being the "**Affected Lenders**"), replace all Affected Lenders by reaching satisfactory arrangements with one or more existing Lenders or new Lenders that are acceptable to the Agent, acting reasonably, for the purchase of all of such Affected Lenders' Commitments as long as:

(a) if the amendment, consent or determination required the consent of all Lenders and the same was not obtained, the consent of all Lenders approving such amendment, consent or determination is obtained to the replacement of the Affected Lenders;

(b) such purchasing Lender(s) unconditionally offers in writing (with copy to the Agent) to purchase all of the rights and obligations of the Affected Lender(s) including all outstanding Advances owed to such Affected Lender(s) for a purchase price equal to the aggregate Outstanding Principal owed to the Affected Lender(s) (payable in immediately available funds);

(c) the obligations of the Borrowers owing pursuant to Section 16.13 and Section 16.14 to the Affected Lender(s) are paid in full to the Affected Lender(s) concurrently with such replacement; and

(d) all requirements set forth in Article 15 with respect to such assignment are complied with, including entering into of an Assignment Agreement.

16.22 Address for Notice

Any notice, demand or other communication (a "**Notice**") to be given under the Credit Documents shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended and, may be delivered by courier, telecopied, with transmission confirmed by a transmission report or, if any email address is provided, by email transmission in PDF format. Notwithstanding any provision of this Agreement to the contrary, if Notice is required herein to be given to the Ensign Parent or a Borrower, such Notice shall be deemed to be validly given to the Ensign Parent and all of the Borrowers, if such Notice is provided to the Ensign Parent only. Except as otherwise explicitly provided, every Notice shall be deemed to have been duly given, served or received on the date on which it is delivered (or if such date is not a Business Day, the next following Business Day) or on the date of transmission, if transmission is completed or email is sent prior to 3:00 p.m. (Calgary time) on a Business Day (or the next Business Day if the transmission is completed or email is sent after 3:00 p.m. (Calgary time) on a Business Day or on a day that is not a Business Day). The addresses of the parties hereto for the purposes hereof shall be the addresses specified beside their respective signatures to this Agreement or any Assignment Agreement, or such other mailing or facsimile addresses as each party from to time may notify the other as aforesaid.

16.23 Time of the Essence

Time shall be of the essence in this Agreement.

16.24 Further Assurances

The Ensign Parent and each Borrower shall, at the request of the Agent, do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Agent, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Credit Documents.

16.25 Term of Agreement

Except as otherwise provided herein, this Agreement shall remain in full force and effect until the payment and performance in full of all of the Obligations owing by each Borrower hereunder and the Lenders have no further obligation to make any Advances available to any Borrower

16.26 Payments and Performance on Business Day

Whenever any payment or performance under the Credit Documents would otherwise be due on a day other than a Business Day, such payment or performance shall be made on the following Business Day.

16.27 Counterparts and Facsimile

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile or PDF electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile or PDF electronic copy shall deliver an original copy of this Agreement as soon as possible after delivering the facsimile copy.

16.28 Statute References

All references herein to a statute include, unless otherwise stated, regulations passed or in force pursuant thereto and any amendments to such statute or to such regulations from time to time, and any legislation or regulations substantially replacing the same or substantially replacing any specific provision to which such reference is made.

16.29 Non-Merger

Each Borrower covenants and agrees with the Agent and the Lenders that, in the case of any judicial or other proceeding to enforce the rights and remedies of the Agent or the Lenders under the Credit Documents (or any part thereof), judgment may be rendered against the Borrowers (and any of them) in favour of the Lenders, or any of them, for any amount owing by them under the Credit Documents (or for which a Borrower may be liable thereunder after the application to the payment thereof of the proceeds of any sale of any of the property, assets or undertaking of such Borrower). The covenants of each Borrower to pay interest at the rate provided for in this Agreement shall not merge in any such judgment and such judgment in: (a) Canadian Dollars shall bear interest at the Cdn. Prime Rate plus the Applicable Margin plus 2.0% per annum, and (b) in U.S. Dollars shall bear interest at the U.S. Base Rate plus the Applicable Margin plus 2% per annum, in each case until such judgment and all Obligations of each Borrower to the Lenders under the Credit Documents have been paid in full. Each Borrower waives the provisions of the Judgment Interest Act (Alberta) to the fullest extent permitted by law.

16.30 Exculpation Provisions

EACH OF THE PARTIES HERETO SPECIFICALLY AGREES THAT IT HAS A DUTY TO READ THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND AGREES THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS; THAT IT HAS IN FACT READ THIS AGREEMENT AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS AGREEMENT; THAT IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE THROUGHOUT THE NEGOTIATIONS PRECEDING ITS EXECUTION OF THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS; AND HAS RECEIVED THE ADVICE OF ITS LEGAL COUNSEL IN ENTERING INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS; AND THAT IT RECOGNIZES THAT CERTAIN OF THE TERMS OF THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY

EXCULPATORY PROVISION OF THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "**CONSPICUOUS.**"

16.31 <u>Waiver of Jury Trial</u>

Each of the parties hereto hereby (i) irrevocably and unconditionally waives, to the fullest extent permitted by law, trial by jury in legal action or proceeding relating to this Agreement or any other Credit Document and for any counterclaim therein; (ii) irrevocably waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any such litigation any special, exemplary, punitive or consequential damages, or damages other than, or in addition to, actual damages; (iii) certifies that no other party hereto nor any of their representatives, agents or counsel has represented, expressly or otherwise, or implied that such party would not, in the event of litigation, seek to enforce the foregoing waivers, and (iv) acknowledges that the other parties hereto have been induced to enter into this Agreement, the Credit Documents and the transactions contemplated hereby and thereby by, among other things, the waivers and certifications contained in this Section 16.31.

16.32 <u>USA Patriot Act Notice</u>

Each Lender hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**USA Patriot Act**"), it is required to obtain, verify and record information that identifies each Borrower and its Subsidiaries, which information includes the name and address of each Borrower and its Subsidiaries other information that will allow such Lender to identify each Borrower and its Subsidiaries in accordance with the USA Patriot Act.

16.33 <u>Bail In Actions</u>

Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write down and conversion powers of an EEA 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 EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA 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 EEA 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 Credit 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 EEA Resolution Authority.

16.34 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancel and supersede any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

16.35 Benchmark Replacement Setting

Notwithstanding anything to the contrary herein or in any other Credit Document (and, for certainty), any Hedging Agreement will be deemed not to be a "Credit Document" for purposes of this Section 16.35).

(a) **Replacing Adjusted Term SOFR**. On March 5, 2021 the Financial Conduct Authority ("**FCA**"), the regulatory supervisor of Adjusted Term SOFR's administrator ("**IBA**"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next one-month, three-month, six-month and twelve-month Adjusted Term SOFR tenor settings. On the earlier of:

(i) the date that all Available Tenors of Adjusted Term SOFR have either permanently or indefinitely ceased to be provided by the IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative; and

(ii) the Early Opt-in Effective Date,

if the then current Benchmark for the Available Tenor is the Adjusted Term SOFR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any setting of such 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 Credit Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis and the interest payment dates will be determined by the Agent pursuant to clause (e) below.

(b) **Replacing Future Benchmarks**. Upon the occurrence of a Benchmark Transition Event for an applicable tenor, the Benchmark Replacement will replace the then-current Benchmark for that tenor for all purposes hereunder and under any Credit Document in respect of any Benchmark at or after 5:00 p.m. on the fifth (5th) Business 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 Credit Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders.

(c) **Benchmark Replacement after a Term SOFR Event**. Notwithstanding anything to the contrary herein or in any other Credit Document, if a Term SOFR Event has occurred prior to the time provided for the next setting of the Benchmark for U.S. Dollars and an Available Tenor, then the sum of (i) Term SOFR plus (ii) the applicable percentage specified in clause 1.1.1(h)(i)(A) of the definition of Benchmark Replacement will become the applicable Benchmark Replacement for U.S. Dollars and that Available Tenor and will replace the then current Benchmark for U.S. Dollars and that Available Tenor for all purposes hereunder or under any Credit 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 Credit Document; provided that this clause 16.35(c) will not be effective unless the Agent has delivered to the Lenders and the Borrower a notice of the occurrence of such Term SOFR Event.

(d) **Unavailability of Benchmark**. At any time that the administrator of the then current Benchmark for an Available Tenor has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to a public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for an Advance of, Conversion to or Rollover of Advances to be made, Converted or continued pursuant to a Rollover that would bear interest by reference to that Benchmark until the Borrower's receipt of notice from the Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to a U.S. Base Rate Advance.

(e) **Benchmark Replacement Conforming Changes**. In connection with the implementation and administration of a Benchmark Replacement (including, for the avoidance of doubt, in connection with the occurrence of a Term SOFR Event), the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

(f) **Notices; Standards for Decisions and Determinations**. The Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement, (ii) the occurrence of a Term SOFR Event, and (iii) the effectiveness of any Benchmark Replacement Conforming Changes. 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 16.35, 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 to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 16.35.

(g) **Unavailability of Tenor of Benchmark**. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark and Available Tenor is a term rate (including Term SOFR or the Adjusted Term SOFR), then the Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings that has ceased to be unavailable or non-representative.

(h) **Definitions**. In this Section 16.35, the following terms have the meanings set out below:

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

"**Benchmark**" means, initially, the Adjusted Term SOFR; provided that if a replacement of the Benchmark has occurred pursuant to this Section 16.35, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" will include, as applicable, the published component used in the calculation thereof.

"**Benchmark Replacement**" means, for any Available Tenor:

(i) For purposes of clause (a) of this Section 16.35, the first alternative set forth below that can be determined by the Agent:

(A) for Advances denominated in U.S. Dollars, the sum of: (i) Term SOFR plus (ii) **[Redacted]**% (**[Redacted]** basis points) for an Available Tenor of one-month's duration, **[Redacted]**% (**[Redacted]** basis points) for an Available Tenor of three-months' duration, and **[Redacted]**% (**[Redacted]** basis points) for an Available Tenor of six-months' duration,

(B) for Advances denominated in U.S. Dollars, the sum of: (i) Daily Simple SOFR plus (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for the replacement of the tenor of the Adjusted Term SOFR with a SOFR-based rate having approximately the same length as the Available Tenor specified in clause (A) of this definition,

(ii) For purposes of clause (b) of this Section 16.35, the sum of (i) the alternate benchmark rate plus (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 Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for syndicated credit facilities including loans denominated in the currency of such Benchmark at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (i) or (ii) above would be less than the Floor at any time, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Credit Documents at that time.

(i) "**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including, changes to the definition of "U.S. Base Rate", in the case of any U.S. Dollar denominated Benchmark, the definition of "Business Day," timing and frequency of determining rates and making payments of interest, timing of Drawdown, Conversion and Rollover requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides 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 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 Credit Documents).

"**Benchmark Transition Event**" means, with respect to any then-current Benchmark other than the Adjusted Term SOFR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that:

(i) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, 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

(ii) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"**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 recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion.

"**Early Opt-in Effective Date**" means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Majority Lenders.

"**Early Opt-in Election**" means the occurrence of:

(i) a notification by the Agent to (or the request by the Borrower to the Agent to notify) each of the other parties hereto that at least five currently outstanding syndicated credit facilities for loans denominated in U.S. Dollars at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review); and

(ii) the joint election by the Agent and the Borrower to trigger a fallback from the Adjusted Term SOFR and the provision by the Agent of written notice of such election to the Lenders.

"**Floor**" means the benchmark rate floor of zero percent (0%).

"**Relevant Governmental Body**" with respect to a Benchmark Replacement in respect of Advances means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto, if those Advances are denominated in U.S. Dollars.

"**SOFR**" means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on 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 administrator of the secured overnight financing rate from time to time).

"**Term SOFR**" means, for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Term SOFR Event**" means the determination by the Agent that (i) Term SOFR has been recommended for use by the Relevant Governmental Body, (ii) the administration of Term SOFR is administratively feasible for the Agent and (iii) a Benchmark Transition Event has previously occurred resulting in a Benchmark Replacement that is not based on Term SOFR.

16.36 Canadian Benchmark Transition Event

Notwithstanding anything to the contrary herein or in any other Credit Document (and, for certainty), any Hedging Agreement will be deemed not to be a "Credit Document" for purposes of this Section 16.36.

(a) **Canadian Benchmark Replacement**. Notwithstanding anything to the contrary herein or in any other Credit Document, if a Canadian Benchmark Transition Event and its related Canadian Benchmark Replacement Date have occurred prior to any setting of the then-current Canadian Benchmark, then (x) if a Canadian Benchmark Replacement is determined in accordance with clause (a) of the definition of "Canadian Benchmark Replacement" for such Canadian Benchmark Replacement Date, such Canadian Benchmark Replacement will replace such Canadian Benchmark for all purposes hereunder and under any Credit Document in respect of such Canadian Benchmark setting and subsequent Canadian Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document and (y) if a Canadian Benchmark Replacement is determined in accordance with clause (b) of the definition of "Canadian Benchmark Replacement" for such Canadian Benchmark Replacement Date, such Canadian Benchmark Replacement will replace such Canadian Benchmark for all purposes hereunder and under any Credit Document in respect of any Canadian Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Canadian 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 Credit Document so long as the Agent has not received, by such time, written notice of objection to such Canadian Benchmark Replacement from the Majority Lenders. If the Canadian Benchmark Replacement is Adjusted Daily Compounded CORRA, all interest payments will be payable on the last day of each Interest Period.

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

(c) **Notices; Standards for Decisions and Determinations.** The Agent will promptly notify the Borrowers and the Lenders of (i) the implementation of any Canadian Benchmark Replacement and (ii) the effectiveness of any Canadian Conforming Changes in connection with the use, administration, adoption or implementation of a Canadian Benchmark Replacement. The Agent will promptly notify the Borrowers of (x) the removal or reinstatement of any tenor of a Canadian Benchmark pursuant to Section 16.36(d) and (y) the commencement of any Canadian 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 16.36, 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 Credit Document, except, in each case, as expressly required pursuant to this Section 16.36.

(d) **Unavailability of Tenor Canadian Benchmark.** Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Canadian Benchmark Replacement), (i) if the then-current Canadian Benchmark is a term rate (including Term CORRA) and either (A) any tenor for such Canadian 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 (B) the regulatory supervisor for the administrator of such Canadian Benchmark has provided a public statement or publication of information announcing that any tenor for such Canadian 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 Canadian Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Canadian Benchmark (including a Canadian Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Canadian Benchmark (including a Canadian Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Canadian Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Canadian Benchmark Unavailability Period.** Upon the Borrowers' receipt of notice of the commencement of a Canadian Benchmark Unavailability Period, the Borrowers may revoke any requested Drawdown of, Conversion to or Rollover of a Term CORRA Advance to be made during any Canadian Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Drawdown of, or Conversion to, (i) for a Canadian Benchmark Unavailability Period in respect of Term CORRA, Daily Compounded CORRA and (ii) for a Canadian Benchmark Unavailability Period in respect of a Canadian Benchmark other than Term CORRA, Cdn. Prime Rate Advances.

(f) Definitions. As used in this Agreement:

"**Canadian Available Tenor**" means, as of any date of determination and with respect to the then-current Canadian Benchmark, as applicable, (x) if such Canadian Benchmark is a term rate, any tenor for such Canadian Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Canadian Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Canadian Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Canadian Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 16.36(d).

"**Canadian Benchmark**" means, initially, the Term CORRA Reference Rate or Daily Compounded CORRA, as the case may be; provided that if a Canadian Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA, or the then-current Canadian Canadian Benchmark, then "**Canadian Benchmark**" means the applicable Canadian Benchmark Replacement to the extent that such Canadian Benchmark Replacement has replaced such prior Canadian Benchmark rate pursuant to Section 16.36(a).

"**Canadian Benchmark Replacement**" means, with respect to any Canadian Benchmark Transition Event:

(a) where a Canadian Benchmark Transition Event has occurred with respect to Term CORRA Reference Rate, Daily Compounded CORRA; and

(b) where a Canadian Benchmark Transition Event has occurred with respect to a Canadian Benchmark other than the Term CORRA Reference Rate, the sum of: (i) the alternate Canadian Benchmark rate that has been selected by the Agent and the Borrowers giving due consideration to (A) any selection or recommendation of a replacement Canadian Benchmark rate or the mechanism for determining such a rate by the Relevant Canadian Governmental Body or (B) any evolving or then-prevailing market convention for determining a Canadian Benchmark rate as a replacement to the then-current Canadian Benchmark for Canadian Dollar-denominated credit facilities and (ii) the related Canadian Benchmark Replacement Adjustment.

If the Canadian Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Canadian Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Credit Documents.

"**Canadian Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Canadian Benchmark with an Unadjusted Canadian 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 Borrowers 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 Canadian Benchmark with the applicable Unadjusted Canadian Benchmark Replacement by the Relevant Canadian 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 Canadian Benchmark with the applicable

Unadjusted Canadian Benchmark Replacement for Canadian Dollar-denominated syndicated credit facilities at such time.

"**Canadian Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Canadian Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Canadian 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 Canadian Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Canadian Available Tenors of such Canadian Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Canadian Benchmark Transition Event," the first date on which such Canadian Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Canadian 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 clause (c) and even if any Canadian Available Tenor of such Canadian Benchmark (or such component thereof) continues to be provided on such date).

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

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

(a) a public statement or publication of information by or on behalf of the administrator of such Canadian Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Canadian Available Tenors of such Canadian 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 Canadian Available Tenor of such Canadian Benchmark (or such component thereof); or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Canadian Benchmark (or the published component used in the calculation thereof), the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Canadian Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Canadian Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Canadian Benchmark (or such component), which states that the administrator of such Canadian Benchmark (or such component) has ceased or will cease to provide all Canadian Available Tenors of such Canadian 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 Canadian Available Tenor of such Canadian Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Canadian Benchmark (or the published component used in the calculation thereof) announcing that all Canadian Available Tenors of such Canadian Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

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

"**Canadian Benchmark Unavailability Period**" means, the period (if any) (a) beginning at the time that a Canadian Benchmark Replacement Date has occurred if, at such time, no Canadian Benchmark Replacement has replaced the then-current Canadian Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 16.36 and (b) ending at the time that a Canadian Benchmark Replacement has replaced the then-current Canadian Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 16.36.

"**Canadian Conforming Changes**" means, with respect to the use or administration of a Canadian Benchmark or the use, administration, adoption or implementation of any Canadian Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Prime Rate," the definition of "Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of Notices of Drawdown or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage costs and other technical, administrative or operational matters) that the Agent decides 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 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 Credit Documents).

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

"**Unadjusted Canadian Benchmark Replacement**" means the applicable Canadian Benchmark Replacement excluding the related Canadian Benchmark Replacement Adjustment.

[*Remainder of page intentionally left blank - signature pages follow*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ADDRESS FOR NOTICE:
ENSIGN DRILLING INC.
[Redacted]

ENSIGN DRILLING INC., as Borrower

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
ENSIGN UNITED STATES DRILLING INC.
[Redacted]

ENSIGN UNITED STATES DRILLING INC., as Borrower

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
ENSIGN ENERGY SERVICES INC.
[Redacted]

ENSIGN ENERGY SERVICES INC., as Covenantor and Guarantor

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
BANK OF MONTREAL
[Redacted]

BANK OF MONTREAL, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
BANK OF MONTREAL
[Redacted]

BANK OF MONTREAL, as administrative agent for and on behalf of itself and the other Lenders

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
ROYAL BANK OF CANADA
[Redacted]

ROYAL BANK OF CANADA, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
THE BANK OF NOVA SCOTIA
[Redacted]

THE BANK OF NOVA SCOTIA, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
ATB FINANCIAL
[Redacted]

ATB FINANCIAL, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
THE TORONTO-DOMINION BANK
[Redacted]

THE TORONTO-DOMINION BANK, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
CANADIAN IMPERIAL BANK OF COMMERCE
[Redacted]

CANADIAN IMPERIAL BANK OF COMMERCE, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ADDRESS FOR NOTICE:
NATIONAL BANK OF CANADA
[Redacted]

NATIONAL BANK OF CANADA, as Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title: