EXECUTION COPY

RESTATED CREDIT AGREEMENT

AMONG

TRICAN WELL SERVICE LTD.
as Borrower

AND

THE PERSONS PARTY HERETO
FROM TIME TO TIME IN THEIR CAPACITIES AS LENDERS

AND

HSBC BANK CANADA
as Administrative Agent

WITH

HSBC BANK CANADA
as Lead Arranger and Sole Bookrunner

MADE AS OF
MARCH 16, 2016

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RESTATED CREDIT AGREEMENT

THIS AGREEMENT is made as of March 16, 2016.

AMONG:

TRICAN WELL SERVICE LTD., a corporation formed under the laws of Alberta, as Borrower

\- and -

THE FINANCIAL INSTITUTIONS SIGNATORY HERETO, in their capacities as Lenders

\- and -

HSBC BANK CANADA, a Canadian chartered bank, as Agent

WHEREAS the Borrower, the Required Lenders and the Agent have agreed to amend and restate the Existing Credit Agreement on the terms and conditions set forth in this Agreement.

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

Article 1
INTERPRETATION

1.1 Definitions

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

"**Acquisition**" means any purchase or other acquisition made by the Borrower or any Subsidiary of Equity Interests of another Person (but excluding Equity Interests of an Obligor or another Subsidiary) or assets of another Person (but excluding assets of an Obligor or another Subsidiary) which constitutes a purchase or other acquisition of all or substantially all of the assets or business of such Person, or of assets constituting a business unit, a line of business or division of such Person, or of all or substantially all of the Equity Interests in a Person.

"**Administrative Questionnaire**" means an administrative questionnaire in a form supplied by the Agent.

"**Advance**" means the extension (or deemed extension) of credit hereunder by the Lenders to the Borrower by way of the making of a Prime Loan, a USBR Loan, a LIBO Rate Loan, a BA Equivalent Advance or the acceptance of Bankers' Acceptances or the issuance of a Letter of Credit, and shall include each Drawdown, Rollover or Conversion thereof.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Agent**" means HSBC Canada in its capacity as administrative agent for the Lenders hereunder or any successor agent appointed pursuant to Section 15.7.

"**Agent's Accounts**" means the accounts maintained by the Agent at the Agent's Branch, to which payments and transfers under this Agreement are to be effected as the Agent may from time to time advise the Borrower and the Lenders in writing.

"**Agent's Branch**" means the branch of the Agent at [REDACTED ADDRESS], or such other branch in Canada as the Agent may from time to time designate by notice to the Borrower and the Lenders.

"**Agreement**" means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Amendment Effective Date**" means the date hereof provided that all of the conditions in Section 3.1 have been satisfied or waived in accordance with Section 3.3 (whether before, on or after such date).

"**AML Legislation**" has the meaning attributed thereto in Section 16.14.

"**Applicable Fronting Lender** " means HSBC Canada or any other Lender as may be selected by the Agent and the Borrower and which agrees to issue Fronted Letters of Credit hereunder.

"**Applicable LC Issuer** " means, in respect of:

(a) a Swingline Letter of Credit, the Swingline Lender; and

(b) a Fronted Letter of Credit, the Applicable Fronting Lender.

"**Applicable Law**" means:

(a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise);

(b) any judgement, order, writ, injunction, decision, ruling, decree or award;

(c) any regulatory policy, practice, guideline or directive; or

(d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"**Applicable Percentage**" means, with respect to each Lender from time to time, the percentage of the Total Commitment represented by such Lender's Commitment; provided that if the Commitments have terminated or expired, the Applicable Percentage for a Lender shall be (a) for the purposes of Section 15.14, the percentage of the Total Commitment represented by such Lender's Commitment immediately prior to such termination or expiration and (b) for all other purposes, the percentage of the Equivalent Amount in Canadian Dollars of the Outstanding Principal represented by such Lender's outstanding Loans under the Credit Facility.

"**Applicable Pricing Margin**", as regards any Loan or the standby fees payable under Section 4.8, the applicable rate per annum set forth opposite the applicable Consolidated Senior Net Debt to Consolidated EBITDA Ratio in the applicable pricing grid set forth below (calculated as at the last day of the most recently completed Fiscal Quarter for the four (4) Fiscal Quarters ended on such date):

(a) prior to the Pricing Reset Date:

Level	Consolidated Senior Net Debt to Consolidated EBITDA Ratio	Prime Loans/ USBR Loans (in bps)	LIBO Rate Loans/ Bankers' Acceptances/ LC Fee (in bps)	Standby fees (in bps)
1	≤ 1.00	[REDACTED]	[REDACTED]	[REDACTED]
2	> 1.00 to ≤ 1.50	[REDACTED]	[REDACTED]	[REDACTED]
3	>1.50 to ≤ 2.00	[REDACTED]	[REDACTED]	[REDACTED]
4	>2.00 to ≤ 2.50	[REDACTED]	[REDACTED]	[REDACTED]
5	>2.50 to ≤ 3.00	[REDACTED]	[REDACTED]	[REDACTED]
6	>3.00 to ≤ 3.50	[REDACTED]	[REDACTED]	[REDACTED]
7	>3.50	[REDACTED]	[REDACTED]	[REDACTED]

(b) from and after the Pricing Reset Date:

Level	Consolidated Senior Net Debt to Consolidated EBITDA Ratio	Prime Loans/ USBR Loans (in bps)	LIBO Rate Loans/Bankers' Acceptances/ LC Fee (in bps)	Standby fees (in bps)
1	≤ 1.00	[REDACTED]	[REDACTED]	[REDACTED]
2	> 1.00 to ≤ 1.50	[REDACTED]	[REDACTED]	[REDACTED]
3	>1.50 to ≤ 2.00	[REDACTED]	[REDACTED]	[REDACTED]
4	>2.00 to ≤ 2.50	[REDACTED]	[REDACTED]	[REDACTED]
5	>2.50 to ≤ 3.00	[REDACTED]	[REDACTED]	[REDACTED]
6	>3.00 to ≤ 3.50	[REDACTED]	[REDACTED]	[REDACTED]
7	>3.50	[REDACTED]	[REDACTED]	[REDACTED]

provided that changes in Applicable Pricing Margin shall be effective and adjusted in accordance with Section 7.10.

"**Approved Fund**" means any Fund that is administered or managed by:

(a) a Lender,

(b) an Affiliate of a Lender, or

(c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Agent, in substantially the form of Schedule B or any other form approved by the Agent.

"**BA Discount Rate**" means:

(a) with respect to an issue of Bankers' Acceptances with the same maturity date to be accepted by a Schedule I Lender hereunder, the CDOR Rate at or about 10:00 a.m. on the date of issuance and acceptance of such Bankers' Acceptance for bankers' acceptances having a comparable face value and an identical maturity date to the face value and maturity date of such issue of Bankers' Acceptances;

(b) with respect to an issue of Bankers' Acceptances with the same maturity date to be accepted by a Schedule II Lender or a Schedule III Lender hereunder, the lesser of:

(i) the annual interest rate equivalent to the arithmetic average of the discount rates of the non-Schedule I Lenders determined by them in accordance with their normal practice at or about 10:00 a.m. on the date of issue and acceptance of such Bankers' Acceptances for bankers' acceptances having a comparable face value and an identical maturity date to the face value and maturity date of such Bankers' Acceptances; and

(ii) the CDOR Rate plus [PERCENTAGE REDACTED] per annum at or about 10:00 a.m. on the date of issue and acceptance of such Bankers' Acceptances for bankers' acceptances having a comparable face value and an identical maturity date to the face value and maturity date of such Bankers' Acceptances; and

(c) with respect to a BA Equivalent Advance with the same maturity date to be advanced by a Non-Acceptance Lender, the CDOR Rate plus [PERCENTAGE REDACTED] per annum at or about 10:00 a.m. on the date of advance of such BA Equivalent Advance for bankers' acceptances having comparable face value and an identical maturity date to the principal amount and maturity date of such BA Equivalent Advance.

"**BA Discount Proceeds**" means, in respect of any Bankers' Acceptance, the amount obtained by multiplying:

(a) the aggregate face amount of such Bankers' Acceptance by

(b) the amount (rounded up or down to the fifth decimal place with .000005 being rounded up) determined by dividing one by the sum of one plus the product of:

(i) the BA Discount Rate, and

(ii) a fraction, the numerator of which is the number of days in the Interest Period of such Bankers' Acceptance and the denominator of which is 365.

"**BA Equivalent Advance**" means, in relation to a Drawdown of, Conversion into or Rollover of Bankers' Acceptances, an Advance in Cdn. Dollars made by a Non-Acceptance Lender as part of such Loan.

"**BA Reference Lenders**" means up to a maximum of two Schedule II Lender(s) or Schedule III Lender(s) as may from time to time be designated by the Agent and approved by the Borrower for the purpose of establishing BA Discount Rates for Schedule II Lenders and Schedule III Lenders.

"**Bankers' Acceptance**" means a non-interest bearing draft drawn by the Borrower in Cdn. Dollars, accepted by a Lender and issued for value pursuant to this Agreement and includes a depository bill under the DBNA and a bill of exchange under the *Bills of Exchange Act* (Canada).

"**Banking Day**" means a day, other than a Saturday, Sunday or statutory holiday, on which banks are open for business in Calgary (Alberta), Toronto (Ontario) and, for transactions involving US Dollars, New York (New York); provided that in respect of the determination of the LIBO Rate, such day must also be a day on which the principal offices of the Agent and HSBC Bank plc in London, England are open for business.

"**bps**" or "**basis points**" means one one-hundredth of one percent (0.01%).

"**Blocked Person**" means any Person (including, for certainty, any Governmental Authority) that (a) (i) is publicly identified on the most current list of "Specially Designated Nationals and Blocked Persons" published by the Office of Foreign Assets Control of the US Department of the Treasury ("**OFAC**"), (ii) resides, is organized or chartered, or has a place of business in a country or territory subject to OFAC sanctions or embargo programs or (iii) is more than 50% owned by a Person described in clauses (i) or (ii) above or (b) (i) is a Person whose property or interest in property is blocked or subject to blocking pursuant to any Sanctions Laws, (ii) engages in any dealings or transactions prohibited by any Sanctions Laws, or is otherwise associated with any such Person in any manner that violates a Sanctions Law, or (iii) is a Person identified on any listing of Persons subject to Sanctions Laws or subject to the limitations or prohibitions under any Sanctions Law.

"**Borrower**" means Trican Well Service Ltd., a corporation formed under the laws of Alberta.

"**Borrower's Accounts**" means the accounts of the Borrower maintained at the Agent's Branch or such other branch or office in Canada as the Borrower may from time to time designate with the concurrence of the Agent.

"**Borrower’s Counsel**" means Blake Cassels & Graydon LLP, Vinson & Elkins LLP and any other barrister or solicitor or firm of barristers and solicitors or other lawyers in an appropriate jurisdiction retained by the Borrower or employed by the Borrower and acceptable to the Agent, acting reasonably.

"**Broadway Proceeds**" means an amount equal to US $145,930,599.80 which represents the proceeds (net of reasonable transaction costs) received by the applicable Obligors from the sale of the “Broadway Assets” (as defined in the Existing Credit Agreement) which was completed during August of 2015.

"**Broadway Subordinated Make-Whole Notes**" means the secured, subordinated notes which are issued from time to time upon and after November 12, 2015 by the Borrower to any holders of Senior Notes representing the "Make-Whole Payment" (as defined and calculated in accordance with the applicable Senior Notes Purchase Agreements and without giving effect to the increased pricing which came into effect on November 12, 2015) payable to such holders as a consequence of the partial prepayment of the Senior Notes which was required to be funded from the Broadway Proceeds; provided that such notes meet all of the following criteria:

(a) such notes are subordinated to the Lender Secured Obligations upon terms satisfactory to the “Agents” (as defined in the Existing Credit Agreement);

(b) such notes bear interest at a rate per annum equal to the sum of 450 bps plus the rate applicable to U.S. Treasury notes or benchmark Canadian Government bonds (as applicable), having a maturity equal to the remaining average life of the applicable Senior Notes which were being prepaid, compounding semi-annually;

(c) according to their express terms, all or part of such notes will be automatically released and voided at the following times and in the following amounts:

   (i) if and to the extent that such notes were issued as a consequence of the partial prepayment of any series of Short-Dated Senior Notes and such series is fully repaid on or prior to October 28, 2016, 100% of all such notes; and

   (ii) upon making the Hercules De-Leveraging Application, 50% of all such then outstanding notes (excluding, for certainty, the notes released and voided pursuant to part (c)(i) above);

provided that, in the case of parts (c)(ii) and (c)(iii) above, full payment is actually made on account of each such accepted Senior Notes De-Leveraging Application at the time of payment specified therein; and

(d) subject to part (c) above, all of the principal and interest on such notes will be payable in full on the original maturity date of the applicable Senior Notes which were being prepaid and triggered the issuance of such notes.

"**Canadian Dollars**", "**Cdn. Dollars**" and "**Cdn. $**" mean lawful money of Canada for the payment of public and private debts.

"**Canadian Obligor**" means an Obligor organized, formed or incorporated under the laws of Canada or any province thereof.

"**Canadian Obligor Debenture**" means a debenture given by a Canadian Obligor pursuant to Section 10.2 substantially in the form of Schedule H-2, as supplemented, amended and replaced from time to time.

"**Canadian Obligor Security Agreement**" means a security agreement given by a Canadian Obligor pursuant to Section 10.2 substantially in the form of Schedule H-3, as supplemented, amended and replaced from time to time.

"**Capital Lease Obligations**" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof.

"**Cash Collateral Account**" means a blocked, non-interest bearing deposit account at the Agent (or another commercial bank reasonably acceptable to the Agent) in the name of the Agent and under the sole dominion and control of the Agent, and otherwise established in a manner reasonably satisfactory to the Agent.

"**Cash Collateralize**" means to pledge and deposit with or deliver to the Agent for deposit into a Cash Collateral Account, for the benefit of the Agent, the Applicable LC Issuer or the Swingline Lender (as applicable) and the Lenders, as collateral for LC Obligations, Obligations in respect of Swingline Loans or Bankers' Acceptances, or obligations of Lenders to fund participations in respect of LC Obligations or Swingline Loans (as the context may require), cash or deposit account balances or, if the Agent, the Applicable LC Issuer or the Swingline Lender benefiting from such collateral shall agree in its sole discretion, other credit support, in each case subject to Section 7.7(b) or 7.7(c) if applicable and pursuant to documentation in form and substance satisfactory to (a) the Agent and (b) the Applicable LC Issuer or the Swingline Lender, as applicable (which documents are hereby consented to by the Lenders) and "**Cash Collateralized**" has a similar meaning. "**Cash Collateral**" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support; provided that the above provisions shall be subject to the terms of the Collateral Agency and Intercreditor Agreement.

"**Cash Equivalents**" means:

(a) any readily-marketable securities or other investment property (i) issued by or directly, unconditionally and fully guaranteed or insured by the Canadian or United States federal governments or (ii) issued by any agency of the Canadian or United States federal governments the obligations of which are fully backed by the full faith and credit of the Canadian or United States federal governments, as the case may be;

(b) any readily-marketable direct obligations issued by any other agency of the Canadian or United States federal government, any state of the United States or any political subdivision of any such state or any public instrumentality thereof, or any province or territory of Canada or any public instrumentality thereof, in each case having a rating of at least "A-1" from S&P or at least "P-1" from Moody's;

(c) any commercial paper rated at least "A-1" by S&P or "P-1" by Moody's and issued by any Person organized under the laws of any state of the United States;

(d) any US Dollar-denominated time deposit, insured certificate of deposit, overnight bank deposit, or bankers' acceptance issued or accepted by (i) any Lender or (ii) any commercial bank that is (A) organized under the laws of the United States, any state thereof, the District of Columbia, Canada or any province of Canada, (B) "adequately capitalized" (as defined in the regulations of its primary federal banking regulators and (C) has Tier 1 capital (as defined in such regulations) in excess of US $500,000,000 or the Equivalent Amount in Cdn. Dollars; and

(e) shares of any United States or Canadian money market fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c), or (d) above with maturities as set forth in the proviso below, (ii) has net assets in excess of US $500,000,000 or the Equivalent Amount in Cdn. Dollars and (iii) has obtained from either S&P or Moody's the highest rating obtainable for money market funds in Canada or the United States, as the case may be;

provided, however, that the maturities of all obligations specified in any of clauses (a), (b), (c) and (d) above shall not exceed 365 days.

"**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 Obligations.

"**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, matured or not) of any of the Obligors to the Cash Manager under, pursuant or relating to the Cash Management Services 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 any of the Obligors under the Cash Management Documents.

"**Cash Management Services**" means (a) treasury, depository, overdraft, purchase, credit or debit card services, including non-card e-payables services, (b) electronic funds transfer and automated clearing house fund transfer services, (c) the operation of centralized operating accounts, (d) account pooling arrangements (whether notional or physical) and (e) any other cash management services entered into by any of the Obligors in the normal course of business.

"**Cash Manager**" means HSBC Bank Canada or its Affiliate, or any other Lender or its Affiliate, which is from time to time providing any Cash Management Services to any of the Obligors.

"**Cash on Hand**" means any cash and Cash Equivalents of the Borrower and its Subsidiaries which (a) are not encumbered by any Lien except for Liens created by the Security Documents and Permitted Liens which arise by operation of law and (b) do not appear as "restricted" on a consolidated balance sheet of the Borrower.

"**CDOR Rate**" means, on any date which Bankers' Acceptances are to be issued pursuant hereto, the per annum rate of interest which is the rate determined as being the arithmetic average of the annual yield rates applicable to Cdn. Dollar bankers' acceptances having identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by the Borrower displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuters Monitor Money Rates Service as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day (as adjusted by the Agent in good faith after 10:00 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided, however, if such a rate does not appear on such CDOR Page, then the CDOR Rate, on any day, shall be the Discount Rate quoted by the Agent (determined as of 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity dates to the Bankers' Acceptances proposed to be issued by the Borrower on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day; and provided, further, that if any such rate is below zero, the CDOR Rate will be deemed to be zero.

"**Cerberus Contribution Loan**" has the meaning attributed thereto in the Keane LLC Agreement.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following:

(a) the adoption or taking effect of any Applicable Law;

(b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority; or

(c) the making or issuance of any Applicable Law by any Governmental Authority;

provided that (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act (USA)* including all regulations, requests, rules, guidelines or directives thereunder and (ii) all requests, 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, Canadian or other regulatory authorities, in each case pursuant to Basel III ((ii) being the "**New Basel Rules**") shall be deemed to constitute a Change in Law regardless of the actual date or dates that such Act or regulations are or were enacted or promulgated, but in the case of the New Basel Rules, only to the extent that such New Basel Rules are materially different from those Applicable Laws which are in full force and effect on the Amendment Effective Date.

"**Change of Control**" means any circumstances arising after the Amendment Effective Date in which a Person or combination of Persons acting jointly or in concert (within the meaning of the *Securities Act* (Alberta), as amended) acquires beneficial ownership of a majority of the Voting Securities of the Borrower, or otherwise acquires the power (by contract or otherwise) to elect a majority of the board of directors of the Borrower; provided that any change of control or similar event under any agreement or indenture evidencing any Third Party Consolidated Debt in excess of Cdn. $25,000,000 or the Equivalent Amount thereof in Cdn. Dollars shall be deemed to constitute a Change of Control.

"**Class A Units**" has the meaning attributed thereto in the Keane LLC Agreement.

"**Class C Units**" has the meaning attributed thereto in the Keane LLC Agreement.

"**Code**" means the *United States Internal Revenue Code of 1986*, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"**Collateral**" means all property (real or personal, tangible or intangible, moveable or immovable) and interests in property and proceeds thereof now owned or hereafter acquired by any Obligor in or upon which a Lien is granted or purported to be granted pursuant to any Security Document to secure any Secured Obligations, but excluding any Excluded Property.

"**Collateral Agency and Intercreditor Agreement**" means the collateral agency and intercreditor agreement dated November 12, 2015 initially among the Collateral Agent, the “Cdn. Administrative Agent” (as defined therein), the “US Administrative Agent” (as defined therein) and the holders of the Senior Notes.

"**Collateral Agent**" means Computershare Trust Company of Canada in its capacity as “Collateral Agent” (as defined in the Collateral Agency and Intercreditor Agreement) or any successor thereto.

"**Commitment**" means each Lender's obligation hereunder to make Loans available to the Borrower in an aggregate principal amount in Cdn. Dollars or the Equivalent Amount thereof in US Dollars, as applicable, in the amount set forth in Schedule A or in an Assignment and Assumption, as such amount may hereafter be increased, decreased, cancelled or terminated from time to time pursuant to this Agreement.

"**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 Hedging Agreement**" means any agreement for the making or taking of delivery of any commodity, any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination thereof, entered into by the applicable Person, the purpose and effect of which is to mitigate or eliminate exposure to fluctuations in commodity prices.

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

"**Consolidated Capitalization**" means, at any time, the aggregate of Consolidated Debt and Consolidated Equity.

"**Consolidated Debt**" means, as at any particular time and as determined on a consolidated basis in respect of the Borrower in accordance with GAAP and without duplication:

(a) indebtedness for borrowed money of the Borrower and its Subsidiaries;

(b) obligations of the Borrower and its Subsidiaries arising pursuant to bankers' acceptance facilities, note purchase facilities and commercial paper programs and the uninsured portion of surety bonds supporting obligations which would otherwise constitute Consolidated Debt within the meaning of this definition;

(c) the stated amount of letters of credit and letters of guarantee;

(d) all obligations that are evidenced by bonds, debentures, notes or other similar instruments;

(e) obligations of the Borrower and its Subsidiaries under Guarantees, legally binding comfort letters or other contingent obligations as represented in the Financial Statements relating to the indebtedness or other obligations of any other Person which would otherwise constitute Consolidated Debt within the meaning of this definition;

(f) all obligations of the Borrower and its Subsidiaries for or in respect of the deferred purchase or acquisition price of property (including, without limitation, Capital Lease Obligations and obligations secured by Purchase Money Security Interests) in excess of 90 days but excluding, for certainty, accounts payable arising in the ordinary course of business;

(g) principal obligations under any lease which, in accordance with GAAP, is characterized as a financing lease (whether a synthetic lease or otherwise and whether categorized as a true lease or a financing lease for tax purposes);

(h) all obligations of the Borrower or any Subsidiary under any performance guarantee given by the Borrower or such Subsidiary but only to the extent that such obligations are due and payable;

(i) PIK Principal; and

(j) the aggregate net mark to market liabilities of the Borrower and its Subsidiaries under all Hedge Agreements (measured as their aggregate “out of the money” positions less their aggregate “in the money” positions under such Hedge Agreements); provided that, for certainty, any aggregate net mark to market exposure which is positive will be deemed to be zero for the purposes of this definition;

but excluding for greater certainty:

(i) current and future taxes; and

(ii) for greater certainty, provisions for future performance based compensation.

"**Consolidated Debt to Consolidated Capitalization Ratio**" means, as at the end of a Fiscal Quarter, the ratio of Consolidated Debt to Consolidated Capitalization.

"**Consolidated EBITDA**" means, for any fiscal period and as determined in accordance with GAAP on a consolidated basis in respect of the Borrower:

(a) all Consolidated Net Income for such period as shown in the Financial Statements; plus

(b) Consolidated Interest Expense to the extent deducted in determining such Consolidated Net Income; plus

(c) all amounts deducted in the calculation of such Consolidated Net Income in respect of the provision for income taxes; plus

(d) all amounts deducted in the calculation of such Consolidated Net Income in respect of non-cash items, including depreciation and amortization (for certainty, including in relation to any stock-based compensation plan); plus

(e) all amounts deducted in the calculation of such Consolidated Net Income in respect of mark-to-market losses under any Hedge Agreement; plus

(f) losses attributable to minority interests and extraordinary or non-recurring losses of the Borrower and its Subsidiaries (other than cash restructuring charges), in each case to the extent deducted in the calculation of such Consolidated Net Income; plus

(g) cash restructuring charges of the Borrower and its Subsidiaries, in each case to the extent deducted in the calculation of such Consolidated Net Income in respect of documented out-of-pocket costs, fees and expenses incurred as a result of any restructuring transactions; provided that all cash restructuring charges cannot exceed a cumulative maximum of Cdn. $25,000,000 in any period of four consecutive Fiscal Quarters; plus

(h) except as "Consolidated EBITDA" is used in Section 9.3(b) and in the proviso to the definition of "Consolidated Senior Net Debt to Consolidated EBITDA Ratio", any Cure Amounts applicable to such Fiscal Period;

less (on a consolidated basis, without duplication):

(i) earnings attributable to minority interests and extraordinary or non-recurring earnings and gains of the Borrower and its Subsidiaries, in each case to the extent included in the calculation of such Consolidated Net Income;

(j) to the extent included in such Consolidated Net Income, gains from asset sales;

(k) the net income of any Subsidiary of the Borrower, to the extent that the distribution by that Subsidiary of amounts of such net income to the Borrower is restricted by a contract, operation of law or otherwise;

(l) any other non-cash items increasing such Consolidated Net Income for such period, including mark-to-market gains under any Hedge Agreement (for certainty, including in relation to any stock-based compensation plan);

(m) any net income from or attributable to Non-Recourse Assets; and

(n) prior to the Covenant Normalization Date, the amount of any Financial Assistance provided to or for the benefit of Keane during such fiscal period but only to the extent that the amount of such Financial Assistance, when added to the aggregate amount of all other such Financial Assistance provided to or for the benefit of Keane subsequent to the Amendment Effective Date, exceeds Cdn.$10,000,000 (the "**Financial Assistance Threshold**"); provided that any such Financial Assistance funded from the Unallocated Amount (as defined below) of an issuance of Junior Capital shall not be taken into account in determining whether the Financial Assistance Threshold has been reached;

provided that for the purposes of this definition, (i) if any Material Acquisition is made by the Borrower and/or one or more of its Subsidiaries (whether by amalgamation, asset or share acquisition or otherwise) at any time during the relevant period of calculation, such Material Acquisition shall be deemed to have been made on and as of the first day of such calculation period; (ii) if any Material Disposition is made by the Borrower or one or more of its Subsidiaries (whether by asset or share disposition or otherwise) at any time during the relevant period of calculation, or the assets cease to be owned by the Borrower and/or one or more of its Subsidiaries, such Material Disposition shall be deemed to have been made on and as of the first day of such calculation period and (iii) "**Unallocated Amount**" means the net proceeds (net of reasonable transaction costs) of any issuance of Junior Capital minus (A) any portion thereof that constitutes a Cure Amount, minus (B) any portion thereof that is required to repay (or reduce the commitments for) any Secured Obligations.

If a Subsidiary is wholly-owned, directly or indirectly, by the Borrower, all of such Subsidiary's earnings shall be included in the calculation of Consolidated EBITDA. If a Subsidiary is not wholly-owned directly or indirectly, by the Borrower, only the portion of the Subsidiary's earnings that is distributable to the Borrower or any wholly-owned Subsidiary shall be included in the calculation of Consolidated EBITDA; provided that such Subsidiary has distributed such earnings to the Borrower or any wholly-owned Subsidiary.

"**Consolidated EBITDA to Consolidated Interest Expense Ratio**" means, as at the end of a Fiscal Quarter, the ratio of Consolidated EBITDA to Consolidated Interest Expense, for the four (4) consecutive Fiscal Quarters ending at the end of such Fiscal Quarter.

"**Consolidated Equity**" means, at any time, the shareholders' equity as shown on the consolidated balance sheet of the Borrower.

"**Consolidated Interest Expense**" means, for any fiscal period, without duplication, interest expense of the Borrower determined on a consolidated basis in accordance with GAAP, as the same would be set forth or reflected in a consolidated statement of operations of the Borrower and, in any event and without limitation, shall include:

(a) all interest of the Borrower and its Subsidiaries accrued or payable in respect of such period, including capitalized interest and imputed interest with respect to lease obligations included as Consolidated Debt;

(b) all fees of the Borrower and its Subsidiaries (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments but excluding one time commitment and agency fees in respect of the Credit Facility and other permitted credit facilities from time to time) accrued or payable in respect of such period, prorated (as required) over such period;

(c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations of the Borrower or any Subsidiary issued at a discount, prorated (as required) over such period;

(d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; and

(e) all net amounts charged (a positive number) or credited (a negative number) to interest expense under any Interest Hedging Agreements in respect of such period;

but shall exclude PIK Interest and interest accrued or payable in respect of PIK Principal, Permitted Subordinated Debt and Non-Recourse Debt.

"**Consolidated Net Income**" means, for any fiscal period, the net income of the Borrower determined on a consolidated basis in accordance with GAAP, as set forth in the consolidated Financial Statements of the Borrower for such period.

"**Consolidated Senior Debt**" means, as at any particular time, Consolidated Debt excluding (a) the Broadway Make-Whole Subordinated Notes, (b) any Permitted Subordinated Debt and (c) any Non-Recourse Debt.

"**Consolidated Senior Net Debt**" means, as at any particular time, (a) Consolidated Senior Debt <u>less</u> (b) Cash on Hand not to exceed an aggregate maximum of Cdn. $25,000,000.

"**Consolidated Senior Net Debt to Consolidated EBITDA Ratio**" means, as at the end of a Fiscal Quarter, the ratio of Consolidated Senior Net Debt as at the end of such Fiscal Quarter to Consolidated EBITDA for the four (4) consecutive Fiscal Quarters ending at the end of such Fiscal Quarter; <u>provided</u> that, for the purposes of computing such ratio (other than for the purposes of determining if the Covenant Normalization Date or the Pricing Reset Date has occurred) as of (a) September 30, 2016, Consolidated EBITDA shall be deemed to be equal to Consolidated EBITDA for the Fiscal Quarter of the Borrower ended on such date multiplied by four, plus any Cure Amount applicable to such Fiscal Quarter, (b) December 31, 2016, Consolidated EBITDA shall be deemed to be equal to Consolidated EBITDA for the two consecutive Fiscal Quarters of the Borrower ended on such date multiplied by two, plus any Cure Amount applicable to either or both such Fiscal Quarters and (c) March 31, 2017, Consolidated EBITDA shall be deemed to be equal to Consolidated EBITDA for the three consecutive Fiscal Quarters of the Borrower ended on such date multiplied by 4/3, plus any Cure Amount applicable to one or two of such Fiscal Quarters.

"**Consolidated Tangible Assets**" means, as at any date of determination, an amount equal to (a) the total assets (including, without limitation, receivables) as shown on the consolidated balance sheet in the Financial Statements of the Borrower most recently provided to the Agent (except as specified otherwise in Section 8.1(i)), <u>less</u> (b) all amounts attributable to goodwill, patents, trademarks and other similarly classified intangible assets, but in all cases excluding the tangible assets included in the Broadway Assets on a Pro Forma Basis.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of Voting Securities, by contract or otherwise. "**Controlling**" and "**Controlled**" have corresponding meanings.

"**Control Agreement**" means, with respect to any deposit account, any securities account, commodity account, securities entitlement, or commodity contract, an agreement, in form and substance reasonably satisfactory to the Agent and the Collateral Agent, among the Collateral Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried, and such Obligor maintaining such account, effective to grant "control" (as defined under the applicable UCC or PPSA) over such account to the Collateral Agent, providing, among other things, that upon notice that an Event of Default has occurred and while it is continuing, such notice having been given by the Collateral Agent to such financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried, such financial institution or such other Person shall comply with orders and directions only from the Collateral Agent with respect to such deposit account, securities account, commodity account, securities entitlement, or commodity contract.

"**Controlled Deposit Account**" means each deposit account (including all funds on deposit therein) that is the subject of an effective Control Agreement and that is maintained by any Obligor with a financial institution which is a Lender or an Affiliate of a Lender or is otherwise approved by the Agent and the Collateral Agent.

"**Controlled Securities Account**" means each securities account or commodity account (including all financial assets held therein and all certificates and instruments, if any, representing or evidencing such financial assets) that is the subject of an effective Control Agreement and that is maintained by any Obligor with a securities intermediary or a commodity intermediary approved by the Agent and the Collateral Agent.

"**Conversion**" means a conversion or deemed conversion of a Loan (except a Letter of Credit) into another type of Loan (except a Letter of Credit) pursuant to the provisions hereof; provided that, subject to Section 2.4 and to Article 5 with respect to Bankers' Acceptances, the conversion of a Loan denominated in one currency to a Loan denominated in another currency shall be effected by repayment of the Loan or portion thereof being converted in the currency in which it was denominated and readvance to the Borrower of the Loan into which such conversion was made.

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

"**Conversion/Rollover/Repayment Notice**" means a notice substantially in the form of Schedule D to be given to the Agent by the Borrower pursuant hereto.

"**Covenant Amendment Term Sheet**" means the term sheet attached to the letter dated January 25, 2016 from the Borrower and acknowledged and agreed to by the “Agents” (as defined in the Existing Credit Agreement).

"**Covenant Normalization Date**" means the first date on which all of the following conditions have been satisfied:

(a) no Default or Event of Default has occurred and is continuing as of such date;

(b) all accrued and unpaid PIK Interest and all outstanding PIK Principal shall have been paid in full; and

(c) the Consolidated Senior Net Debt to Consolidated EBITDA Ratio (as determined on a trailing four Fiscal Quarter basis (and not an annualized basis) and computed without taking into account any Cure Amounts) is less than or equal to 3.00 to 1.00 as at the end of the most recent Fiscal Quarter preceding such date.

"**Credit Facility**" means the revolving credit facility in the maximum principal amount of up to Cdn. $410,000,000 or the Equivalent Amount in United States Dollars to be made available to the Borrower by the Lenders in accordance with the provisions hereof, subject to adjustment, reduction or termination in accordance with the provisions hereof.

"**Cure Amount**" means, in respect of the issuance of Junior Capital during a Fiscal Quarter of the Borrower ending after the Amendment Effective Date and prior to the Covenant Normalization Date, the portion of the gross proceeds thereof designated as a "Cure Amount" by the Borrower in a written notice to the Agent delivered not later than 60 days after the end of such Fiscal Quarter; provided that (a) such portion may not exceed 50% of such gross proceeds, (b) the aggregate amount of all Cure Amounts may not exceed Cdn. $20,000,000, (c) any such issuance consummated prior to July 1, 2016 shall be deemed to have been consummated during the Fiscal Quarter ending on September 30, 2016, (d) any such issuance consummated after the end of a Fiscal Quarter of the Borrower but prior to the earlier of (i) 60 days after the end of such Fiscal Quarter or (ii) the delivery of financial statements in respect of such Fiscal Quarter (and, for this purpose delivery of the Borrower's annual financial statements pursuant to Section 9.1(e)(i) shall be deemed to be delivery of financial statements in respect of the Borrower's fourth Fiscal Quarter) shall be deemed to have been consummated during such Fiscal Quarter if the Borrower so elects in the written notice to the Agent and (e) in any period of four consecutive Fiscal Quarters of the Borrower, the Borrower may not designate a Cure Amount in respect of more than two Fiscal Quarters.

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

"**DBNA**" means the *Depository Bills and Notes Act* (Canada).

"**DBRS**" means DBRS Limited and its successors.

"**Default**" means any event or condition that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

"**Defaulting Lender**" means any Lender:

(a) that has failed to fund any payment or its portion of any Advances required to be made by it hereunder;

(b) that has notified the Borrower, the Agent or any Lender (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;

(c) that has failed, within 3 Banking Days after request by the Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Advances;

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

(e) that becomes insolvent, has been deemed insolvent, or becomes the subject of bankruptcy or insolvency proceedings; or

(f) that is generally in default of its obligations under other existing credit or loan documentation under which it has commitments to extend credit.

"**Discount Note**" means a non-interest bearing promissory note of the Borrower, denominated in Cdn. Dollars, issued by the Borrower to a Non-Acceptance Lender as part of a BA Equivalent Advance substantially in the form attached as Schedule E or such other form as may be agreed to by the Agent, the Borrower and such Non-Acceptance Lender.

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

"**Disposition**" means, with respect to any property of a Person, a sale, conveyance, transfer, assignment, license, lease, or other disposition of, any interest therein or to permit any other Person to acquire any such interest, and "**Dispose**" and "**Disposing**" have corresponding meanings.

"**Distribution**" means, in respect of any Person:

(a) dividends or other distributions or payments on its Equity Securities (except dividends or other distributions consisting of Equity Securities or payable solely to the Borrower or any Restricted Subsidiary);

(b) the redemption or acquisition of its Equity Securities or Equity Securities Equivalents (except when solely in exchange for such Equity Securities or Equity Securities Equivalents or payable solely to the Borrower or any Restricted Subsidiary); and

(c) the payment in cash of principal or interest on any Permitted Subordinated Debt.

"**Drawdown**" means any Advance which results in an increase in the Outstanding Principal.

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

"**Drawdown Notice**" means a notice substantially in the form annexed hereto as Schedule F to be given to the Agent by the Borrower pursuant hereto.

"**Election Date**" has the meaning attributed thereto in Section 2.2(b).

"**Eligible Assignee**" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 16.2(b) has been obtained.

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

(a) any claim by a Governmental Authority for enforcement, clean-up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws; and

(b) any claim by a person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment.

"**Environmental Laws**" means all Applicable Laws with respect to the environment or environmental or public health and safety matters contained in statutes, regulations, rules, ordinances, orders, judgments, approvals, notices, permits or policies, guidelines or directives whether or not having the force of law.

"**Environmental Orders**" includes all applicable orders, directives, judgments, decisions or the like rendered by any Governmental Authority or court of competent jurisdiction pursuant to Environmental Laws or Environmental Permits.

"**Environmental Permits**" includes all permits, certificates, approvals, registrations, licences or other instruments issued by any Governmental Authority and relating to or required for the Borrower or its Subsidiaries to carry on their businesses, activities and operations in compliance with all Environmental Laws and Environmental Orders.

"**Equity Securities**" means any shares, partnership units or other securities issued by the Borrower or any of its Subsidiaries (but excluding any of the foregoing which evidence Consolidated Debt).

"**Equity Securities Equivalents**" means all Securities convertible into or exchangeable for Equity Securities or any other Equity Securities Equivalent and all warrants, options, or other rights to purchase, subscribe for, or otherwise acquire any Equity Securities or any other Equity Securities Equivalent, whether or not presently convertible, exchangeable or exercisable.

"**Equivalent Amount**" in one currency (the "**First Currency**") of an amount in another currency (the "**Other Currency**") means, as of the date of determination, the amount of the First Currency which would be required to purchase such amount of the Other Currency at the Noon Rate for such currencies on such date of determination or, if such date of determination is not a Banking Day, on the Banking Day immediately preceding such date of determination.

"**ERISA**" means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any Subsidiary of the Borrower that is subject to ERISA and any trade or business (whether or not incorporated) that is treated as a single employer together with any Subsidiary of the Borrower that is subject to ERISA under Section 414 of the Code.

"**Event of Default**" has the meaning attributed thereto in Section 12.1.

“**Excluded Property**” means (a) any real or personal property of the Obligors which is located outside of Canada and the United States (but excluding (i) any such property which is transferred from a location within Canada or the United States to a location outside of Canada and the United States and (ii) any Equity Securities of any Obligor that owns or holds any assets located within Canada or the United States) and (b) any other real or personal property of the Obligors which is specifically excluded from the Collateral in any Security Document.

"**Excluded Swap Obligations**" means, with respect to any Person providing a Loan Guarantee, any Swap Obligation if, and to the extent that, all or a portion of the Loan Guarantee of such Person of, or the grant by such Person 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 Person'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 Person or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Lender 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**" means, with respect to the Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of an Obligor hereunder:

(a) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located;

(b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located; and

(c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 13.3(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) and is attributable to such Foreign Lender's failure or inability to comply with Section 13.2(e), or to the extent that the forms delivered pursuant to such Section do not result in a complete exemption from withholding tax (in each case, other than as a result of a Change in Law), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 13.2(a).

"**Existing Credit Agreement**" means the restated credit agreement made as of November 12, 2015 among Trican Well Service Ltd. as “Canadian Borrower”, Trican Well Service, L.P. as “US Borrower”, the “Canadian Lenders”, the “US Lenders”, HSBC Bank Canada as “Canadian Administrative Agent” and HSBC Bank USA, National Association as “US Administrative Agent”, as in effect immediately prior to the Amendment Effective Date and, for certainty, excluding any subsequent amendments made on or after the Amendment Effective Date.

"**Existing Hedge Agreements**" means the Currency Hedge Agreements entered into by the Borrower and in effect on the Amendment Effective Date.

"**Existing Hedge Proceeds**" means the net proceeds paid or payable to the Borrower upon the termination or expiry of the Existing Hedge Agreements but only to the extent that such net proceeds are received by the Borrower on or prior to April 28, 2016.

"**Existing LCs**" means the existing letters of credit issued pursuant to the Existing Credit Agreement which are in effect on the Amendment Effective Date.

"**Existing PIK Tranche A**" means “PIK Tranche A” as defined in the Existing Credit Agreement.

"**Existing PIK Tranche B**" means “PIK Tranche B” as defined in the Existing Credit Agreement.

"**Extending Lenders**" has the meaning attributed thereto in Section 2.2(b).

"**Extension Request**" means a written request from the Borrower to the Agent substantially in the form attached as Schedule G, requesting an extension of the Maturity Date.

"**Federal Funds Rate**" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the annual rates of interest on overnight Federal funds transactions with members of the Federal Reserve Board arranged by Federal funds brokers, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100 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.

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

"**Financial Assistance**" means providing or agreeing to provide (either directly or indirectly) financial assistance to any Person, including financial assistance by way of a loan, Guarantee, indemnity, loan purchase, share purchase, equity contribution or any credit support arrangement of any nature whatsoever; provided that any purchase of any Hercules Collateral after the Amendment Effective Date which is wholly funded by any Cerberus Contribution Loan shall be deemed to not constitute Financial Assistance, and any payment of principal or interest in respect of any Cerberus Contribution Loan shall be deemed to constitute Financial Assistance to or for the benefit of Keane.

"**Financial Statements**" means the financial statements (including the notes thereto) of the Borrower or a Subsidiary, as the context requires, which shall be consolidated unless expressly provided otherwise and shall include a balance sheet, a statement of income and retained earnings and a 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 GAAP applied consistently.

"**Fiscal Quarter**" means the three (3) month period commencing on the first day of each Fiscal Year, and each successive three (3) month period thereafter during such Fiscal Year.

"**Fiscal Year**" means the fiscal year of the Borrower which presently commences on January 1 of each calendar year and ends on December 31 of each calendar year.

“**Fitch**” means Fitch Ratings, Inc., or any successor thereto.

"**Foreign Lender**" means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"**Foreign Subsidiary**" means an Obligor which is not a Canadian Obligor or a US Obligor.

"**Fronting Exposure**"means, at any time there is a Defaulting Lender:

(a) with respect to an Applicable Fronting Lender, such Defaulting Lender’s Applicable Percentage of the outstanding LC Obligations owing to such Applicable Fronting Lender other than LC Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized; and

(b) with respect to a Swingline Lender, such Defaulting Lender’s Applicable Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized.

"**Fronted Letter of Credit**" means a Letter of Credit issued by the Applicable Fronting Lender.

"**Fronting Fee**" means the fee charged by the Applicable Fronting Lender for issuing a Fronted Letter of Credit at a rate per annum as is agreed in writing between the Borrower and such Applicable Fronting Lender from time to time.

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"**Funds Flow Memorandum**" means the most recent funds flow memorandum provided to the Agent and the Lenders prior to the date of this Agreement, as supplemented, amended or replaced from time to time with the consent of the Agent, acting reasonably.

"**GAAP**" or "generally accepted accounting principles" has the meaning attributed thereto in Section 1.4.

"**Governmental Authority**" means the government of Canada, the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"**Governmental Authorization**" means, in respect of any transaction, Person or event, any authorization, exemption, license, permit, franchise or approval from, or any filing or registration with, any Governmental Authority applicable to such transaction, Person or event or to any of such Person's business, undertaking or property, including those required under any Environmental Law, and "**Governmental Authorizations**" means any and all of the foregoing.

"**Guarantee**" means any guarantee, undertaking to assume, endorse, contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any obligation of any Person; provided that the amount of each Guarantee shall be deemed to be the amount of the obligation guaranteed thereby, unless the Guarantee is limited to a determinable amount in which case the amount of such Guarantee shall be deemed to be the lesser of such determinable amount or the amount of such obligation.

"**Hazardous Materials**" means any substance or mixture of substances defined as or determined to be a pollutant, contaminant, waste, hazardous waste, hazardous chemical, hazardous substance, toxic substance or dangerous good under any Environmental Law.

"**Hedge Agreement**" means any Interest Hedging Agreement, Currency Hedging Agreement, Commodity Hedging Agreement or any other derivative agreement or similar agreement or arrangements.

"**Hedge Agreement Demand for Payment**" means a demand made by a Swap Lender pursuant to a Lender Hedge Agreement demanding payment of the Lender Swap Obligations which are then due and payable relating thereto and shall include, without limitation, any notice provided by a Swap Lender under any agreement evidencing a Lender Hedge Agreement which, when delivered, would require an early termination thereof and a payment by one of the parties thereto in settlement of obligations thereunder as a result of such early termination.

"**Hercules Collateral**" means the Class A Units and Class C Units issued to the Borrower or any of its Subsidiaries, and all rights of the Borrower or any of its Subsidiaries under the Hercules Purchase and Sale Agreement and any documents executed in connection therewith (including, without limitation, the Keane LLC Agreement).

"**Hercules Consent**" means the request for consent dated January 25, 2016 from the Borrower and Trican Well Service, L.P. and accepted by the "Agents" (as defined in the Existing Credit Agreement), providing the consent of the Lenders to the Hercules Transaction and the amendments contained in the Covenant Amendment Term Sheet.

"**Hercules De-Leveraging Application**" means the Senior Notes De-Leveraging Application triggered by receipt of the Hercules Proceeds.

"**Hercules Proceeds**" means an amount equal to the greater of (a) US $200,000,000, subject to (i) reduction or increase in an amount equal to any reduction or increase, respectively, in the cash portion of the purchase price provided for in the Hercules Purchase and Sale Agreement attributable to working capital adjustments and (ii) reduction for reasonable transaction costs attributable to the Hercules Transaction and (b) [DOLLAR AMOUNT REDACTED].

"**Hercules Purchase and Sale Agreement**" means the Asset Purchase Agreement, dated on or about January 18, 2016, among Keane, Keane Frac, LP, the Borrower and certain other entities providing for the sale of certain operations of the Borrower and its Subsidiaries located in the United States of America and the assets used in connection with such operations.

"**Hercules Transaction**" means the sale of certain operations of the Borrower and its Subsidiaries located in the United States of America and the assets used in connection with such operations pursuant to the Hercules Purchase and Sale Agreement.

"**HSBC Canada**" means HSBC Bank Canada and its successors and assigns.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Indemnitee**" has the meaning attributed thereto in Section 14.1(b).

"**Information**" has the meaning attributed thereto in Section 16.6(b).

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

"**Interest Payment Date**" means:

(a) with respect to each Prime Loan and USBR Loan, the last Banking Day of each calendar month; and

(b) with respect to each LIBO Rate Loan, the last day of each applicable Interest Period and, if any Interest Period is longer than 3 months, the last Banking Day of each 3 month period during such Interest Period;

<u>provided</u> that, in any case, the date on which the Credit Facility is fully cancelled or permanently reduced in full shall be an Interest Payment Date with respect to all Loans then outstanding under the Credit Facility.

"**Interest Period**" means:

(a) with respect to each Bankers' Acceptance, the period selected by the Borrower and being of 1, 2, 3 or, after the Covenant Normalization Date, 6 months' duration, subject to market availability, (or, subject to the agreement of the Lenders, a longer or shorter period) commencing on the Drawdown Date, Rollover Date or Conversion Date of such Bankers' Acceptances; and

(b) with respect to each LIBO Rate Loan, the period selected by the Borrower and being of 1, 2, 3 or, after the Covenant Normalization Date, 6 months' duration (or, subject to the agreement of the Lenders, a longer or shorter period) commencing on the applicable Drawdown Date, Rollover Date or Conversion Date of such LIBO Rate Loan, as the case may be;

provided that in any case: (i) the last day of each Interest Period shall be also the first day of the next Interest Period in the case of a Rollover; (ii) the last day of each Interest Period shall be a Banking Day and if the last day of an Interest Period selected by the Borrower is not a Banking Day the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next following the last day of the Interest Period selected unless such next following Banking Day falls in the next calendar month in which event the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next preceding the last day of the Interest Period selected by the Borrower; and (iii) the last day of all Interest Periods for Loans outstanding under the Credit Facility shall expire on or prior to the Maturity Date.

"**Investment Grade**" means, at any time, a rating at such time in respect of the senior unsecured long-term credit of the Borrower of (a) if rated by S&P, "BBB-" or higher, (b) if rated by Moody's, "Baa3" or higher, (c) if rated by Fitch, "BBB-" or higher, (d) if rated by DBRS, "BBB (low)" or higher, and (e) if rated by any other rating agency approved by the Required Lenders, an equivalent "investment grade" rating from such other rating agency.

"**ISP**" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"**Junior Capital**" means:

(a) any Permitted Subordinated Debt; and

(b) any Equity Securities or Equity Securities Equivalents issued by the Borrower or any Subsidiary but excluding any such Securities issued to an Obligor.

"**Kazakhstan Proceeds**" means the proceeds from the Disposition of the Borrower's direct or indirect interest in any Kazakhstan assets to Rosneft Oil Company (or any Subsidiary of Rosneft Oil Company), net of any Kazakhstan income and withholding taxes, severance obligations and any and all taxes and costs associated with the closure of the business being sold.

"**Keane**" means Keane Group Holdings, LLC, a Delaware limited liability company.

"**Keane LLC Agreement**" means the Third Amended and Restated Limited Liability Agreement of Keane.

"**Knowledge**" means, in respect of the Borrower, the knowledge of any director or senior officer of the Borrower who has current knowledge of the relevant facts or circumstances after due enquiry by such Person.

"**LC Application**" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Applicable LC Issuer, together with a request for an LC Issuance, in the form provided to the Borrower by the Applicable LC Issuer.

"**LC Borrowing**" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed by the Borrower on the date when made or refinanced into another type of Loan on the date when made.

"**LC Fee**" has the meaning attributed thereto in Section 4.7(a).

"**LC Issuance**" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"**LC Issuer Documents**" means with respect to any Letter of Credit, the LC Application, and any other document, agreement and instrument entered into by the Applicable LC Issuer and the Borrower (or any applicable Obligor) or in favour of such Applicable LC Issuer and relating to such Letter of Credit and "**LC Issuer Document**" means any one of them.

"**LC Obligations**" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit (either as Fronted Letters of Credit or Swingline Letters of Credit or both, as the context requires) plus the aggregate of all Unreimbursed Amounts, including all LC Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.8. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"**Lenders**" means each of the financial institutions named on the signature pages hereto or in an Assignment and Assumption as a Lender having an obligation to make credit available to the Borrower pursuant to a Commitment, and "**Lender**" means any one of them.

"**Lender Hedge Agreement**" means a Hedge Agreement entered into between a Swap Lender and the Borrower or a Subsidiary which creates Lender Swap Obligations and is deemed to include each of the Existing Hedge Agreements which was entered into with a Lender or its Affiliate.

"**Lender Secured Obligations**" means, collectively, all amounts, obligations, liabilities, owing by any Obligor to any and all of the Lender Secured Parties, whether direct or indirect (regardless of whether acquired by assignment), absolute or contingent, due or to become due, whether liquidated or not, now existing or hereafter arising and however acquired, and whether or not evidenced by any instrument or for the payment of money, and arising under, in connection with, or otherwise related to this Agreement or any other Loan Document, Lender Hedge Agreements or Cash Management Documents and including, without duplication, (a) all Outstandings owed or guaranteed by any Obligor, (b) all Lender Swap Obligations (other than Excluded Swap Obligations) owed or guaranteed by any Obligor, (c) all Cash Management Obligations owed or guaranteed by any Obligor and (d) all other fees, expenses (including fees, charges, and disbursement of counsel), interest, commissions, charges, costs, disbursements, indemnities, and reimbursement of amounts paid and other sums chargeable to any Obligor under any Loan Document.

"**Lender Secured Parties**" means (a) the Agent, the Collateral Agent and the Lenders under the Loan Documents, (b) the Swap Lenders under the Lender Hedge Agreements and (c) the Cash Managers under the Cash Management Documents.

"**Lender Swap Obligations**" means all indebtedness, obligations and liabilities of the Borrower or a Subsidiary under any Existing Hedge Agreement entered into with a Lender or its Affiliate and any other Lender Hedge Agreement entered into at any time on or after the Amendment Effective Date (regardless of whether such Lender or its Affiliate ceases to be a Lender after such Lender Hedge Agreement is entered into), but excluding, for certainty, any Lender Hedge Agreement entered into by the Borrower or such Subsidiary with any Swap Lender after such Lender's or its Affiliate's Commitment has been fully cancelled in accordance with the terms hereof or after such Lender or its Affiliate has assigned all of its rights to the Credit Facility in accordance with Section 16.2.

"**Lenders' Counsel**" means the firms of Norton Rose Fulbright Canada LLP and such other firms of legal counsel as the Agent may from time to time designate.

"**Letter of Credit**" or "**LC**" means a standby or documentary letter of credit or letter of guarantee in Cdn. Dollars or US Dollars issued by the Applicable LC Issuer at the request of the Borrower pursuant to this Agreement and shall be deemed to include each of the Existing LCs.

"**LIBO Rate**" means, with respect to each Interest Period applicable to a LIBO Rate Loan:

(a) the rate of interest per annum, expressed on the basis of a year of 360 days, determined by the Agent which is equal to the offered rate that appears on the "LIBOR 01 Page" (or any successor thereto as may be selected by the Agent) of Reuter's Monitor Money Rates Service (or any successor thereto designated by the Agent) that displays the ICE Benchmark Administration Limited (or its successor) Interest Settlement Rate applicable to such LIBOR Period, at which deposits in US Dollars are offered to financial institutions in the London interbank market as of approximately 11:00 a.m. (London, England time) two Banking Days prior to the first day of such Interest Period; or

(b) if the rates referenced in the preceding subparagraph (a) are not available, the rate per annum determined by the Agent as the rate of interest, expressed on a basis of 360 days at which deposits in US Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBO Rate Loan being made, continued or converted by the Agent and with a term and amount comparable to such Interest Period and principal amount of such LIBO Rate Loan as would be offered by the Agent's London branch to major banks in the London interbank market at their request at approximately 11:00 a.m. (London, England time) two Banking Days prior to the first day of such Interest Period;

provided that if any such rate is below zero, the LIBO Rate will be deemed to be zero.

"**LIBO Rate Loan**" means an Advance in, or Conversion into, United States Dollars made by the Lenders to the Borrower, with respect to which the Borrower has specified that interest is to be calculated by reference to the LIBO Rate, and each Rollover in respect thereof.

"**Liens**" means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event, (a) rights of set-off created for the purpose of securing (directly or indirectly) any Consolidated Debt, and (b) the rights of lessors under capital leases and any other lease financing included as Consolidated Debt.

"**Loan**" means a Prime Loan, a USBR Loan, a LIBO Rate Loan, a BA Equivalent Advance, or an Advance by way of the issuance of Bankers' Acceptances or a Letter of Credit.

"**Loan Documents**" means this Agreement, the Promissory Notes, the LC Issuer Documents, the Loan Guarantees, the Security Documents, the Perfection Certificate, any other perfection certificates, the Collateral Agency and Intercreditor Agreement and all other agreements, certificates, notices, instruments and other documents delivered or to be delivered to the Agent, the Lenders or any of them, in relation to the Credit Facility pursuant hereto or thereto and, when used in relation to any Person, the term "**Loan Documents**" shall mean and refer to the Loan Documents executed and delivered by such Person.

"**Loan Guarantee**" means a Guarantee given by the Borrower or a Restricted Subsidiary pursuant to Section 10.1 substantially in the form of Schedule H-1, as supplemented, amended and replaced from time to time.

"**Material Acquisition**" means an Acquisition by the Borrower or any of its Subsidiaries (but excluding an Acquisition of equity or assets of an Obligor or another Subsidiary), the cost of which, together with the cost of all such Acquisitions previously completed in such Fiscal Year which were not included in any previous Material Acquisition, exceed [DOLLAR AMOUNT REDACTED].

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

(a) the financial condition of the Borrower on a consolidated basis;

(b) the ability of the Borrower on a consolidated basis to perform its obligations under the Loan Documents to which it is a party;

(c) the validity or enforceability of any material portion of this Agreement or of any other Loan Document; or

(d) the property, business, operations or liabilities of the Borrower on a consolidated basis.

"**Material Adverse Effect**" means any event, circumstance, occurrence or change which materially impairs or has a material adverse effect on, or would reasonably be expected to materially impair or have a material adverse effect on:

(a) the financial condition of the Borrower on a consolidated basis;

(b) the ability of the Borrower on a consolidated basis to perform its obligations under the Loan Documents to which it is a party;

(c) the validity or enforceability of any material portion of this Agreement or of any other Loan Document; or

(d) the property, business, operations or liabilities of the Borrower on a consolidated basis.

"**Material Change**" has the meaning attributed thereto by securities legislation in effect in Alberta.

"**Material Disposition**" means a disposition by the Borrower or any of its Subsidiaries of equity or other assets (but excluding assets of an Obligor or another Subsidiary), the net proceeds of which, together with all such dispositions previously completed in such Fiscal Year which were not included in any previous Material Disposition, exceed [DOLLAR AMOUNT REDACTED].

“**Material Real Property**” means any parcel of Real Estate located in the United States (other than a parcel with a book value of less than US $500,000) owned in fee by an Obligor; provided, however, that one or more parcels owned in fee by an Obligor and located adjacent to, contiguous with, or in close proximity to, any other parcels owned in fee by an Obligor shall, in the reasonable discretion of the Agent, be deemed to be one parcel for the purposes of this definition.

“**Material Title Goods**” means (collectively):

(a) any Titled Good with a value which exceeds US $200,000; and

(b) any Titled Good with a value which does not exceed US $200,000 and which is selected by the Borrower for perfection of the Collateral Agent’s security interest in such Titled Good in accordance with Section 10.3(a).

"**Maturity Date**" means October 18, 2018, subject, in the case of each Lender, to the extension provisions in Section 2.2.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

“**Mortgage**” means a deed of trust, trust deed, fixed charge debenture or mortgage made by any of the Obligors in favour or for the benefit of the Collateral Agent on behalf of the Secured Parties granting a

Lien in any Material Real Property (with such changes as may be customary to account for local law matters) and otherwise in form and substance reasonably satisfactory to the Agent.

"**Multiemployer Plan**" means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which any ERISA Affiliate (a) contributes, (b) has contributed to within the preceding five (5) years or (c) could incur liability.

"**Non-Acceptance Lender**" means (a) a Lender which ceases to accept bankers' acceptances in the ordinary course of its business or (b) in respect of Lenders which are not Canadian chartered banks or Schedule III Lenders, a Lender who, by notice in writing to the Agent and the Borrower, elects thereafter to make BA Equivalent Advances in lieu of accepting Bankers' Acceptances.

"**Non-Extending Lenders**" has the meaning attributed thereto in Section 2.2(c).

"**Non-Recourse Assets**" means the assets created, developed, constructed or acquired with or in respect of which Non-Recourse Debt has been incurred and any and all receivables, inventory, equipment, chattel paper, intangibles and other rights, collateral or proceeds arising directly from or connected directly with the assets created, developed, constructed or acquired and to which recourse of the lender of such Non-Recourse Debt (or any agent, trustee, receiver or other person acting on behalf of such lender) in respect of such debt is limited in all circumstances (other than in respect of false or misleading representations or warranties customary in limited recourse financings in respect of which the lender's recourse may be expanded to include recourse against the Borrower or any Subsidiary, as applicable, on an unsecured basis); provided that (i) upon all such Non-Recourse Debt being repaid in full, such assets shall then cease to be Non-Recourse Assets and (ii) any Class A Units and Class C Units purchased by the Borrower or a Subsidiary with the proceeds of any Cerberus Contribution Loan (and any Distributions on account of any Class A Units or Class C Units, whether or not so purchased, payable to the Borrower or any of its Subsidiaries) shall constitute Non-Recourse Assets until such time as such Cerberus Contribution Loan has either been satisfied or does not constitute Non-Recourse Debt.

"**Non-Recourse Debt**" means any indebtedness of the types referred to in paragraphs (a) through (g) inclusive of the definition of Consolidated Debt incurred to finance the creation, development, construction or acquisition of assets and any extensions, renewals or refundings of any such debt, provided that the recourse of the lender thereof or any agent, trustee, receiver or other person acting on behalf of the lender in respect of such debt or any judgment in respect thereof is limited in all circumstances (other than in respect of false or misleading representations or warranties customary in limited recourse financings in respect of which the lender's recourse may be expanded to include recourse against the Borrower or any Subsidiary, as applicable, on an unsecured basis) to the assets created, developed, constructed or acquired in respect of which such debt has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral arising from the assets created, developed, constructed or acquired and to which the lender has recourse; provided that such debt is incurred within 180 days after the relevant assets are created, developed, constructed or acquired and, to the extent that the lender's recourse is expanded as contemplated above, such debt shall then cease to be Non-Recourse Debt; provided that Non-Recourse Debt shall include, without limitation, the Cerberus Contribution Loan to the extent that the only recourse available to the lender in respect of such loan for non-payment thereof is (i) delivery to such lender of the Class A Units and Class C Units issued to the Borrower or any Subsidiary that were purchased with the proceeds of the Cerberus Contribution Loan and (ii) payment to such lender of any Distribution to the Borrower or any of its Subsidiaries on account of any Class A Units or Class C Units, whether or not so purchased, payable to the Borrower or any of its Subsidiaries.

"**Noon Rate**" means, in relation to the conversion of one currency into another currency, the spot rate of exchange for such conversion as quoted by the Bank of Canada (or, if not so quoted, the spot rate of exchange quoted for wholesale transactions by the Agent in Toronto, Ontario in accordance with its normal practice) at approximately 12:00 noon (Toronto, Ontario time) on the Banking Day that such conversion is to be made (or, if such conversion is to be made before noon, then at approximately noon on the immediately preceding Banking Day).

"**Obligors**" means, collectively, the Borrower and the Subsidiary Guarantors.

"**Officer's Certificate**" means a certificate or notice (other than a Compliance Certificate) signed by any one of the president, chief financial officer, a vice-president, corporate secretary, treasurer or assistant secretary of the Borrower; provided, however, that Drawdown Notices and Conversion/Rollover/Repayment Notices shall be executed on behalf of the Borrower by any one of the foregoing persons or such other persons as may from time to time be designated by written notice from the Borrower to the Agent.

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"**Outstanding Principal**" means the aggregate, at any time, of:

(a) the aggregate outstanding principal amount of all Prime Loans, USBR Loans, BA Equivalent Advances and LIBO Rate Loans;

(b) the aggregate face amount of all outstanding Bankers' Acceptances which have not been Cash Collateralized; and

(c) the aggregate undrawn face amount of all outstanding Letters of Credit (as determined in accordance with Section 1.8) which have not been Cash Collateralized.

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

"**Participant**" has the meaning assigned to such term in Section 16.2(d).

"**Participating Member State**" means a member state of the European Community that adopts or has adopted the euro as its lawful currency under the legislation of the European Community for Economic Monetary Union.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation in the United States or any entity succeeding to any or all of its functions under ERISA.

“**Perfection Certificate**” means that certain perfection certificate dated as of the date hereof, made by the Borrower and addressed to the Collateral Agent and the Secured Parties, as amended, supplemented or otherwise modified from time to time.

“**Perfection Deadline**” means the earliest to occur of (a) the later of (i) March 1, 2016 and (ii) the 45th day after any party to the Hercules Purchase and Sale Agreement is released from or claims to be released from its obligations thereunder; (b) May 31, 2016 and (c) promptly upon the occurrence of a Default or an Event of Default, or in all cases, such later date as may be agreed to by the Agent and each set of the “Required Holders” (as defined in each of the Senior Notes Purchase Agreements).

“**Perfection Exceptions**” means the exceptions to the perfection of security interests described in any of the Security Documents and also includes not requiring or making or taking (as applicable):

(a) serial number registration under the PPSA in Canada against any “serial number goods” (as defined in the PPSA);

(b) possession of or notations against any certificate of title for any Titled Goods which are not Material Titled Goods;

(c) registration at any land titles office of a fixed charge or Mortgage on any Real Estate located in Canada;

(d) registration of a fixed charge or Mortgage on any Real Estate located in the United States which is not Material Real Property;

(e) entering into any Control Agreement if the applicable counterparty refuses to enter into such Control Agreement notwithstanding the applicable Obligor using all commercially reasonable efforts to induce such counterparty to enter into such Control Agreement; provided that in such circumstance such applicable Obligor shall transfer all of their cash and Cash Equivalents out of the account(s) with any such counterparty promptly after the Agent requests such a transfer; and

(f) any of the actions described in Section 10.5 prior to the deadline(s) imposed by Section 10.5 for the completion of such actions;

provided that if a Default or an Event of Default occurs and is continuing, the Agent may elect in its sole discretion to modify or delete any of the above exceptions by providing written notice to that effect to the Borrower.

"**Permitted Acquisition**" means, in respect of the Borrower and any Restricted Subsidiary:

(a) prior to the Covenant Normalization Date, any Acquisition which meets all of the following conditions:

(i) the consideration paid for such Acquisition is wholly funded from Junior Capital issued to the seller;

(ii) the cumulative consideration paid for all such Acquisitions in any Fiscal Year does not exceed an aggregate amount equal to [DOLLAR AMOUNT REDACTED];

(iii) the Consolidated Senior Net Debt to Consolidated EBITDA Ratio (as determined by a Pro Forma Basis testing after giving effect to such Acquisition) will be at least 0.25 lower than the maximum ratio permitted by Section 9.3(b);

(iv) the remaining undrawn availability under the Credit Facility will be at least [DOLLAR AMOUNT REDACTED] after giving effect to such Acquisition (including the payment of all cash consideration payable thereunder); and

(v) no Default or Event of Default shall have occurred and be continuing or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the completion of such Acquisition; and

(b) from and after the Covenant Normalization Date, any Acquisition; provided that no Default or Event of Default shall have occurred and be continuing or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the completion of such Acquisition.

"**Permitted Contest**" means action taken by the Borrower or a Restricted Subsidiary in good faith by appropriate proceedings diligently pursued to contest any Taxes, Other Taxes, claims or Liens, provided that:

(a) the Borrower or such Restricted Subsidiary has established reasonable reserves therefor in accordance with GAAP, and

(b) proceeding with such contest will not create a material risk of sale, forfeiture or loss, or interference with the use of any material property or asset of the Borrower or such Restricted Subsidiary and would not reasonably be expected to have a Material Adverse Effect.

"**Permitted Debt**" means, in respect of the Borrower and any Restricted Subsidiary (and any Guarantee of any Consolidated Debt which constitutes Permitted Debt shall also constitute Permitted Debt):

(a) prior to the Covenant Normalization Date:

(i) the Outstandings (including any PIK Principal relating to the Credit Facility);

(ii) the Senior Notes and the Broadway Subordinated Make-Whole Notes (including any PIK Principal relating to the Senior Notes or the Broadway Subordinated Make-Whole Notes);

(iii) Cash Management Obligations and Lender Swap Obligations incurred in compliance with the terms of this Agreement;

(iv) Consolidated Debt secured by a Lien under paragraph (h) of the definition of Permitted Liens;

(v) Permitted Subordinated Debt;

(vi) Permitted Refinancing Debt;

(vii) any Cerberus Contribution Loan (as long as it constitutes Non-Recourse Debt);

(viii) other Consolidated Debt which does not at any time exceed Cdn. $10,000,000; and

(ix) other Consolidated Debt which is approved by the Required Lenders and which can be incurred in compliance with the Senior Notes Purchase Agreements and any other agreements governing any other then existing Consolidated Debt; and

(b) from and after the Covenant Normalization Date, in addition to the Outstandings and Permitted Subordinated Debt, any Third Party Consolidated Debt which meets all of the following conditions:

(i) such Third Party Consolidated Debt is unsecured or secured by a Permitted Lien;

(ii) no Default or Event of Default has occurred and is continuing at the date such Third Party Consolidated Debt is incurred or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the incurrence of such Third Party Consolidated Debt;

(iii) the aggregate amount of all Third Party Consolidated Debt of the Borrower and its Restricted Subsidiaries does not exceed Cdn. $750,000,000 or the Equivalent Amount thereof in Cdn. Dollars as determined at the time of incurrence of such

Third Party Consolidated Debt (or such other amount as may be agreed to by the Borrower, the Agent and the Lenders in connection with any Extension Request); and

(iv) if the Consolidated Debt to Consolidated Capitalization Ratio is a percentage of:

(A) 26% or higher but less than 36%, then the Borrower shall promptly provide prior written notice to the Agent if the Borrower or any of its Restricted Subsidiaries intends to create, incur or assume any additional Third Party Consolidated Debt; or

(B) 36% or higher, then the Borrower shall not, nor shall it permit any Restricted Subsidiary to, create, incur or assume any additional Third Party Consolidated Debt without the prior written consent of the Lenders, which consent may be withheld in the sole discretion of the Lenders.

"**Permitted Disposition**" means, in respect of the Borrower and any Restricted Subsidiary:

(a) a Disposition of inventory in the ordinary course of business;

(b) a Disposition in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, unsuitable or being replaced in the ordinary course of business;

(c) a Disposition of any assets or properties to the Borrower or any Restricted Subsidiary;

(d) the unwinding or settlement of any Existing Hedge Agreements;

(e) prior to the Covenant Normalization Date, a Disposition which meets all of the following conditions:

(i) the aggregate net book value of all assets located within Canada or the United States which are Disposed of during the then current Fiscal Year pursuant to this part (e) does not exceed [DOLLAR AMOUNT REDACTED] (and none of such assets are Disposed of to a Subsidiary or Affiliate of the Borrower);

(ii) the Consolidated Senior Net Debt to Consolidated EBITDA Ratio (as determined on a Pro Forma Basis after giving effect to such Disposition) will not increase and will be at least 0.25 lower than the maximum ratio permitted by Section 9.3(b); and

(iii) no Default or Event of Default shall have occurred and be continuing or would or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the completion of such Disposition; and

(f) from and after the Covenant Normalization Date, a Disposition which meets all of the following conditions:

(i) the aggregate net book value of all assets Disposed of during the then current Fiscal Year pursuant to this part (f) (net of Permitted Acquisitions in such Fiscal Year) does not exceed an amount equal to [PERCENTAGE REDACTED] of Consolidated Tangible Assets (as determined as of the last day of the immediately preceding Fiscal Year); and

(ii) no Default or Event of Default shall have occurred and be continuing or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the completion of such Disposition.

"**Permitted Distribution**" means, in respect of the Borrower and any Restricted Subsidiary:

(a) prior to the Covenant Normalization Date, the payment of any scheduled interest payment on any Permitted Subordinated Debt; provided that no Default or Event of Default shall have occurred and be continuing or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the making of such payment; and

(b) from and after the Covenant Normalization Date, any Distribution; provided that all of the following conditions are met at the time of such Distribution:

(i) except in the case of the payment of any scheduled interest payment on any Permitted Subordinated Debt, the Consolidated Senior Net Debt to Consolidated EBITDA Ratio (as determined by a Pro Forma Basis testing after giving effect to such Distribution) will not exceed 3.0 to 1.0; and

(ii) no Default or Event of Default shall have occurred and be continuing or would reasonably be expected to exist (including as determined by a Pro Forma Basis testing) upon or as a result of the completion of such Distribution.

"**Permitted Liens**" means, as at any particular time, any of the following on the property or any part of the property of the Borrower or any Restricted Subsidiary:

(a) Liens for taxes, assessments or governmental charges which are not due and delinquent, or, if due or delinquent, the validity of which is subject to a Permitted Contest;

(b) the Lien of any judgment rendered or claim filed against the Borrower or any Restricted Subsidiary which is subject to a Permitted Contest or which is adequately covered by insurance;

(c) Liens imposed or permitted by law, such as statutory liens and deemed trusts, carriers' liens, garagekeepers' liens, builders' liens, warehousemen's liens, mechanics' liens, materialmen's liens and other liens, privileges or other charges of a similar nature which relate to obligations which are not due and delinquent, or if due and delinquent, the validity of which is subject to a Permitted Contest;

(d) Liens in favour of a public utility or any municipality or governmental or other public authority when required by such utility, municipality or authority in connection with the operations of the Borrower or any Restricted Subsidiary; provided, however, that all such Liens only secure sums not at the time overdue, or if overdue, the validity of which is subject to a Permitted Contest;

(e) Liens securing the performance of bids, tenders, leases, contracts (other than for the repayment of Consolidated Debt), statutory obligations, appeal bonds and performance bonds and other obligations of like nature, incurred as incidental to and in the ordinary course of business of the Borrower or any Restricted Subsidiary; provided, however, that all such Liens only secure sums not at the time overdue, or if overdue, the validity of which is subject to a Permitted Contest;

(f) the Lien or any right of distress reserved in or exercisable under any real property lease for rent or otherwise to effect compliance with the terms of such lease, in respect of which the rent or other obligations are not at the time overdue, or if overdue, the validity of which is subject to a Permitted Contest;

(g) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Borrower or any Restricted Subsidiary (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which do not, either alone or in the aggregate, materially detract from the value of such land or materially impair its use in the operation of the business of the Borrower or such Restricted Subsidiary, as the case may be;

(h) Purchase Money Security Interests and capital leases; provided that those Liens are limited to all or any part of the property or assets purchased or leased and that such obligations do not exceed Cdn. $30,000,000 prior to the Covenant Normalization Date and Cdn. $40,000,000 from and after the Covenant Normalization Date, in each case as determined in the aggregate for the Borrower and its Restricted Subsidiaries;

(i) Liens which secure Non-Recourse Debt; provided that those Liens are limited to Non-Recourse Assets created, developed, constructed or acquired with such Non-Recourse Debt;

(j) Liens which secure Permitted Subordinated Debt incurred in compliance with the terms of this Agreement;

(k) Liens created under any of the Security Documents;

(l) Liens consented to in writing by the Required Lenders;

(m) Liens from a Subsidiary of the Borrower to the Borrower or a Restricted Subsidiary;

(n) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding subparagraphs (a) to (m) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased;

(o) Liens that are not permitted under any of the foregoing subparagraphs of this definition and which secure obligations or indebtedness that are not otherwise prohibited under this Agreement, provided that the aggregate of the obligations and indebtedness secured by all such Liens does not at any time exceed Cdn. $10,000,000;

provided that nothing in this definition shall in and of itself cause the Lender Secured Obligations to be subordinated in priority of payment to any such Permitted Lien.

"**Permitted Refinancing Debt**" means any future Consolidated Debt issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, any other then existing Consolidated Debt (the "**Refinanced Debt**") which meets all of the following conditions:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Debt does not exceed the principal amount (or accreted value, if applicable) of such Refinanced Debt (plus all accrued interest on such Refinanced Debt and the amount of all expenses and premiums incurred in connection with such refinancing);

(b) the all-in yield on such Permitted Refinancing Debt does not exceed 2.0% per annum above the all in yield on such Refinanced Debt or such Permitted Refinancing Debt qualifies as Permitted Subordinated Debt;

(c) such Permitted Refinancing Debt has a final maturity date at least one year later than the final maturity date of, and has a Weighted Average Life to Maturity at least one year greater than the Weighted Average Life to Maturity of, such Refinanced Debt;

(d) if such Refinanced Debt ranks *pari passu* or subordinated in right of payment to the Secured Obligations, such Permitted Refinancing Debt ranks *pari passu* or subordinated in right of payment to the Secured Obligations on terms at least as favorable, taken as a whole, to the Secured Parties as those contained in the documentation governing the Refinanced Debt;

(e) if such Refinanced Debt is secured, the Lien securing such Permitted Refinancing Debt is not materially less favorable to the Secured Parties and not materially more favorable to the lienholder with respect to such Lien than the Lien in respect of such Refinanced Debt;

(f) such Permitted Refinancing Debt is incurred either by (i) the Borrower or (ii) the Restricted Subsidiary who is the obligor on the Refinanced Debt; and

(g) the other terms and conditions of such Permitted Refinancing Debt taken as a whole are no less favorable to the Borrower and the Secured Parties and are otherwise acceptable to the Agent.

"**Permitted Subordinated Debt**" means any unsecured or second-lien Consolidated Debt of the Borrower and its Restricted Subsidiaries (other than that owing to Affiliates) that is expressly and equally subordinated to the Outstandings, the Senior Notes and the Broadway Subordinated Make-Whole Notes on terms acceptable to the Agent including, without limitation, with respect to standstill periods and payment turnover and blockage provisions, and, if secured by any Liens, such Liens rank junior to the Liens created by the Security Documents, in each case pursuant to a subordination agreement on terms and in form satisfactory to the Agent; provided that:

(a) at the time of and immediately after the incurrence thereof, no Default or Event of Default then exists (including as determined by a Pro Forma Basis testing);

(b) at the time of and immediately after the incurrence thereof, the Consolidated Senior Net Debt to Consolidated EBITDA Ratio (as determined by a Pro Forma Basis testing) will be at least 0.25 lower than the maximum ratio permitted by Section 9.3(b);

(c) the aggregate principal amount of all such Consolidated Debt which is outstanding at any time shall not exceed an aggregate of Cdn. $200,000,000;

(d) such Consolidated Debt has no scheduled amortization and the maturity date of such Consolidated Debt is at least five years from the date of incurrence; and

(e) the agreement governing such Consolidated Debt does not contain any maintenance financial covenants and all other terms of such Consolidated Debt taken as a whole are materially less restrictive than the terms of this Agreement and the Senior Notes Purchase Agreements and are otherwise acceptable to the Agent.

"**Person**" means any natural person, corporation, limited liability company, unlimited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**PIK Date**" means each of November 12 and April 12 in each calendar year during the PIK Interest Period.

"**PIK Interest**" means:

(a) with respect to the Outstanding Principal under the Credit Facility, (i) that portion of the accrued interest on such Outstanding Principal (being [NUMBER REDACTED] bps per annum) and (ii) any accrued interest on any PIK Principal under the PIK Tranches, in each case which accrues in accordance with the applicable provisions of this Agreement, and is intended to be paid in kind on each PIK Date by conversion into PIK Principal in accordance with Section 2.1(c) or 2.1(d), as applicable;

(b) with respect to any Senior Notes, (i) that portion of the accrued interest on such Senior Notes (being [NUMBER REDACTED] bps per annum) and (ii) any accrued interest on any PIK Principal relating to such Senior Notes, in each case which is intended to be paid in kind during the PIK Interest Period on a semi-annual basis by the issuance of additional Senior Notes;

(c) with respect to any Broadway Subordinated Make-Whole Notes, (i) all accrued interest on such Broadway Subordinated Make-Whole Notes and (ii) any accrued interest on any PIK Principal relating to such Broadway Subordinated Make-Whole Notes, in each case which is intended to be paid in kind during the PIK Interest Period on a semi-annual basis by the issuance of additional Broadway Subordinated Make-Whole Notes; and

(d) with respect to any other Consolidated Debt, (i) that portion of the accrued interest on such Consolidated Debt and (ii) any accrued interest on any PIK Principal relating to such other Consolidated Debt, in each case which is intended to be paid in kind by conversion into principal in accordance with the terms of such other Consolidated Debt;

provided that in each case, (i) all PIK Interest shall be deemed to form part of PIK Principal and Consolidated Debt from and after the date such PIK Interest is paid in kind by adding same (or deeming same to be added) to the applicable outstanding principal, (ii) in the case of the PIK Interest described in parts (a) and (b) above, such PIK Interest and PIK Principal shall be payable on the earlier of (A) the Covenant Normalization Date (as determined without regard for part (d) of the definition thereof) and (B) either the Maturity Date (in the case of PIK Interest and PIK Principal relating to the Credit Facility) or the scheduled maturity date of the applicable Senior Notes (in the case of PIK Interest and PIK Principal relating to such Senior Notes), (iii) in the case of the PIK Interest described in part (c) above, such PIK Interest and PIK Principal shall be payable in accordance with the definitions used within the definition of Broadway Subordinated Make-Whole Notes, (iv) in the case of the PIK Interest described in part (d) above, such PIK Interest and PIK Principal shall be payable on the scheduled maturity date of such other Consolidated Debt and (v) at the option of the Borrower, all such PIK Interest may be prepaid in cash at any time without premium or penalty (subject to the requirements of this Agreement).

"**PIK Interest Period**" means the period commencing on the Amendment Effective Date and ending on the Pricing Reset Date.

"**PIK Maturity Date**" means the earliest to occur of (a) October 18, 2018, (b) the Covenant Normalization Date and (c) the date on which the Credit Facility has been fully cancelled or permanently reduced in full.

"**PIK Principal**" means, with respect to any PIK Interest relating to any Consolidated Debt, the principal amount of such Consolidated Debt which is wholly created from the payment in kind of such PIK Interest by converting (whether through deeming provisions or otherwise) such PIK Interest into principal of such Consolidated Debt.

"**PIK Tranches**" means, collectively, the Pre-Consolidation PIK Tranche and the Post-Consolidation PIK Tranche, and "**PIK Tranche**" means either of them.

"**Plan**" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA) subject to Section 302 or Title IV of ERISA or Section 412 of the Code (other than a Multiemployer Plan) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made by any ERISA Affiliate or with respect to which any ERISA Affiliate may have any liability.

"**Pre-Consolidation PIK Outstandings**" means the aggregate of (a) Pre-Consolidation PIK Interest and (b) Pre-Consolidation PIK Principal.

"**Post-Consolidation PIK Principal**" means PIK Principal excluding Pre-Consolidation PIK Principal.

"**Post-Consolidation PIK Tranche**" means that portion of the Credit Facility which relates to (a) PIK Interest which accrues on Outstanding Principal (other than Pre-Consolidation PIK Principal) from and after the Amendment Effective Date and (b) Post-Consolidation PIK Principal.

"**PPSA**" means the *Personal Property Security Act* (Alberta) and all regulations thereto, as the same may from time to time be in effect and the personal property security legislation of any other province or territory of Canada to the extent it may be required to apply to any item or items of Collateral.

"**Pre-Consolidation PIK Interest**" means (a) PIK Interest which is accrued and unpaid on the Amendment Effective Date and (b) PIK Interest which accrues on Pre-Consolidation PIK Principal.

"**Pre-Consolidation PIK Outstandings**" means the aggregate of (a) Pre-Consolidation PIK Interest and (b) Pre-Consolidation PIK Principal.

"**Pre-Consolidation PIK Principal**" means PIK Principal which results from the payment in kind of Pre-Consolidation PIK Interest.

"**Pre-Consolidation PIK Tranche**" means that portion of the Credit Facility which relates to Pre-Consolidation PIK Outstandings.

"**Pre-Consolidation Proportions**" means, in respect of any Pre-Consolidation PIK Outstandings, the same proportions in which Pre-Consolidation Outstandings would have been owing to the applicable Lenders under the Existing Credit Agreement as determined immediately prior to receipt by the Borrower of the Hercules Proceeds (subject to such adjustments as may be required to give effect to any assignment which may be made any Lender after the Amendment Effective Date).

"**Pricing Reset Date**" means the later of:

(a) the Covenant Normalization Date; and

(b) the earlier of (i) the first date on which the Borrower is rated Investment Grade and (ii) the first date on which the Borrower delivers the Financial Statements (and accompanying Compliance Certificate) which reflect that the Consolidated Senior Net Debt to Consolidated EBITDA Ratio has not exceeded 2.0 to 1.0 for at least four consecutive Fiscal Quarters.

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

"**Prime Rate**" means, for any day, the greater of:

(a) the rate of interest per annum established from time to time by the Agent as the reference rate of interest for the determination of interest rates that the Agent will charge for commercial loans in Canadian Dollars in Canada; and

(b) the rate of interest per annum equal to the average annual yield rate for one month Cdn. Dollar bankers' acceptances (expressed for such purpose as a yearly rate per annum in accordance with Section 5.3) which rate is shown on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuters Monitor Money Rates Service at 10:00 a.m. (Toronto time) on such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, plus [PERCENTAGE REDACTED] per annum.

"**Pro Forma Basis**" means, as at any date of determination, a calculation of compliance with any of the covenants in Section 9.1(s), 9.2(b) or 9.3 using (as applicable):

(a) the amount of Consolidated Debt, Consolidated Senior Net Debt or Consolidated Tangible Assets at such date (after giving effect to the transaction(s) that triggered the requirement for such calculation herein); and

(b) the amount of Consolidated EBITDA, Consolidated Interest Expense and Consolidated Net Income for the most recent period of four consecutive Fiscal Quarters for which Financial Statements have been delivered to the Agent pursuant to Section 9.1(e).

"**Purchase Money Security Interest**" means:

(a) a Lien taken or reserved in property to secure payment of all or part of its purchase price or the cost of construction of any improvement thereon; and

(b) a Lien taken in property by a Person who gives value for the purpose of enabling the Borrower or the relevant Subsidiary of the Borrower to acquire rights in such property, to the extent that the value is applied to acquire those rights;

but does not include a capital lease or an operating lease.

“**Real Estate**” means all real property (together with any improvements thereon) at any time owned or leased (as lessee or sublessee) by any Borrower or Subsidiary and located in Canada or the United States.

"**Register**" has the meaning attributed thereto in Section 16.2.

"**Regulation T**", "**Regulation U**" and "**Regulation X**" mean, respectively, Regulation T, Regulation U and Regulation X of the Federal Reserve Board as from time to time in effect and any successor to all or any portion of such provisions establishing comparable requirements.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

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

"**Reportable Event**" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"**Required Lenders**" means, if there are three or more Lenders, Lenders holding at least $66^{2}/_{3}$% of the aggregate of the Commitments of all Lenders hereunder, or, if there are fewer than three Lenders, all of the Lenders; provided that, for the purposes of determining the number of Lenders under this definition, any Lenders which are Affiliates shall be regarded as a single Lender.

"**Restricted Subsidiary**" means any Subsidiary of the Borrower (other than a Foreign Subsidiary):

(a) of which all of the Equity Securities are owned, directly or indirectly, by the Borrower, and

(b) that:

(i) directly owns any Equity Securities in any other Obligor;

(ii) is the general partner of a limited partnership that is an Obligor;

(iii) incurs any indebtedness for borrowed money or grants any Guarantee of indebtedness for borrowed money where:

(A) such borrowed money is included as part of Consolidated Debt and the principal sum of such borrowed money is Cdn. $10,000,000 (or the equivalent thereof in any other currency) or more; or

(B) such borrowed money is included as part of Consolidated Debt and the principal sum of such borrowed money, together with the principal sum of indebtedness for borrowed money of, or Guarantees thereof provided by, other Subsidiaries that have not granted a Loan Guarantee is Cdn. $50,000,000 (or the equivalent thereof in any other currency) or more; or

(iv) has been designated by the Borrower as a Restricted Subsidiary pursuant to Section 11.1.

As of the Amendment Effective Date, the Restricted Subsidiaries are Trican Well Service, L.P., Canadian Oilfield Stimulation Services Ltd., Birchwood Industries Ltd., Northline Energy Ltd., Trican Geological Solutions Ltd., Trican Partnership, Trican Completion Solutions Ltd., Trican Completion Solutions LLC, TriLib Management LLC, TriCan Delaware Inc., Northline Energy Services Inc. and Trican, LLC.

"**Rollover**" means:

(a) with respect to any LIBO Rate Loan, the continuation of all or a portion of such Loan (subject to the provisions hereof) for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto;

(b) with respect to Bankers' Acceptances, the issuance of new Bankers' Acceptances or the making of new BA Equivalent Advances (subject to the provisions hereof) in respect of all or any portion of Bankers' Acceptances (or BA Equivalent Advances made in lieu thereof) maturing at the end of the Interest Period applicable thereto, all in accordance with Article 5; and

(c) with respect to a Letter of Credit, the extension or replacement of such Letter of Credit, provided that (i) the beneficiary remains the same, (ii) the undrawn face amount is not increased and (iii) the other principal terms thereof (other than the expiry date) remain the same.

"**Rollover Date**" means:

(a) with respect to any LIBO Rate Loan or Bankers' Acceptances, the date of commencement of a new Interest Period applicable to such Loan and which shall be a Banking Day; and

(b) with respect to any Letter of Credit, the date of any extension or replacement thereof which constitutes a Rollover.

"**S&P**" means Standard & Poor's Ratings Services, a division of Standard and Poor's Financial Services LLC, and its successors.

"**Sanctions Laws**" means (a) the laws, regulations, executive orders and rules promulgated or administered by the OFAC, the US Treasury Department or the US State Department to implement sanctions programs and any similar sanctions laws as may be enacted from time to time by the United States, including the *International Emergency Economic Powers Act*, the *Trading With the Enemy Act*, the *U.S. Comprehensive Iran Sanctions, Accountability, and Divestment Act* and the *U.S. Sudan Accountability and Divestment Act* and any enabling legislation or executive orders relating to any of the foregoing or (b) any of the economic sanctions of Canada, including those provided for pursuant to the *Special Economic Measures Act* (Canada) or the *United Nations Act* (Canada), in each case, to the extent applicable.

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

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

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

"**Secured Obligations**" has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**Secured Parties**" has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**Securities**" means collectively, all Equity Securities, Equity Securities Equivalents, voting trust certificates, bonds, debentures, instruments and other evidence of Consolidated Debt, whether or not secured, convertible or subordinated, all certificates of interest, share or participation in, all certificates for the acquisition of, and all warrants, options, and other rights to acquire, any such securities.

"**Security Documents**" means, collectively, the guarantees, mortgages, debentures, debenture pledge agreements, pledge agreements, negative pledge agreements, general security agreements, assignments and other security agreements executed and delivered, or required to be executed and delivered to the Collateral Agent, by each of the Obligors under and pursuant to this Agreement to secure the Secured Obligations.

"**Senior Notes**" means the following senior notes issued by the Borrower prior to the Amendment Effective Date:

(a) the senior notes issued by the Borrower under the note purchase agreement dated April 28, 2011 which consist of (i) Cdn. $45,000,000 5.22% Series C Senior Guaranteed Notes due April 28, 2016; (ii) Cdn. $15,000,000 6.11% Series D Senior Guaranteed Notes due April 28, 2021; (iii) US $65,000,000 4.61% Series E Senior Guaranteed Notes due April 28, 2016; (iv) US $80,000,000 5.29% Series F Senior Guaranteed Notes due April 28, 2018 and (v) US $105,000,000 5.90% Series G Senior Guaranteed Notes due April 28, 2021;

(b) the senior notes issued by the Borrower under the private shelf agreement dated June 1, 2012 which consist of US $50,000,000 4.05% Series A Senior Guaranteed Notes due November 19, 2019; and

(c) the senior notes issued by the Borrower under the note purchase agreement dated September 3, 2014 which consist of Cdn. $20,000,000 5.75% Series H Senior Guaranteed Notes due September 3, 2016.

"**Senior Notes Amendments**" means, collectively, the second amending agreement dated as of January 25, 2016 to each of the Senior Notes Purchase Agreements between the Borrower and the noteholders party thereto.

"**Senior Notes De-Leveraging Application**" means any payment, prepayment, purchase or offer to prepay or purchase any Senior Notes or any PIK Principal or PIK Interest relating thereto which is made by the Borrower to any holders of the Senior Notes at any time after November 12, 2015 (but excludes the Hercules De-Leveraging Application); provided that (a) such prepayment offer (to the extent rejected by any initial offerees) will be re-offered on a pro rata basis in a second round to those holders of Senior Notes which accepted such prepayment offer during the first round; and (b) to the extent any holder of Short-Dated Senior Notes rejects its pro rata share of such prepayment offer, its rejected pro rata share will not be included in the second round offer.

"**Senior Notes Purchase Agreements**" means the agreements described in the definition of Senior Notes.

"**Sharing Percentage**" means:

(a) with respect to any mandatory repayment or payment of the Outstanding Principal (or, if applicable, PIK Interest) and reduction of the Total Commitment required by Section 7.3 and any related mandatory repayment offer with respect to the Senior Notes required by the Senior Notes Purchase Agreements:

(i) with respect to the Credit Facility, a percentage equal to a fraction, the numerator of which shall be the aggregate principal amount of all outstanding loans, the aggregate face amount of all outstanding bankers' acceptances, the aggregate undrawn face amount of all outstanding letters of credit and the aggregate reimbursement obligations owing in respect of any drawn letters of credit in each case under the Credit Facility (excluding any PIK Principal relating to the Credit Facility), and the denominator of which shall be the sum of (1) the amount in the above numerator plus (2) the aggregate unpaid principal amount of the Senior Notes (excluding, for the avoidance of doubt, all PIK Principal relating to the Senior Notes and all Broadway Subordinated Make-Whole Notes) at the time outstanding held by all holders thereof, in each case under this clause (i) determined at the time of receipt by the Borrower or any Subsidiary of the net proceeds from the trigger event referred to in Section 7.3; and

(ii) with respect to the Senior Notes (taken as a whole), a percentage equal to a fraction, the numerator of which shall be the aggregate unpaid principal amount of the Senior Notes (excluding, for the avoidance of doubt, all PIK Principal relating to the Senior Notes and all Broadway Subordinated Make-Whole Notes) at the time outstanding held by all holders thereof, and the denominator of which shall be the sum of (1) the amount in the above numerator plus (2) the aggregate principal amount of all outstanding loans, the aggregate face amount of all outstanding bankers' acceptances, the aggregate undrawn face amount of all outstanding letters of credit and the aggregate reimbursement obligations owing in respect of any drawn letters of credit in each case under the Credit Facility (excluding any PIK Principal relating to the Credit Facility), in each case under this clause (ii) determined at the time of receipt by the Borrower or any Subsidiary of the net proceeds from the trigger event referred to in Section 7.3;

provided that, for purposes of determining any particular Sharing Percentage under this clause (a), the principal amount of any Senior Notes or Outstandings denominated in a currency other than Canadian Dollars shall be expressed as an amount in Canadian Dollars based on the Noon Rate in effect on the date of receipt by the Borrower or any Subsidiary of the net proceeds from the trigger event referred to in Section 7.3; and

(b) with respect to any mandatory repayment of the Outstanding Principal and reduction of the Total Commitment required by Section 7.2(c) and any related mandatory repayment offer with respect to the Senior Notes required by the Senior Notes Purchase Agreements:

(i) with respect to the Credit Facility, 20%; and

(ii) with respect to the Senior Notes (taken as a whole), 50%.

"**Short-Dated Senior Notes**" means all Senior Notes that mature on or prior to April 28, 2016 or that have a mandatory amortization payment prior to such date (but such Senior Notes shall be only deemed to be Short-Dated Senior Notes to the extent of such amortization payment).

"**Subsidiary**" means, with respect to a Person:

(a) any corporation of which at least a majority of the outstanding Voting Securities having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by such Person, or one or more of its Subsidiaries, or such Person and one or more of its Subsidiaries;

(b) any partnership of which, at the time, such Person, or one or more of its Subsidiaries, or such Person and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

(c) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by such Person, or one or more of its Subsidiaries, or such Person and one or more of its Subsidiaries.

Unless otherwise specifically indicated herein, "**Subsidiary**" refers to a Subsidiary of the Borrower.

"**Subsidiary Guarantor**" means a Restricted Subsidiary which has provided a subsisting Loan Guarantee.

"**Successor**" has the meaning attributed thereto in Section 9.2(c).

"**Swap Lender**" means any Lender or its Affiliate that enters into a Lender Hedge Agreement (regardless of whether such Lender ceases to be a Lender after such Lender Hedge Agreement is entered into), but excluding, for certainty, any Lender Hedge Agreement entered into by the Borrower or a Subsidiary with any Lender after such Lender's Commitment has been fully cancelled in accordance with the terms hereof or after such Lender has assigned all of its rights to the Credit Facility in accordance with Section 16.2.

“**Swap Obligation**” means, with respect to any Subsidiary Guarantor, 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.

"**Swingline Advance**" means a Drawdown pursuant to Section 2.11 by way of a Prime Loan, a USBR Loan or a Swingline Letter of Credit.

"**Swingline Facility**" means the revolving credit facility made available by the Swingline Lender pursuant to Section 2.11.

"**Swingline Lender**" means HSBC Bank Canada or any other Lender as may be selected by the Agent and the Borrower, which agrees to make Swingline Advances available hereunder.

"**Swingline Letter of Credit**" means a Letter of Credit issued pursuant to Section 2.11.

"**Swingline Loan**" means a Loan funded by way of a Swingline Advance.

"**Syndicated Advance**" means any Advance other than a Swingline Advance.

"**Syndicated Loan**" means any Loan other than a Swingline Loan.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Termination Event**" means an automatic early termination of any Lender Swap Obligations without any notice being required from a Lender or its Affiliate which is a counterparty to the Lender Swap Agreement relating thereto.

"**Third Party Consolidated Debt**" means Consolidated Debt excluding (a) the Outstandings and (b) any Permitted Subordinated Debt.

"**Title Insurance Policy**" means a mortgagee’s A.L.T.A. loan policy, in form and substance reasonably satisfactory to the Agent and the Collateral Agent, together with all endorsements made from time to time thereto, issued by or on behalf of a title insurance company reasonably satisfactory to the Agent and the Collateral Agent, insuring the Lien created by a Mortgage in an amount and on terms reasonably satisfactory to the Agent and the Collateral Agent.

"**Titled Good**" means any motor vehicle, other vehicle, trailer, carrier or other piece of equipment which is owned by an Obligor and is subject to a certificate of title issued by any state in the United States.

"**Total Commitment**" means the aggregate of the Commitments of each of the Lenders, as increased, decreased, cancelled or terminated from time to time pursuant to this Agreement.

"**Tranche A**" has the meaning attributed thereto in the Existing Credit Agreement.

"**Tranche B Commitment**" has the meaning attributed thereto in the Existing Credit Agreement.

"**Tranche B**" has the meaning attributed thereto in the Existing Credit Agreement.

"**Tranche B Commitment**" has the meaning attributed thereto in the Existing Credit Agreement.

"**Tranche B Loans**" has the meaning attributed thereto in the Existing Credit Agreement.

"**Tranche Consolidation**" means the consolidation of Tranche A and Tranche B as contemplated in this Agreement.

"**Tranche Consolidation Consent Request**" means the consent request dated February 19, 2016 from the "Agents" (as defined in the Existing Credit Agreement) to the Lenders requesting, on behalf of the "Borrowers" (as defined in the Existing Credit Agreement), the consent of the Lenders to the Tranche Consolidation.

"**Transaction**" has the meaning attributed thereto in Section 9.2(c).

"**Trican Russia**" means Limited Liability Company formerly named "Trican Well Service", a company organized under the laws of the Russian Federation.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect from time to time in a jurisdiction other than the State of New York, the term "**UCC**" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"**United States**" and "**U.S.**" mean the United States of America.

"**United States Dollars**", "**US Dollars**" and "**US $**" means the lawful money of the United States of America.

"**Unreimbursed Amount**" has the meaning attributed thereto in Section 6.3(a).

"**Unrestricted Subsidiary**" means any Subsidiary of the Borrower that is not a Restricted Subsidiary.

"**US Base Rate**" means, on any day, the greater of:

(a) the rate of interest per annum established from time to time by the Agent as the reference rate of interest for the determination of interest rates that the Agent will charge for commercial loans in United States Dollars in Canada;

(b) the rate of interest per annum for such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, equal to the sum of the Federal Funds Rate (expressed for such purpose as a yearly rate per annum in accordance with Section 4.10), plus [PERCENTAGE REDACTED] per annum; and

(c) the LIBO Rate on such day for one month LIBO Rate Loans plus [PERCENTAGE REDACTED].

"**US Obligor**" means an Obligor organized, formed or incorporated under the laws of the United States or any state thereof.

"**US Obligor Security Agreement**" means a security agreement given by a US Obligor pursuant to Section 10.2 substantially in the form of Schedule H-4, as supplemented, amended and replaced from time to time.

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

"**Voting Securities**" means:

(a) capital stock of any class of any corporation or other equity securities of any other Person which carries voting rights to elect the board of directors (or other persons performing similar functions) under any circumstances; and

(b) an interest in a general partnership, limited partnership, trust, limited liability company, joint venture or similar Person which entitles the holder of such interest to receive a share of the profits, or on dissolution or partition, of the assets, of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Consolidated Debt at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of such Consolidated Debt, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(b) the then outstanding principal amount of such Consolidated Debt.

1.2 Headings; Articles and Sections

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

1.3 Number; persons; including

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

1.4 Accounting Principles

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

1.5 Changes in Generally Accepted Accounting Principles

(a) If the Borrower, the Agent or the Required Lenders determine at any time that any amount required to be determined hereunder would be materially different if such amount were determined in accordance with:

(i) GAAP applied by the Borrower in respect of its Financial Statements on the Amendment Effective Date ("**Old GAAP**"), instead of

(ii) GAAP subsequently in effect and applied by the Borrower in respect of its Financial Statements and utilized for purposes of determining such amount,

then written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Required Lenders.

(b) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under Old GAAP, or would reasonably be expected to materially and adversely affect (i) the rights of, or the protections afforded to, the Agent or the Required Lenders hereunder or (ii) the position either of the Borrower or of the Agent or the Required Lenders hereunder, the Borrower shall so notify the Agent, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with Old GAAP and in detail sufficient for the Agent and the Required Lenders to make the determination required of them in the following sentence. If any of the Borrower, the Agent or the Required Lenders determine at any time that such change in accounting policy results in a material adverse change either (i) in the rights of, or protections afforded to, the Agent or the Required Lenders intended to be derived, or provided for, hereunder or (ii) in the position either of the Borrower or of the Agent and the Required Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Required Lenders.

(c) Upon the delivery of a written notice pursuant to Section 1.5(a) or Section 1.5(b) the Borrower and the Agent on behalf of the Required Lenders shall meet to consider the impact of such change in Old GAAP or such change in accounting policy (in each case, an "**Accounting Change**"), as the case may be, on the rights of, or protections afforded to, the Agent and the Required Lenders or on the position of the Borrower or of the Agent and the Required Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Borrower or the Agent and the Required Lenders (as the case may be) on the date hereof or the position of the Borrower or the Agent and the Required Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from Old GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under Old GAAP and the Borrower's prior accounting policy. If the Borrower and the Agent on behalf of the Required Lenders do not (for any reason whatsoever) mutually agree (in their respective sole discretions, without any obligation to so agree) on such amendment or amendments to this Agreement within 60 days following the date of delivery of such written notice, the Borrower shall either continue to provide financial statements in accordance with Old GAAP or provide all such financial information as is reasonably required (or requested by the Agent acting reasonably) in order for any amount required to be determined hereunder to be determined in accordance with Old GAAP and/or the Borrower's prior accounting policy and, for all purposes hereof, the applicable changes from Old GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under Old GAAP and/or the Borrower's prior accounting policy.

(d) If a Compliance Certificate is delivered in respect of a Fiscal Quarter or Fiscal Year in which an Accounting Change is implemented without giving effect to any revised method of calculating any financial calculation hereunder, and subsequently, as provided above, the method of calculating such financial calculation is revised in response to such Accounting Change, or the amount to be determined pursuant to such financial calculation is to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.5 shall be deemed never to have occurred.

1.6 References to Agreements and Enactments

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

1.7 Per Annum and Currency Calculations

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

(b) Unless otherwise specified herein, all references to currency shall be deemed to refer to Cdn. Dollars and, for the purposes of all monetary thresholds in Article 8, Article 9, Article 10, Article 11 and Article 12 (including the definitions used therein), all references to an amount in Cdn. Dollars shall be deemed to include the Equivalent Amount in US Dollars or any other applicable currency.

1.8 Letter of Credit Amounts

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.9 Schedules

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

Schedule A	-	Lenders and Commitments
Schedule B	-	Assignment and Assumption
Schedule C	-	Compliance Certificate
Schedule D	-	Conversion/Rollover/Repayment Notice
Schedule E	-	Discount Note

Schedule F	-	Drawdown Notice
Schedule G	-	Extension Request
Schedule H-1	-	Loan Guarantee
Schedule H-2	-	Canadian Obligor Debenture
Schedule H-3	-	Canadian Obligor Security Agreement
Schedule H-4	-	US Obligor Security Agreement
Schedule I	-	[Intentionally Left Blank]
Schedule J	-	Organization Chart

1.10 Amendment and Restatement

The Borrower, the Agent and the Lenders acknowledge and agree that as of the Amendment Effective Date:

(a) the provisions of the Existing Credit Agreement are amended, modified and restated in their entirety on the terms and conditions, and in the form, of this Agreement and, as so amended, modified and restated, are ratified and confirmed;

(b) all rights, obligations and indebtedness which have arisen and remain outstanding under the Existing Credit Agreement as of the Amendment Effective Date including, without limitation, all "Outstandings" as defined in the Existing Credit Agreement shall, subject only to the effect of the amendments and modifications to the Existing Credit Agreement effected by this Agreement, continue in full force and effect as rights, obligations and indebtedness under this Agreement, all in accordance with and subject to the provisions herein set forth; provided that nothing in this Agreement shall constitute a new loan or loans or the provision of new credit or the effective repayment and readvance or replacement of such "Outstandings" as of the Amendment Effective Date, and the liability of the Borrower in respect of such "Outstandings" shall be and be deemed to be continued under and governed by this Agreement from and after the Amendment Effective Date;

(c) the Existing LCs shall be deemed to be outstanding as Swingline Letters of Credit issued by the Swingline Lender and shall be subject to the terms and conditions of this Agreement;

(d) HSBC Bank USA, National Association has resigned as the “US Administrative Agent” (as defined in the Existing Credit Agreement) and has discontinued as a “Secured Party” (as defined in the Collateral Agency and Intercreditor Agreement, but only in its capacity as an “Agent”, as defined therein), effective immediately prior to the Amendment Effective Date coming into effect; and

(e) Trican Well Service, L.P. has withdrawn as “US Borrower” (as defined in the Existing Credit Agreement), subject to Section 1.11 in respect of any Outstandings of the US Borrower.

1.11 Transitional Provisions Regarding Outstandings

(a) In order to give effect to the Tranche Consolidation and the amended Commitments provided for herein, the Outstandings shall be adjusted (by the Agent in accordance with its normal practices) as follows:

(i) on the Amendment Effective Date, all outstanding Tranche B Loans (if any) shall be deemed to be converted into USBR Loans; and

(ii) on the Amendment Effective Date, all Outstanding Principal and accrued and unpaid interest relating thereto (excluding PIK Principal and PIK Interest) shall be adjusted to ensure each Lender is owed its amended Applicable Percentage of all such Outstanding Principal and interest, and all such Outstanding Principal and interest shall be deemed to be owed by the Borrower; and on and after the Amendment Effective Date, all Drawdowns shall be made on the basis of the amended Applicable Percentage of each Lender.

(b) The Lenders hereby agree to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required from time to time by the Agent or any of the Lenders (including the assignment of interests in, or the purchase of participations in, Outstandings) to give effect to the Tranche Consolidation and the amended Commitments provided for herein to ensure that on the Amendment Effective Date each Lender is owed its Applicable Percentage of all Outstanding Principal and accrued and unpaid interest relating thereto (excluding PIK Principal and PIK Interest) after giving effect to the Tranche Consolidation and such amended Commitments.

1.12 Interpretative Provisions Regarding PIK Tranches

Notwithstanding any other provision of this Agreement:

(a) the Borrower shall be deemed to be the sole borrower of all Pre-Consolidation PIK Outstandings;

(b) (i) Pre-Consolidation PIK Interest which is accrued and unpaid on the Amendment Effective Date and denominated in US Dollars shall be deemed to be converted into Cdn. Dollars on the Amendment Effective Date on the basis of the Noon Rate on the Banking Day immediately preceding the Amendment Effective Date, (ii) Pre-Consolidation PIK Interest which is accrued and unpaid on the Amendment Effective Date shall not be consolidated or adjusted under Section 1.11 and, at all times prior to the payment in full of Pre-Consolidation PIK Outstandings on or before the Covenant Normalization Date, all Pre-Consolidation PIK Outstandings shall remain owing to the Lenders in the Pre-Consolidation Proportions and (iii) any adjustment of Pre-Consolidation PIK Outstandings pursuant to Section 15.14 shall be based on the Pre-Consolidation Proportions;

(c) the PIK Tranches shall be non-revolving;

(d) on each PIK Date, the Borrower may elect to pay accrued PIK Interest under the Credit Facility using any of the following options: (i) by obtaining a deemed Advance in accordance with Section 2.1(c) or Section 2.1(d), as applicable, (ii) by making a cash payment or (iii) any combination of option (i) and option (ii); <u>provided</u> that, unless the Borrower provides notice to the Agent selecting any particular option(s), the Borrower shall be deemed to have selected option (i);

(e) any Drawdown of any Loan under any PIK Tranche may only occur by way of a deemed Advance in accordance with Section 2.1(c) or Section 2.1(d), as applicable, and, for certainty, none of the conditions precedent in Section 3.2 or 3.3 shall apply to any such deemed Advance and no other Drawdowns may be requested by the Borrower under any PIK Tranche;

(f) subject to Sections 2.1(c) and 2.1(d), as applicable, the Borrower may request that each Advance referred to in Section 1.12(d) be deemed to be a particular type of Loan by complying with the notice and minimum denomination requirements set forth in Section 2.3; <u>provided</u> that (i) if the Borrower does not provide any such notice in compliance with these requirements, then such Advance shall be deemed to be a Prime Loan (if denominated in Cdn. Dollars) or a USBR Loan (if denominated in US Dollars); (ii) no minimum denominations will apply for Prime Loans or USBR Loans under any PIK Tranche; (iii) the maturity date of any Bankers' Acceptances and the Interest Period for any LIBO Rate Loans under any PIK Tranche must not be later than the next following PIK Date;

(g) PIK Interest (i) contemplated by clause (i) of paragraph (a) of the definition of "PIK Interest" shall accrue on the Outstanding Principal in accordance with Section 4.6 and (ii) contemplated by clause (ii) of paragraph (a) of the definition of "PIK Interest" shall accrue on Loans as otherwise provided for in this Agreement;

(h) all amounts payable by the Borrower upon acceptance of any Bankers' Acceptance under any PIK Tranche pursuant to Section 4.4, 5.4 or 5.5 will be deemed to constitute PIK Interest and shall accrue and be paid in kind accordingly;

(i) unless expressly indicated otherwise, all references to interest in this Agreement shall be deemed to include any applicable PIK Interest;

(j) subject to Section 2.1(c) or 2.1(d), as applicable, the Borrower may request a Rollover or Conversion of any PIK Principal under any PIK Tranche in accordance with Section 2.4;

(k) no standby fees shall accrue under the PIK Tranches and the PIK Tranches shall be wholly disregarded for the purposes of determining the standby fees under Section 4.6;

(l) after any accrued PIK Interest is paid in kind by deeming an Advance to have been made pursuant to Section 2.1(c) or 2.1(d), as applicable, unless expressly indicated otherwise the Outstanding Principal shall thereafter be deemed to include such deemed Advance for all purposes of this Agreement; <u>provided</u> that all Outstanding Principal under the PIK Tranches shall be wholly disregarded for the purposes of determining (i) the maximum amount of the Credit Facility, (ii) whether all or any applicable portion of the Outstanding Principal exceeds any Lender's Commitment or the Total Commitment or (iii) the remaining undrawn availability under the Credit Facility;

(m) if and to the extent that the Agent is or could be required to make any determination under the LIBO Rate definition with respect to the rate of interest on any LIBO Loan under the Credit Facility, the Agent shall be entitled (if required) to make a similar determination in respect of any LIBO Loan under the PIK Tranches;

(n) the extension provisions in Section 2.2 shall not apply to the PIK Tranches;

(o) the Borrower shall repay all Outstandings under the PIK Tranches on the PIK Maturity Date and the PIK Maturity Date shall be deemed to be an Interest Payment Date and the last day of all Interest Periods for all outstanding Loans under the PIK Tranches; and

(p) any assignment by a Lender of all or a portion of its Commitment and Syndicated Loans must also include a concurrent assignment of the PIK Interest and PIK Principal relating thereto.

Article 2
CREDIT FACILITY

2.1 Establishment of Credit Facility

(a) **Credit Facility**. Subject to this Agreement, each Lender hereby severally agrees to make available Advances up to its Commitment. The Credit Facility is an extendible revolving credit facility.

(b) **Loans**. The Borrower may obtain Advances from the Lenders under the Credit Facility by way of:

(i) Prime Loans;

(ii) USBR Loans;

(iii) LIBO Rate Loans;

(iv) Bankers' Acceptances and BA Equivalent Advances; and

(v) Letters of Credit;

provided that, subject to Section 7.6, at no time shall the Equivalent Amount in Cdn. Dollars of the Outstanding Principal under the Credit Facility exceed the Total Commitment.

(c) **Pre-Consolidation PIK Loans**. On each PIK Date, all Pre-Consolidation PIK Interest which is accrued and unpaid up to and including the day immediately preceding such PIK Date shall be paid in kind by the making of a deemed Advance in an aggregate amount equal to such PIK Interest and such Advance shall be deemed to have been made by the Lenders to the Borrower under the Credit Facility in the Pre-Consolidation Proportions by way of (subject to Section 1.12(e)):

(i) Prime Loans; or

(ii) Bankers' Acceptances and BA Equivalent Advances.

Each such deemed Advance shall form part of PIK Principal under the Credit Facility and shall be subject to the interpretative provisions set forth in Section 1.12.

(d) **Post-Consolidation PIK Loans**. On each PIK Date, all PIK Interest (excluding Pre-Consolidation PIK Interest) which is accrued and unpaid up to and including the day immediately preceding such PIK Date shall be paid in kind by the making of a deemed Advance in an aggregate amount equal to such PIK Interest and such Advance shall be deemed to have been made by the Lenders to the Borrower under the Credit Facility in proportion to their respective Commitments by way of (subject to Section 1.12(e)):

(i) Prime Loans; or

(ii) Bankers' Acceptances and BA Equivalent Advances.

Each such deemed Advance shall form part of PIK Principal under the Credit Facility and shall be subject to the interpretative provisions set forth in Section 1.12.

(e) **Revolving Availability**. The Outstanding Principal under the Credit Facility may revolve and the Borrower may borrow, repay and reborrow Cdn. Dollars or US Dollars, may issue, repay and re-issue Bankers' Acceptances or BA Equivalent Advances and may obtain, cancel and re-obtain Letters of Credit, subject always to the proviso in Section 2.1(b).

(f) **Purpose**. All Drawdowns under the Credit Facility shall be used for general corporate purposes including, without limitation, the working capital needs of the Borrower and their Subsidiaries, the funding of scheduled payments of principal and interest on Permitted Debt and the funding of capital expenditures and, after the Covenant Normalization Date, Permitted Acquisitions; provided that:

(i) Drawdowns cannot be used, directly or indirectly, for funding non-scheduled payments of principal or interest on any of the Senior Notes except to the extent that the Credit Facility is used in the ordinary course of business on a cash management basis where funds received from an alternate funding source are used to repay Outstanding Principal in advance of the making of these non-scheduled payments;

(ii) Drawdowns cannot be used to fund a Takeover except in compliance with Section 2.11 and any other applicable provisions in this Agreement; and

(iii) Drawdowns under any PIK Tranche may only be used to repay accrued and unpaid PIK Interest under such PIK Tranche by way of a deemed conversion into principal.

(g) **Several Obligations of Lenders**. No Lender shall be responsible for the Commitments of any other Lenders. The failure of a Lender to make available its share of any Advance in accordance with this Agreement shall not release any other Lender from its obligations hereunder. Notwithstanding anything to the contrary in this Agreement, no Lender shall be obligated to make Advances (based on the Equivalent Amount thereof in Cdn. Dollars) in excess of its Commitment. The obligation of each Lender to make its Commitment available to the Borrower is a separate obligation between that Lender and the Borrower and such obligation is not the joint or the joint and several obligation of any other Lender.

2.2 Extensions

(a) The Borrower may, at its option, by delivering to the Agent an Extension Request, request the Lenders to extend the Maturity Date, provided that this request cannot be made (i) prior to the Covenant Normalization Date or (ii) more than 90 days or less than 60 days before any anniversary of the Amendment Effective Date (each, an "**Anniversary Date**"). Any Extension Request not delivered as aforesaid shall be ineffective and shall be deemed not to have been given to or received by the Agent or the Lenders for the purpose of this Section 2.2.

(b) Promptly after receipt from the Borrower of an executed Extension Request, the Agent shall deliver to each Lender a copy of such request, and each Lender shall, within 30 days of receipt of the Extension Request from the Agent (the "**Election Date**"), advise the Agent in writing (i) whether such Lender will agree to extend the Maturity Date, and (ii) if such Lender will agree to extend the Maturity Date, the amount, if any, by which such Lender is prepared to increase its Commitments in the event the Borrower proposes to assign the Commitments of a Non-Extending Lender (as defined below); provided that if any Lender fails to so advise the Agent by the Election Date, then such Lender shall be deemed to have advised the Agent that it will not agree to extend the Maturity Date. The Agent shall promptly notify the Borrower if any Lender advises that it will not agree to extend the Maturity Date. Subject to Section 2.2(e), the Agent shall only extend the Maturity Date upon the agreement of the Lenders holding Commitments equal to at least $66^2/_3$% of the Total Commitment at such time (or upon the agreement of all Lenders if there are less than three Lenders), and such extension shall apply only to those Lenders which provided their consent to such extension (the "**Extending Lenders**"). The determination of each Lender whether or not to extend the Maturity Date shall be made by each individual Lender in its sole discretion.

(c) As soon as all of the Lenders have advised, or are deemed to have advised, the Agent whether or not they will be extending the Maturity Date (but in any event within five Banking Days after the Election Date), the Agent shall either:

(i) deliver to the Borrower (with a copy to each Lender) a written offer signed by the Agent (on behalf of the Extending Lenders) to extend the Maturity Date as specified in such offer provided that the Maturity Date shall not be extended by more than four years from the applicable Anniversary Date; or

(ii) notify the Borrower that the request for extension has been denied.

If the offer to extend is approved by less than all of the Lenders, then the Agent shall also advise the Borrower of those Lenders which did not agree to the requested extension (each, a "**Non-Extending Lender**"), each Non-Extending Lender's Applicable Percentage then outstanding and the amount, if any, by which each Extending Lender is prepared to increase its Commitments in the event the Borrower proposes to assign the Commitments of a Non-Extending Lender.

(d) An offer of extension under Section 2.2(c)(i) may be accepted by the Borrower returning a written acceptance to the Agent within five Banking Days of the receipt by the Borrower of such offer or such later date as may be acceptable to all of the Extending Lenders, whereupon the Maturity Date shall be extended as specified in the offer of extension from the then existing Maturity Date, provided that the Maturity Date shall not be extended by more than four years from the applicable Anniversary Date. If the offer of extension is not accepted within such time, the Maturity Date will not be extended.

(e) If an Extension Request is approved but there are Non-Extending Lenders, then prior to the Maturity Date applicable to a Non-Extending Lender the Borrower may require such Non-Extending Lender to assign all of its rights, benefits and interests under the Loan Documents, its Commitment and all Outstandings then owing to such Non-Extending Lender under the Credit Facility (collectively, the "**Assigned Interests**") to (A) any Extending Lenders which have agreed to increase their Commitments and to purchase Assigned Interests, and (B) to the extent the Assigned Interests are not transferred to Extending Lenders, other Persons selected by the Borrower and acceptable to the Agent, acting reasonably. Such assignments shall be effective on or before the Maturity Date with respect to such Non-Extending Lender, and upon:

(i) execution of an Assignment and Assumption Agreement;

(ii) payment to such Non-Extending Lender (in immediately available funds) by the relevant assignee of an amount equal to the relevant Outstandings owed to such Non-Extending Lender under the Credit Facility together with all other amounts payable hereunder by the Borrower to such Non-Extending Lender in regard to the Assigned Interests;

(iii) payment to the Agent (for the Agent's own account) of the fee contemplated in Section 16.2(b); and

(iv) provision satisfactory to such Non-Extending Lender (acting reasonably) being made for payment at maturity of the face amount of outstanding Bankers' Acceptances accepted by it in regard to the Assigned Interests and any costs, losses, premiums or expenses incurred by such Non-Extending Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of LIBO Rate Loans outstanding hereunder in regard to the Assigned Interests.

Upon such assignment and transfer becoming effective, the Non-Extending Lender shall have no further right, interest, benefit or obligation hereunder to the extent of the Assigned Interests assigned by that Lender, and each assignee thereof shall succeed to the position of such Lender to the extent of the portion of the Assigned Interests acquired by such assignee as if the assignee was an original Lender hereunder in regard thereto in the place and stead of such Non-Extending Lender.

(f) To the extent that any Non-Extending Lender has not assigned its rights and interests to an Extending Lender or other financial institution as provided in Section 2.2(e), the Borrower shall, on or before the Maturity Date applicable to the Commitment of such Non-Extending Lender, repay all Outstandings owed to such Non-Extending Lender (including making provisions satisfactory to the Non-Extending Lender, acting reasonably, for payment at maturity of all outstanding Business' Acceptances accepted by such Lender), without making corresponding repayment to the Extending Lenders. Upon completion of the foregoing, such Non-Extending Lender shall have no further right, interest, benefit or obligation in respect of the Assigned Interests and the Credit Facility shall be reduced by the amount of such Lender's cancelled Commitment.

(g) Clauses (a) through (f) of this Section 2.2 shall apply from time to time to permit successive extensions to the Maturity Date; provided that any Non-Extending Lender shall be excluded from this Section 2.2 with respect to any future extensions.

2.3 Drawdowns – Notices and Limitations

The Borrower may request Drawdowns upon the following terms and conditions:

(a) the Borrower may request a Drawdown as follows:

(i) in the case of a Prime Loan or a USBR Loan, by delivering a Drawdown Notice to the Agent before 9:00 a.m. (Calgary time) at least two Banking Days prior to the requested Drawdown Date (except no such notice shall apply to a Swingline Loan);

(ii) in the case of a Bankers' Acceptance or BA Equivalent Advance, by delivering a Drawdown Notice to the Agent before 9:00 a.m. (Calgary time) at least two Banking Days prior to the requested Drawdown Date;

(iii) in the case of a LIBO Rate Loan, by delivering a Drawdown Notice to the Agent before 9:00 a.m. (Calgary time) at least three Banking Days prior to the requested Drawdown Date; and

(iv) in the case of a Letter of Credit, by complying with Section 6.2;

(b) each Drawdown by the Borrower shall be requested and made available in minimum amounts of not less than:

(i) in the case of a Prime Loan or USBR Loan, Cdn. or US $3,000,000 and in multiples of Cdn. $100,000 thereafter (except no such minimum amount shall apply to Swingline Loans);

(ii) in the case of a LIBO Rate Loan, US $3,000,000 and in multiples of US $100,000 thereafter;

(iii) in the case of Bankers' Acceptances or BA Equivalent Advances, Cdn. $3,000,000 and in multiples of Cdn. $100,000 thereafter; and

(iv) in the case of a Letter of Credit, no minimum amount applies; and

(c) Drawdowns will only be made available if all applicable conditions precedent in Article 3 are or will be satisfied on or before the requested Drawdown Date.

2.4 Rollovers and Conversions - Notices and Limitations

(a) The Borrower may request Rollovers and Conversions upon the following terms and conditions:

(i) the Borrower may request a Rollover or Conversion by delivering a Conversion Rollover/Repayment Notice with the same prior notice period that would apply if it were obtaining a Drawdown of the relevant type and amount of Loan;

(ii) the Borrower may request a Rollover or Conversion of part only of a Loan, <u>provided</u> that:

(A) each Loan resulting from such Rollover or Conversion is not less than the relevant Drawdown minimum specified in Section 2.3;

(B) any portion of an existing LIBO Rate Loan or Bankers' Acceptances which is not rolled over or converted shall be repaid in accordance with the provisions hereof; and

(C) the Borrower may not convert a portion only of an outstanding Loan unless both the unconverted portion and converted portion of such Loan are equal to or exceed, in the relevant currency of each such portion, the minimum amounts required for Drawdowns of Loans of the same type as that portion as set forth in Section 2.3;

(iii) in respect of Conversions of a Loan denominated in one currency to a Loan denominated in another currency, the Borrower shall at the time of the Conversion repay the Loan or portion thereof being converted in the currency in which it was denominated;

(iv) a Rollover/Conversion shall not result in an increase in Outstanding Principal; increases in Outstanding Principal may only be effected by Drawdowns;

(v) a Rollover or Conversion of a LIBO Rate Loan may occur only on the last day of the relevant Interest Period for such LIBO Rate Loan (unless the Borrower pays the breakage costs to the Lenders in accordance with Section 7.7(a));

(vi) no Rollover of or Conversion into a LIBO Rate Loan, Bankers' Acceptance or Letter of Credit may occur if a Default or Event of Default is then in existence; and

(vii) a Rollover or Conversion of a Bankers Acceptance may occur only on the maturity date for such Bankers' Acceptance.

(b) In anticipation of the expiry of each Interest Period for each LIBO Rate Loan, the Borrower shall do one or a combination of the following:

(i) request a Rollover of all or part of such LIBO Rate Loan in accordance with Section 2.4(a);

(ii) request a Conversion of all or part of such LIBO Rate Loan in accordance with Section 2.4(a); or

(iii) repay all or part of such LIBO Rate Loan before 12:00 noon (Calgary time) on the last day of such Interest Period with notice in accordance with Section 7.5.

If and to the extent that the Borrower fails to so notify the Agent, or to so pay the relevant LIBO Rate Loan in accordance with the foregoing, the Borrower, in the case of a LIBO Rate Loan, shall be deemed to have requested a Conversion into a USBR Loan, in each case in an amount equal to that portion of the LIBO Rate Loan which is not rolled over, converted or repaid.

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

(i) (A) request a Rollover of the maturing Bankers' Acceptances in accordance with Section 2.4(a), and (B) on the maturity date of the maturing Bankers' Acceptances, pay to the Agent for the account of the Lenders any amount that the Borrower is required to pay under Section 5.4;

(ii) (A) request a Conversion of the maturing Bankers' Acceptances to another type of Loan in accordance with Section 2.4(a), and (B) on the maturity date of the maturing Bankers' Acceptances pay to the Agent for the account of the Lenders an amount equal to the aggregate face amount of such Bankers' Acceptances; or

(iii) on the maturity date of the maturing Banker's' Acceptances, pay to the Agent for the account of the Lenders an amount equal to the aggregate face amount of such Bankers' Acceptances with notice in accordance with Section 7.5.

If and to the extent that the Borrower fails to notify the Agent or pay the relevant Bankers' Acceptances in accordance with the foregoing, the Borrower shall be deemed to have requested a Conversion into a Prime Loan in an amount equal to that portion of the Bankers' Acceptances which is not rolled over, converted or repaid.

2.5 [Intentionally Left Blank]

2.6 Optional Reduction of Commitments

The Borrower may, at its option, permanently reduce the Commitments under the Credit Facility by cancelling all or any part of the undrawn portion of the Credit Facility, provided that:

(a) the Borrower shall provide the Agent with at least five Banking Days' prior written notice of any such cancellation;

(b) each such cancellation shall be a minimum of Cdn. $3,000,000 and in whole multiples of Cdn. $1,000,000 thereafter;

(c) any such cancellation shall be allocated among the Lenders in proportion to their respective Commitments at the time of cancellation; and

(d) any cancellation notice shall be irrevocable.

2.7 Loans - General

(a) Loans shall be made in such currency and at the time and in the manner requested by the Borrower, subject to this Agreement and upon fulfilment of all conditions precedent to the making of such Loans.

(b) No Loans shall be made except on a Banking Day.

(c) All Advances by the Lenders hereunder shall be made to the Agent at the Agent's Branch in immediately available freely transferable funds by no later than 3:00 p.m. (Toronto time). All payments by the Borrower hereunder shall be made to the Agent at the Agent's Branch in immediately available freely transferable funds by no later than 12:00 noon (Toronto time). The Borrower shall open and maintain the Borrower's Accounts for the purpose of receiving Advances and making payments, repayments and prepayments under this Agreement.

(d) The Agent shall open and maintain books of account evidencing all Advances and all other amounts owing by the Borrower to the Lenders hereunder. The Agent shall enter in the foregoing books of account details of all applicable amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing books of account shall constitute *prima facie* evidence of the Outstandings owing from time to time by the Borrower to the Agent and the Lenders hereunder.

2.8 Loans: Inter-Lender Arrangements

(a) Upon receipt by the Agent of a Drawdown Notice or Conversion/Rollover/Repayment Notice from the Borrower, the Agent shall promptly advise each Lender of the date, amount and other particulars with respect to such Drawdown, Conversion or Rollover and the amount of each Lender's Applicable Percentage thereof.

(b) Subject to prior satisfaction of the applicable conditions precedent set forth in Article 3, each Lender shall remit its Applicable Percentage of each requested Advance to the Agent's Accounts on the relevant Drawdown Date, Rollover Date or Conversion Date for same day value. Subject to Section 15.11, the Agent shall make such funds available to the Borrower by crediting the Borrower's Accounts for same day value on the relevant Drawdown Date, Rollover Date or Conversion Date.

2.9 Hedging With Lenders

Subject to the hedging restrictions in Section 9.2(d), each Swap Lender may elect to enter into Hedge Agreements with the Borrower or any of its Subsidiaries, and all Lender Swap Obligations shall at all times rank *pari passu* with the Outstandings; <u>provided</u> that any Lender that enters into a Hedge Agreement in good faith and without actual knowledge of a contravention of the hedging restrictions in Section 9.2(d) shall be entitled to the benefit of any Loan Guarantee and Security Documents regardless of any contravention of such negative covenant.

2.10 Hostile Acquisitions

(a) In the event the Borrower wishes to utilize proceeds of any Advances to, or to provide funds to any Subsidiary to, finance an offer to acquire (which shall include an offer to purchase securities, solicitation of an offer to sell securities, an acceptance of an offer to sell securities, whether or not the offer to sell was solicited, or any combination of the foregoing) outstanding securities of any Person (the "**Target**") (other than (x) a corporation or limited partnership whose shares or units are directly or indirectly held by one Person, or (y) a Person that is a private issuer or not a reporting issuer under applicable securities legislation and the "take-over bid" is exempt from the requirements of such legislation) and which constitutes a "take-over bid" pursuant to applicable securities legislation, including the *Canada Business Corporations Act* if the Target is governed thereby (in any case, a "**Takeover**"), then either:

(i) prior to or concurrently with delivery to the Agent of any Drawdown Notice pursuant to Section 2.3 requesting any Advances, the proceeds of which are to be used to finance such Takeover, the Borrower shall provide to the Agent evidence satisfactory to the Agent (acting reasonably) that the board of directors or like body of the Target, or the holders of all of the securities of the Target, has or have approved, accepted, or recommended to security holders acceptance of, the Takeover; or

(ii) the following steps shall be followed:

(A) at least five (5) Banking Days prior to the delivery to the Agent of any Drawdown Notice pursuant to Section 2.3 requesting one or more Advances intended to be used to finance such Takeover, the Borrower shall advise the Agent, who shall promptly advise an appropriate officer of each Lender of the particulars of such Takeover in sufficient detail to enable each Lender to determine whether it has a conflict of interest if Advances from such Lender are used by the Borrower to finance such Takeover;

(B) within three (3) Banking Days of being so advised, each Lender shall notify the Agent of such Lender's determination as to whether such a conflict of interest exists (such determination to be made by each such Lender in the exercise of its sole discretion, having regard to such considerations as it deems appropriate); provided that in the event such Lender does not so notify the Agent within such three (3) Banking Day period, such Lender shall be deemed to have notified the Agent that it has a conflict of interest; and

(C) the Agent shall promptly notify the Borrower of each such Lender's determination, and in the event that any Lender has such a conflict of interest (each, a "**Conflicted Lender**"),

(D) then upon the Agent so notifying the Borrower, the Conflicted Lender shall have no obligation to provide Advances to finance such Takeover, notwithstanding any other provision of this Agreement to the contrary; provided however that each other Lender (each, a "**Non-Conflicted Lender**") which has no such conflict of interest shall have an obligation, up to the amount of its Applicable Commitment, to provide Advances to finance such Takeover, and the Advances to finance such Takeover shall be provided by each Non-Conflicted Lender in accordance with the ratio, determined prior to the provision of any Advances to finance such Takeover, that the Applicable Commitment of such Non-Conflicted Lender bears to the aggregate of the Applicable Commitments of all the Non-Conflicted Lenders.

(b) If Advances are used to finance a Takeover (a "**Takeover Loan**") and there are Conflicted Lenders, subsequent Advances shall be funded firstly by Conflicted Lenders, and subsequent repayments under the Credit Facility shall be applied firstly to Non-Conflicted Lenders, in each case, until such time as each Lender is owed its Applicable Percentage of the Outstanding Principal under the Credit Facility.

2.11 Swingline Advances

(a) **Availability.** Notwithstanding Sections 2.3 and 2.8 but otherwise subject to Article 3, the Borrower may obtain Swingline Advances under the Credit Facility by way of Prime Loans and USBR Loans on an overdraft basis and by way of Swingline Letters of Credit in accordance with Article 6. Swingline Advances shall be made solely by the Swingline Lender, without assignment to or participation by other Lenders (except as provided in this Section 2.11). The making of each Swingline Advance shall constitute a Drawdown hereunder and shall reduce the availability of the Credit Facility by the principal amount of such Swingline Advance. All Swingline Advances shall be made as Prime Loans, USBR Loans or Swingline Letters of Credit, and may not be converted into Bankers' Acceptances or LIBO Rate Loans**.**

(b) **Individual Limits.** At no time shall (i) the aggregate principal amount of all Swingline Loans owing to the Swingline Lender exceed Cdn. $23,500,000 (or the Equivalent Amount in US Dollars), (ii) the aggregate principal amount of all Swingline Loans owing to the Swingline Lender plus such Swingline Lender's Applicable Percentage of the aggregate principal amount of all Syndicated Loans exceed such Lender's Commitment or (iii) the aggregate undrawn face amount of all outstanding Swingline Letters of Credit and Fronted Letters of Credit exceed Cdn. $10,000,000.

(c) **Aggregate Limit.** At no time shall the aggregate principal amount of all Swingline Loans plus the aggregate principal amount of all Syndicated Loans exceed the Total Commitment.

(d) **Repayment.** Notwithstanding Section 7.5, the Borrower may repay Swingline Loans which are Prime Loans or USBR Loans at any time and from time to time without notice or penalty. All interest payments and principal payments made by the Borrower in respect of Swingline Loans shall be made directly to the Swingline Lender at the account designated by the Swingline Lender to the Borrower for such purpose and shall be for the sole account of the Swingline Lender (except as otherwise provided in Section 2.11(f)).

(e) **Mandatory Repayment.** If the Borrower requests a Syndicated Advance and the Swingline Lender's Applicable Percentage of such Syndicated Advance would cause its Applicable Percentage of all Syndicated Loans then outstanding together with the aggregate principal amount of all Swingline Loans to exceed the Swingline Lender's Commitment, then the Borrower shall be required to repay such Swingline Loans to the extent of such excess on or before the requested date of such Syndicated Advance.

(f) **Refunded Swingline Loans.** If any Swingline Loans have been outstanding for 15 days, or if an Event of Default occurs, the Swingline Lender may at any time in its sole discretion, on behalf of the Borrower (which hereby irrevocably directs and authorizes the Swingline Lender to make such request on its behalf), request the Agent to request each Lender to make an Advance (which shall be a Prime Loan or a USBR Loan) to the Borrower in an amount equal to the Applicable Percentage of such Lender of the principal amount of such Swingline Loans (the "Refunded Swingline Loans") outstanding on the date such request is given; provided that the provisions of this Section 2.11(f) shall not affect the Borrower's obligation to repay the Swingline Loans. Upon receipt of a request from the Agent, each Lender shall remit its Applicable Percentage of any such Advance to the Agent's Accounts, and the Agent shall make such funds available to the Swingline Lender at the account of the Swingline Lender designated by such Lender to the Agent for such purpose, in each case for same day value on the Banking Day next following the date such request is given by the Agent to the Lenders. The proceeds of such Advances shall be applied by the Swingline Lender to the payment in full of the Refunded Swingline Loans.

(g) **Refund by Swingline Lender.** If a Swingline Lender receives payment from any Lender in respect of such Lender's participating interest in a Swingline Loan and the Swingline Lender thereafter receives any payment on account thereof from the Borrower, the Swingline Lender will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded).

(h) **Obligations Absolute.** For certainty, it is hereby acknowledged and agreed that the Lenders shall be obligated to advance their Applicable Percentage of the Advance contemplated by Section 2.11(f) and to disburse to the Swingline Lender its Applicable Percentage of the outstanding Swingline Advances referenced therein irrespective of:

(i) whether a Default or Event of Default is then continuing or whether any other requirements in this Agreement have been satisfied;

(ii) in the case of any such Advance, whether or not the Borrower has, in fact, actually requested such Advance (by delivery of a Drawdown Notice or otherwise); and

(iii) whether or not the obligations of the Lenders to make Advances have terminated.

(i) **Defaulting Lender.** At any time that there shall exist a Defaulting Lender, immediately upon the request of a Swingline Lender, the Borrower shall repay Swingline Loans in an amount sufficient to eliminate such Swingline Lender's Fronting Exposure in respect of the outstanding Swingline Loans made or issued by such Swingline Lender unless such Swingline Lender has entered into arrangements, including reallocation of the Defaulting Lender's Applicable Percentage share of the applicable Obligations pursuant to Section 16.11(b) or Section 16.11(d) or the delivery of cash collateral pursuant to Section 16.11(c), with the Borrower or such Defaulting Lender to eliminate such Swingline Lender's Fronting Exposure to such Defaulting Lender (after giving effect to Section 16.11(b) and Section 16.11(d)).

(j) **Continuing Obligations.** Notwithstanding that any Lender may assign its rights and obligations under this Agreement, the obligations in this Section 2.11 shall continue as obligations of the Persons who were Lenders at the time each applicable Swingline Advance was made, unless the Swingline Lender specifically releases such Lender from such obligations in writing.

Article 3
CONDITIONS PRECEDENT

3.1 Conditions for Amendment Effective Date

As conditions precedent to this Agreement becoming effective, the following conditions shall be satisfied (subject to the last paragraph of this Section 3.1):

(a) all fees and expenses previously agreed in writing between the Borrower and the Agent shall have been paid by the Borrower including, without limitation, the fees and expenses of Lenders' Counsel (in each case to the extent invoiced at least two Banking Days prior to the Amendment Effective Date);

(b) the Borrower shall have delivered to the Agent:

(i) a certified copy of resolutions of the board of directors or equivalent of each of the Obligors (including Trican Holdings LLC (the "**New Guarantor**")) authorizing the execution, delivery and performance of the Loan Documents to which it is a party, and authorizing and incumbency certificates for each of the Obligors to which are attached true copies of all relevant constating documents or by-laws, partnership or related relevant documents; and

(ii) a certificate of status or equivalent in respect of the Obligors;

(c) no Material Adverse Effect shall have occurred and be continuing since November 12, 2015, and the Agent shall have received a certificate of the Borrower certifying same;

(d) no Default or Event of Default shall have occurred and be continuing, and the Agent shall have received a certificate of the Borrower certifying same;

(e) the representations and warranties in Article 8 and in any other Loan Documents shall be true, complete and correct on and with effect from the date of this Agreement, and the Agent shall have received a certificate of the Borrower certifying same;

(f) (i) a Loan Guarantee (as defined in the Existing Credit Agreement), a Joinder Agreement (as defined in the US Obligor Security Agreement) and an addendum to Collateral Agency and Intercreditor Agreement (collectively the "**New Guarantor Documents**") from the New Guarantor and (ii) this Agreement, a confirmation and amendment of its Loan Guarantee and Security Documents from the Borrower and each Restricted Subsidiary (including the New Guarantor) and all other Loan Documents shall in each case have been fully executed and delivered, each in form and substance satisfactory to the Lenders in their sole discretion;

(g) the Hercules Transaction shall have closed in accordance with the terms of the Project Hercules Documentation in all material respects, including the following requirements:

   (i) the cash consideration received by the Borrower and/or one or more Subsidiaries pursuant to the Hercules Purchase and Sale Agreement on or before the Amendment Effective Date shall be not less than US $200,000,000 (excluding any adjustments to working capital); and

   (ii) the Borrower and/or one or more Subsidiaries shall have obtained, on or before the Amendment Effective Date, the full ownership rights to 10% of the Class A Units;

(h) on or prior to the date hereof, the Borrower shall have provided each of Agent and the Lenders with an Officer's Certificate attaching true and correct copies of execution drafts (in each case including all exhibits and annexes thereto) of the Hercules Purchase and Sale Agreement, and a copy, in substantially final form, of the Keane LLC Agreement, and confirming that the Hercules Purchase and Sale Agreement has closed without any waivers or amendments that are not in conformance, in any material respects, with the term sheet for the Hercules Purchase and Sale Agreement previously provided to the Agent and Lenders (subject to any modifications which have been consented to by the Required Lenders and the changes described in Exhibit "E" to the Hercules Consent);

(i) all Hercules Collateral has been pledged to the Collateral Agent pursuant to the Security Documents by way of a first ranking security interest, and such pledge shall not be subject to any material adverse restrictions which are not otherwise set forth in the Project Hercules Documentation or which have not otherwise been consented to by the Required Lenders; provided that any such Hercules Collateral which constitutes Non-Recourse Assets may be pledged by way of a first ranking security interest to secure any related Non-Recourse Debt and in such circumstances the Secured Parties shall be granted a silent second ranking security interest over such Non-Recourse Assets;

(j) the Agent shall have received (i) true and complete copies of the Senior Notes Amendments in a form consistent with the Covenant Amendment Term Sheet and otherwise satisfactory to the Agent and (ii) evidence satisfactory to the Agent that the "Effective Date" (as defined in each of the Senior Notes Amendments) will occur on or before the Amendment Effective Date (it being acknowledged that this condition has already been satisfied);

(k) the Borrower shall have (i) agreed to make the Hercules De-Leveraging Application and (ii) prepaid (or caused to be prepaid) the Outstanding Principal and reduce the Total Commitment in an aggregate amount equal to the *pro rata* share of the Hercules Proceeds (after conversion of same into Canadian Dollars based on the Noon Rate in effect on the date of receipt by the Borrower or any Subsidiary of such Hercules Proceeds) allocable to such Outstanding Principal (as determined using the “Sharing Percentage” (as defined in the Existing Credit Agreement) with respect to Section 7.1(a) of the Existing Credit Agreement) allocable to the Credit Facility);

(l) all Tranche A Loans shall consist of Prime Loans and all Tranche B Loans shall consist of “US Prime Loans” (as defined in the Existing Credit Agreement);

(m) the Agent shall have received legal opinions from Borrower’s Counsel and Lenders' Counsel, each in form and substance satisfactory to the Agent in its sole discretion;

(n) the “Agents” (as defined in the Existing Credit Agreement”) shall have delivered to the Collateral Agent a direction of requisite secured parties whereby the “Agents” direct the Collateral Agent to sign and deliver the letter of no interest and acknowledgement as described therein;

(o) the “US Administrative Agent” (as defined in the Existing Credit Agreement) shall have executed and delivered the following:

(i) to the Agent, a notice of resignation whereby “HSBC USA” (as defined in the Existing Credit Agreement) resigns as the US Administrative Agent; and

(ii) to the Agent and the Collateral Agent, a notice of discontinuance whereby the US Administrative Agent discontinues as a Secured Party under and as defined in the Collateral Agency and Intercreditor Agreement (but only in its capacity as “Agent”, as defined therein);

(p) the “US Borrower” (as defined in the Existing Credit Agreement) shall have executed and delivered to the Agent a notice of withdrawal, whereby it withdraws as “US Borrower” under and as defined in the Existing Credit Agreement; and

(q) the Agent shall have received all such other documents, information and assurances as the Agent may reasonably request.

Upon satisfaction of all of the above conditions precedent except Section 3.1(k)(ii), this paragraph shall immediately become effective and the following provisions shall apply:

(a) the Borrower shall be entitled to flow the Hercules Proceeds on an interim basis in accordance with the Funds Flow Memorandum subject to the following:

(i) all of the Hercules Proceeds may only be physically flowed through bank accounts of Obligors which accounts are located in North America;

(ii) any Drawdowns must comply with Section 2.3; and

(iii) any repayments shall not be required to comply with Sections 7.5(a) and 7.5(b);

(b) immediately after completion of step 2(a) in the Funds Flow Memorandum, the Tranche B Commitments shall be deemed to be Tranche A Commitments, the Commitments of the Lenders set out in Schedule A shall become effective (subject to paragraph (c) below) and the adjustment provisions in Section 1.11 shall apply;

(c) upon completion of the funds flow and related steps contemplated by the Funds Flow Memorandum, the Borrower shall provide the Agent with a certificate of the Borrower confirming the completion of such funds flow and the satisfaction of the condition precedent in Section 3.1(k)(ii), whereupon the Total Commitment shall be automatically reduced by the aggregate amount of the prepayment of the Outstanding Principal made pursuant to Section 3.1(k)(ii) and each Lender's Commitment (as set out in Schedule A to this Agreement) shall be automatically reduced by such Lender's Applicable Percentage of such reduction to the Total Commitment, and the Agent is hereby authorized and directed by each Lender and the Borrower to thereafter circulate a revised Schedule A giving effect to such reduction of the Total Commitment and each Lender's Commitment; and

(d) if the condition precedent in (c) above is not satisfied within nine Banking Days after the date of this Agreement (or such later date as may be agreed to by the Agent), then the following shall occur: (i) this Agreement (except for this paragraph) shall immediately terminate (and, for certainty, the deemed conversion in (b) above shall be deemed to have never occurred) and (ii) the "Borrowers" (as defined in the Existing Credit Agreement) and the Lenders shall be required to immediately take all such actions as may be required (or requested by the Agent acting reasonably) to ensure that all Lenders are owed the same "Outstanding Principal" (as defined in the Existing Credit Agreement) and have the same "Commitments" (as defined in the Existing Credit Agreement) as they would have been owed or held if the "Borrowers" would have prepaid the "Outstanding Principal" (as defined in the Existing Credit Agreement) (to the extent outstanding) and permanently reduced the "Total Commitment" (as defined in the Existing Credit Agreement) by an aggregate amount equal to the *pro rata* share of the Hercules Proceeds allocable to such "Outstanding Principal" (as determined using the Sharing Percentage allocable to the Credit Facility) and such reduction was allocated among the "Lenders" (as defined in the Existing Credit Agreement") in proportion to their respective "Commitments" (as defined in the Existing Credit Agreement) as in effect immediately prior to receipt by the Borrower of the Hercules Proceeds.

3.2 Condition for Drawdowns Prior to Repayment of Short-Dated Senior Notes

On or before each Drawdown Date hereunder which occurs prior to the repayment in full of the Short-Dated Senior Notes, the following condition shall be satisfied:

(a) immediately after making the requested Drawdown, the remaining undrawn availability under the Credit Facility shall be equal or greater than the then remaining outstanding principal amount of the Short-Dated Senior Notes.

3.3 Conditions for All Drawdowns

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

(a) the Agent shall have received a proper and timely Drawdown Notice from the Borrower or requesting the applicable Drawdown;

(b) the representations and warranties set forth in Article 8 (excluding those representations and warranties which are expressly made as of a specific date only) shall be true and accurate in all material respects on and as of the date of the requested Drawdown;

(c) no Default or Event of Default shall have occurred and be continuing nor shall the Drawdown result in the occurrence of any such event; and

(d) after giving effect to the proposed Drawdown, the Equivalent Amount in Cdn. Dollars of the Outstanding Principal under the Credit Facility shall not exceed the Total Commitment.

3.4 Waiver

The conditions set forth in Sections 3.1, 3.2 and 3.3 are inserted for the sole benefit of the Lenders and the Agent and may be waived by all of the Lenders, in whole or in part (with or without terms or conditions) without prejudicing the right of the Lenders or Agent at any time to assert such waived conditions in respect of any subsequent Drawdown.

Article 4
PAYMENTS OF INTEREST AND FEES

4.1 Interest on Prime Loans

The Borrower shall pay interest to the Agent (except for interest on Swingline Loans which is payable directly to the Swingline Lender) on behalf of each Lender on each Prime Loan outstanding from time to time at a rate per annum equal to the Prime Rate in effect from time to time plus the Applicable Pricing Margin. Such interest shall accrue daily and shall be payable monthly in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Prime Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the Prime Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrower.

4.2 Interest on USBR Loans

The Borrower shall pay interest in US Dollars on each USBR Loan to the Agent (except for interest on Swingline Loans which is payable directly to the Swingline Lender) on behalf of each Lender outstanding from time to time at a rate per annum equal to the US Base Rate in effect from time to time plus the Applicable Pricing Margin. Such interest shall accrue daily and shall be payable monthly in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the USBR Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the US Base Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrower.

4.3 Interest on LIBO Rate Loans

The Borrower shall pay interest to the Agent on behalf of each Lender on each LIBO Rate Loan outstanding during each Interest Period applicable thereto at a rate per annum, calculated on the basis of a 360 day year, equal to the LIBO Rate with respect to such Interest Period plus the Applicable Pricing Margin. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Rollover Date, Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the LIBO Rate Loan outstanding during such period and on the basis of the actual number of days elapsed divided by 360.

4.4 Stamping Fees

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

4.5 LC and Related Fees

(a) In the case of Fronted Letters of Credits, the Borrower shall pay to the Agent for the account of the Lenders, a Letter of Credit issuance fee (the "**LC Fee**") for each Fronted Letter of Credit issued at the request of the Borrower equal to the Applicable Pricing Margin multiplied by the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit); provided, however, that any LC Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the Applicable LC Issuer pursuant to Section 16.11(d) shall be payable, to the maximum extent permitted by Applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 16.11(d), with the balance of such fee, if any, payable to the Applicable LC Issuer for its own account.

(b) In the case of Swingline Letters of Credit, the Borrower shall pay to the Swingline Lender for its own account an LC Fee for each Swingline Letter of Credit issued at the request of the Borrower equal to the Applicable Pricing Margin multiplied by the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit). Such LC Fees shall be computed on a quarterly basis in arrears. Such letter of credit fees shall be due and payable on the last Banking Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit. If there is any change in the Applicable Pricing Margin during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Pricing Margin separately for each period during such quarter that such Applicable Pricing Margin was in effect.

(c) In the case of Fronted Letters of Credit, the Borrower shall pay directly to the Applicable Fronting Lender for its own account a fronting fee at a rate to be agreed upon in writing by the Borrower and each of the Fronting Lenders on or before each anniversary of the Amendment Effective Date, which shall be computed on the daily amount available to be drawn under such Fronted Letter of Credit and paid on a quarterly basis in arrears. Such fronting fee shall be due and payable on the last Banking Day of each March, June, September and December in respect of the quarterly period then ending (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Fronted Letter of Credit. For purposes of computing the daily amount available to be drawn under any Fronted Letter of Credit, the amount of such Fronted Letter of Credit shall be determined in accordance with Section 1.8.

(d) In addition to the above fees, the Borrower shall pay directly to the Applicable LC Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Applicable LC Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable within five (5) Banking Days of demand and are non-refundable.

4.6 PIK Interest

(a) In addition to the interest and fees payable by the Borrower in respect of Loans under the Credit Facility pursuant to Sections 4.1, 4.2 and 4.3, the Borrower shall pay PIK Interest to the Agent on behalf of each Lender on the aggregate Outstanding Principal under the Credit Facility at a rate per annum equal to [NUMBER REDACTED] bps. Such PIK Interest shall accrue daily and shall be payable in kind in arrears in accordance with Section 2.1(c) or 2.1(d), as applicable, on each PIK Date for the period from and including November 12, 2015 or the most recent PIK Date, as the case may be, to and including the day immediately preceding such PIK Date and shall be calculated on the principal amount of the Outstanding Principal under the Credit Facility during such period and on the basis of the actual number of days elapsed in a year of 365 days.

(b) In order to calculate such daily Outstanding Principal and PIK Interest accruing under this Section 4.6 for any day, the Agent shall convert any Loan under the Credit Facility which is denominated in US Dollars into the Equivalent Amount of Canadian Dollars.

(c) All PIK Interest accruing under this Section 4.6 shall be subject to the interpretative provisions in Section 1.12.

4.7 Standby Fees

(a) The Borrower shall pay to the Agent for the account of each Lender a standby fee in Cdn. Dollars calculated at a rate per annum equal to the Applicable Pricing Margin (based on a year of 365 days) on the amount, if any, for each day by which the amount of the Outstanding Principal owing to such Lender (but excluding, in the case of the Swingline Lender, any Swingline Loans outstanding) is less than the Commitment of such Lender. Fees determined in accordance with this Section shall accrue daily from and after the date hereof and be payable by the Borrower in accordance with Section 4.7(b) until the earlier of cancellation in full of the undrawn portion of the Credit Facility and the Maturity Date.

(b) The standby fees referred to in Section 4.7(a) shall accrue daily from the first day of each Fiscal Quarter until the last day of each Fiscal Quarter and be payable quarterly in arrears on the first Banking Day of each Fiscal Quarter.

(c) In order to calculate such daily Outstanding Principal under this Section 4.7 for any day in a calendar month, the Agent shall convert any Loans in US Dollars into the Equivalent Amount of Canadian Dollars.

4.8 Interest on Overdue Amounts

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall pay interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full, and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to (i) in respect of amounts due to the Agent or the Lenders in Cdn. Dollars, the Prime Rate plus the Applicable Pricing Margin for Prime Loans plus [PERCENTAGE REDACTED] per annum and (ii) in respect of amounts due in US Dollars to the Agent or the Lenders, the US Base Rate plus the Applicable Pricing Margin for USBR Loans plus [PERCENTAGE REDACTED] per annum.

4.9 Agent's Fees

The Borrower shall pay to the Agent, for its own account, all agency fees payable from time to time pursuant to the separate written agreement between such parties. Any unpaid agency fees shall be deemed to form part of the Outstandings.

4.10 General Interest Provisions

(a) Each determination by the Agent of the Prime Rate, US Base Rate, CDOR Rate or LIBO Rate in effect at any time shall be *prima facie* evidence thereof for all purposes of this Agreement.

(b) Each determination by the Agent of the amount of interest, fees or other amounts due from the Borrower hereunder shall be *prima facie* evidence of the accuracy of such determination.

(c) All interest, fees and other amounts payable by the Borrower hereunder shall accrue daily, be computed as described herein, and be payable both before and after demand, maturity, default and judgment.

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

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

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

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

4.11 Defaulting Lender Fees

Each Defaulting Lender shall be entitled to receive any fees payable under this Article 4 for any period during which such Lender is a Defaulting Lender only to the extent allocable to the sum of the Outstanding Principal of any Loans funded by it. With respect to any fees not required to be paid to any Defaulting Lender pursuant to the preceding sentence, the Borrower shall pay to each Lender that is not a Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in the Loans that has been reallocated to the other Lenders as provided for in Section 16.11(b) or Section 16.11(d).

Article 5
BANKERS' ACCEPTANCES

5.1 Form and Execution of Bankers' Acceptances

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

(a) the face amount at maturity of each draft drawn by the Borrower to be accepted as a Bankers' Acceptance shall be at least in the amounts set out in Section 2.3(b)(iii);

(b) the term to maturity of each draft drawn by the Borrower to be accepted as a Bankers' Acceptance shall, subject to market availability as determined by the Lenders, be 1, 2, 3 or 6 months (or such other longer or shorter term as agreed by the Lenders), as selected by the Borrower in the relevant Drawdown Notice or Conversion/Rollover/Repayment Notice, and each Bankers' Acceptance shall be payable and mature on the last day of the Interest Period selected by the Borrower for such Bankers' Acceptance;

(c) each draft drawn by the Borrower and presented for acceptance by a Lender shall be drawn on the standard form of such Lender in effect at the time; <u>provided</u> however, that the Agent may require the Lenders to use a generic form of Bankers' Acceptance, in a form satisfactory to each Lender, acting reasonably, provided by the Agent for such purpose in place of the Lenders' own forms;

(d) subject to Section 5.1(e), Bankers' Acceptances shall be signed by duly authorized officers of the Borrower or, in the alternative, the signatures of such officers may be mechanically reproduced in facsimile thereon and Bankers' Acceptances bearing such facsimile signatures shall be binding on the Borrower as if they had been manually executed and delivered by such officers on behalf of the Borrower; notwithstanding that any person whose manual or facsimile signature appears on any Bankers' Acceptance may no longer be an authorized signatory for the Borrower on the date of issuance of a Bankers' Acceptance, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such Bankers' Acceptance shall be binding on the Borrower; and

(e) in lieu of the Borrower signing Bankers' Acceptances in accordance with Section 5.1(d) and, for so long as the power of attorney in Section 5.2(a) is in force with respect to a given Lender, such Lender shall execute and deliver Bankers' Acceptances on behalf of the Borrower in accordance with the provisions thereof and, for certainty, all references herein to drafts drawn by the Borrower, Bankers' Acceptances executed by the Borrower or similar expressions shall be deemed to include Bankers' Acceptances executed in accordance with such power of attorney, unless the context otherwise requires.

If and for so long as the power of attorney referred to in Section 5.2(a) is in force with respect to each of the Lenders, it is intended that pursuant to the DBNA, all Bankers' Acceptances accepted by the Lenders under this Agreement will be issued in the form of a "depository bill" (as defined in the DBNA), deposited with a "clearing house" (as defined in the DBNA including The Canadian Depository for Securities Ltd. or its nominee CDS & Co.). In order to give effect to the foregoing, the Agent will, subject to the approval of the Borrower and the Lenders, establish and notify the Borrower and the Lenders of any additional procedures, consistent with the terms of this Agreement and the DBNA, as are reasonably necessary to accomplish such intention, including:

(a) any instrument held by the Agent for the purposes of Bankers' Acceptances will have marked prominently and legibly on its face and within its text, at or before the time of issue, the words "This is a depository bill subject to the *Depository Bills and Notes Act* (Canada)";

(b) any reference to the authentication of the Bankers' Acceptance will be removed; and

(c) any reference to the "bearer" will be removed and such Bankers' Acceptances will not be marked with any words prohibiting negotiation, transfer or assignment of it or of an interest in it.

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

(a) As a condition precedent to each Lender's obligation to accept Bankers' Acceptances hereunder, the Borrower hereby appoints each Lender, acting by any authorized signatory of the Lender in question, the attorney of the Borrower:

(i) to sign for and on behalf and in the name of the Borrower as drawer, drafts in such Lender's standard form which are depository bills as defined in the DBNA, payable to a "clearing house" (as defined in the DBNA) including, without limitation, The Canadian Depository For Securities Limited or its nominee, CDS & Co. (the "**clearing house**");

(ii) for drafts which are not depository bills, to sign for and on behalf and in the name of the Borrower as drawer and to endorse on its behalf, Bankers' Acceptances drawn on the Lender payable to the order of the undersigned or payable to the order of such Lender;

(iii) for Discount Notes, to sign for and on behalf and in the name of the Borrower as drawer and to endorse on its behalf Discount Notes payable to the order of such Lender;

(iv) to fill in the amount, date and maturity date of such Bankers' Acceptances (or Discount Notes as applicable); and

(v) to deposit and/or deliver such Bankers' Acceptances which have been accepted by such Lender or such Discount Notes which are payable to the order of such Lender,

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

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

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

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

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

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

(b) If the power of attorney in Section 5.2(a) is revoked with respect to any Lender, the Borrower shall, from time to time as required by the applicable Lenders, provide to the Agent for delivery to each such Lender drafts drawn in blank by the Borrower (pre-endorsed and otherwise in fully negotiable form, if applicable) in quantities sufficient for each such Lender to fulfil its obligations hereunder. Any such pre-signed drafts which are delivered by the Borrower to the Agent or a Lender shall be held in safekeeping by the Agent or such Lender, as the case may be, with the same degree of care as if they were the Agent's or such Lender's property, and shall only be dealt with by the Lenders and the Agent in accordance herewith. No Lender shall be responsible or liable for its failure to make its share of any Drawdown, Rollover or Conversion of Bankers' Acceptances required hereunder if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide such pre-signed drafts to the Agent (for delivery to such Lender) on a timely basis.

(c) By 10:00 a.m. (Toronto time) on the applicable Drawdown Date, Conversion Date or Rollover Date, the Borrower shall (i) either deliver to each Lender in Toronto, or, if previously delivered, be deemed to have authorized each Lender to complete and accept, or (ii) where the power of attorney in Section 5.2(a) is in force with respect to a Lender, be deemed to have authorized each such Lender to sign on behalf of the Borrower, complete and accept, drafts drawn by the Borrower on such Lender in a principal amount at maturity equal to such Lender's share of the Bankers' Acceptances specified by the Borrower in the relevant Drawdown Notice or Conversion/Rollover/Repayment, as the case may be, as notified to the Lenders by the Agent.

5.3 Mechanics of Issuance

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

(b) On each Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances:

(i) on or about 10:00 a.m. (Toronto time) on such date, the Agent shall determine the CDOR Rate and shall obtain quotations from each BA Reference Lender of the Discount Rate then applicable to bankers' acceptances accepted by such BA Reference Lender in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity to the Bankers' Acceptances proposed to be issued on such date;

(ii) on or about 10:00 a.m. (Toronto time) on such date, the Agent shall determine the BA Discount Rate applicable to each Lender and shall advise each Lender of the BA Discount Rate applicable to it;

(iii) each Lender shall complete and accept, in accordance with the Drawdown Notice or Conversion/Rollover/Repayment Notice delivered by the Borrower and advised by the Agent in connection with such issue, its share of the Bankers' Acceptances to be issued on such date and shall purchase such Bankers' Acceptances for its own account at a purchase price which reflects the BA Discount Rate applicable to such issue; and

(iv) in the case of a Drawdown, each Lender shall, for same day value on the Drawdown Date, remit the BA Discount Proceeds or advance the BA Equivalent Advance, as the case may be, payable by such Lender (net of the stamping fee payable to such Lender pursuant to Section 4.6) to the Agent for the account of the Borrower; the Agent shall make such funds available to the Borrower for same day value on such date.

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

5.4 Rollovers

In order to satisfy the continuing liability of the Borrower to a Lender for the face amount of maturing Bankers' Acceptances accepted by such Lender, such Lender shall receive and retain for its own account the BA Discount Proceeds of new Bankers' Acceptances issued on a Rollover, and the Borrower shall on the maturity date of the Bankers' Acceptances being rolled over pay to the Agent for the account of the Lenders an amount equal to the difference between the face amount of the maturing Bankers' Acceptances and the BA Discount Proceeds from the new Bankers' Acceptances, together with the stamping fees to which the Lenders are entitled pursuant to Section 4.6.

5.5 Conversion into Bankers' Acceptances

In respect of Conversions into Bankers' Acceptances, in order to satisfy the continuing liability of the Borrower to the Lenders for the amount of the converted Loan, each Lender shall receive and retain for its own account the BA Discount Proceeds of the Bankers' Acceptances issued upon such Conversion, and the Borrower shall on the Conversion Date pay to the Agent for the account of the

Lenders an amount equal to the difference between the principal amount of the converted Loan and the aggregate BA Discount Proceeds from the Bankers' Acceptances issued on such Conversion, together with the stamping fees to which the Lenders are entitled pursuant to Section 4.6.

5.6 Conversion from Bankers' Acceptances

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

5.7 BA Equivalent Advances

Notwithstanding the foregoing provisions of this Article, a Non-Acceptance Lender shall, in lieu of accepting Bankers' Acceptances, make a BA Equivalent Advance. The amount of each BA Equivalent Advance shall be equal to the BA Discount Proceeds which would be realized from a hypothetical sale of those Bankers' Acceptances which, but for this Section, such Lender would otherwise be required to accept as part of such a Drawdown, Conversion or Rollover of Bankers' Acceptances. To determine the amount of such BA Discount Proceeds, the hypothetical sale shall be deemed to take place at the BA Discount Rate for such Loan. Any BA Equivalent Advance shall be made on the relevant Drawdown Date, Rollover Date or Conversion Date as the case may be and shall remain outstanding for the term of the relevant Bankers' Acceptances. Concurrent with the making of a BA Equivalent Advance, a Non-Acceptance Lender shall be entitled to deduct therefrom an amount equal to the acceptance fee which, but for this Section, such Lender would otherwise be entitled to receive as part of such Loan. Upon the maturity date for such Bankers' Acceptances, the Borrower shall pay to each Non-Acceptance Lender an amount equal to the face amount of the Bankers' Acceptances which such Lender would have accepted as part of such Loan if it was not a Non-Acceptance Lender.

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

5.8 Termination of Bankers' Acceptances

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

Article 6
LETTERS OF CREDIT

6.1 Letter of Credit Commitment

(a) Subject to the terms and conditions set forth herein, (i) each Applicable LC Issuer agrees, in reliance upon the agreements of the other Lenders set forth in this Section 6.1, to issue Letters of Credit denominated in US Dollars or in Canadian Dollars for the account of the Borrower or any other Obligor; <u>provided</u> that the aggregate undrawn face amount of all outstanding Fronted Letters of Credit and Swingline Letters of Credit do not exceed Cdn. $10,000,000 and (ii) the Lenders severally agree to participate in Fronted Letters of Credit issued for the account of such Obligor.

(b) No Applicable LC Issuer shall be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Applicable LC Issuer from issuing such Letter of Credit, or any Applicable Law applicable to such Applicable LC Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Applicable LC Issuer shall prohibit, or request that such Applicable LC Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Applicable LC Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Applicable LC Issuer is not otherwise compensated hereunder) not in effect on the Amendment Effective Date, or shall impose upon such Applicable LC Issuer any unreimbursed loss, cost or expense which was not applicable on the Amendment Effective Date and which, in each case, such Applicable LC Issuer in good faith deems material to it;

(ii) subject to Section 6.2(c), the expiry date of such requested Letter of Credit would occur more than twelve (12) months (or three hundred sixty-four (364) days in the case of trade Letters of Credit) after the date of issuance or last renewal, unless the Required Lenders have approved such expiry date;

(iii) the expiry date of such requested Letter of Credit would occur after the Maturity Date, unless all the Lenders have approved such expiry date or such Letter of Credit is Cash Collateralized on or prior to the Maturity Date;

(iv) the issuance of such Letter of Credit would violate one or more policies of such Applicable LC Issuer in place at the time of such request; or

(v) any Lender is at that time a Defaulting Lender, unless such Applicable LC Issuer has entered into arrangements, including reallocation of the Defaulting Lender’s Applicable Percentage share of the outstanding LC Obligations applicable pursuant to Section 16.11(d) or the delivery of Cash Collateral, satisfactory to the Applicable LC Issuer (in its sole discretion), with the Borrower or such Defaulting Lender to eliminate the Applicable LC Issuer’s actual or potential Fronting Exposure (after giving effect to Section 16.11(d)) with respect to such Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other LC Obligations as to which the Applicable LC Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(c) No Applicable LC Issuer shall be under any obligation to amend any Letter of Credit if (i) the Applicable LC Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof or (ii) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(d) Each Applicable LC Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each Applicable LC Issuer shall have all of the benefits and immunities (A) provided to the Agent in Article 15 with respect to any acts taken or omissions suffered by such Applicable LC Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term “Agent” as used in Article 15 included each Applicable LC Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to each Applicable LC Issuer.

(e) It is agreed that, in the case of a commercial Letter of Credit, such commercial Letter of Credit shall in no event provide for time drafts or bankers’ acceptances.

6.2 Procedures for Issuance, Conversion and Amendment of Letters of Credit; Auto-Renewal Letters of Credit

(a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the Applicable LC Issuer (with a copy to the Agent) in the form of a LC Application, appropriately completed and signed by the Borrower. Such LC Application must be received by the Applicable LC Issuer and the Agent not later than 11:00 a.m. (Toronto time) at least two (2) Banking Days (or such shorter period as the Applicable LC Issuer and the Agent may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such LC Application shall specify in form and detail reasonably satisfactory to the Applicable LC Issuer: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Banking Day); (ii) the amount thereof (including the specification of currency); (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (vii) whether the Letter of Credit is a Fronted Letter of Credit or a Swingline Letter of Credit; and (viii) such other matters as the Applicable LC Issuer may reasonably request. In the case of a request for an amendment of any outstanding Letter of Credit, such LC Application shall specify in form and detail reasonably satisfactory to the Applicable LC Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Banking Day); (3) the nature of the proposed amendment; and (4) such other matters as the Applicable LC Issuer may reasonably request.

(b) Promptly after receipt of any LC Application, the Applicable LC Issuer will confirm with the Agent that the Agent has received a copy of such LC Application from the Borrower and, if not, such Applicable LC Issuer will provide the Agent with a copy thereof. Upon receipt by such Applicable LC Issuer of confirmation from the Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such Applicable LC Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be. Immediately upon the issuance of each Fronted Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Applicable LC Issuer a risk participation in such Fronted Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(c) If the Borrower so requests in any LC Application, the Applicable LC Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic renewal provisions (each, an "**Auto-Renewal Letter of Credit**"); <u>provided</u> that any such Auto-Renewal Letter of Credit must permit such Applicable LC Issuer to prevent any such renewal at least once in each twelve-month period (or, in the case of trade Letters of Credit, at least once in each 364-day period) (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "**Nonrenewal Notice Date**") in each such twelve-month period (or 364-day period, as applicable) to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Applicable LC Issuer, the Borrower shall not be required to make a specific request to the Applicable LC Issuer for any such renewal. Once an Auto-Renewal Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Applicable LC Issuer to permit the renewal of such Letter of Credit; <u>provided</u> that any Letter of Credit with an expiry date after the Maturity Date must be Cash Collateralized on or prior to the Maturity Date.

(d) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the Applicable LC Issuer will also deliver to the Borrower and Agent a true and complete copy of such Letter of Credit or amendment, and (in the case of a Fronted Letter of Credit) the Agent shall notify each Lender of such issuance or amendment and the amount of such Lender's Applicable Percentage share thereof and, upon a specific request by any Lender, furnish to such Lender a copy of such Letter of Credit or amendment.

(e) Notwithstanding any provision to the contrary contained herein, the Borrower shall be entitled to convert a Fronted Letter of Credit under the Credit Facility to a Swingline Letter of Credit (or vice versa); provided that:

(i) such Letter of Credit must be issued by the same Lender which acts as both the Applicable Fronting Lender and the Swingline Lender with respect to such Letter of Credit;

(ii) such conversion shall be deemed to be a return of such Letter of Credit for cancellation under (1) the Credit Facility (if such Letter of Credit was originally issued as a Fronted Letter of Credit under the Credit Facility) or (2) the Swingline Facility (if such Letter of Credit was originally issued as a Swingline Letter of Credit);

(iii) such conversion shall be deemed to be a new Borrowing under (1) the Credit Facility (if such Letter of Credit is being converted to a Fronted Letter of Credit under the Credit Facility) or (2) the Swingline Facility (if such Letter of Credit is being converted to a Swingline Letter of Credit) and the Borrower shall be required to comply with all conditions precedent and other conditions which apply to such new Borrowing; and

(iv) a Letter of Credit may only be so converted once every calendar quarter (unless agreed otherwise by the Agent and the Swingline Lender).

6.3 Drawings and Reimbursements; Funding of Participations

(a) Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the Applicable LC Issuer shall promptly notify the Borrower and the Agent thereof. If the Applicable LC Issuer notifies the Borrower of such payment prior to 12:00 noon (Toronto time) on the date of any payment by the Applicable LC Issuer under a Letter of Credit (each such date, an "**Honor Date**"), the Borrower shall reimburse such Applicable LC Issuer through the Agent (in the case of a Fronted Letter of Credit) or directly (in the case of a Swingline Letter of Credit) in an amount equal to the amount of such drawing; provided that if such notice is not provided to the Borrower prior to 12:00 noon (Toronto time) on the Honor Date, then the Borrower shall reimburse the Applicable LC Issuer through the Agent (in the case of a Fronted Letter of Credit) or directly (in the case of a Swingline Letter of Credit) in an amount equal to the amount of such drawing on the next succeeding Banking Day and such extension of time shall be reflected in computing fees in respect of any such Letter of Credit. If the Borrower fails to so reimburse the Applicable LC Issuer by such time, the Borrower shall be deemed to have effected a Conversion of such Letter of Credit to USBR Loans (in the case of a Letter of Credit denominated in US Dollars) or Prime Loans (in the case of a Letter of Credit denominated in Canadian Dollars), to be disbursed on the Honor Date in an amount equal to unreimbursed drawing (the "**Unreimbursed Amount**"), without regard to the minimum and multiples specified in Section 2.3 or whether there is compliance with any of the conditions set forth in Section 3.3. Such deemed Conversion shall be to a Syndicated Loan (in the case of a Fronted Letter of Credit) or a Swingline Loan (in the case of a Swingline Letter of Credit). In the case of a Fronted Letter of Credit, the Agent shall promptly notify each Lender of the Honor Date, the Unreimbursed Amount, and the amount of such Lender's pro rata share thereof. Any notice given by an Applicable LC Issuer or the Agent pursuant to this Section 6.3(a) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(b) Each Lender (including each Lender acting as an Applicable LC Issuer), subject to Section 2.11 in the case of Swingline Letters of Credit, shall upon any notice pursuant to Section 6.3(a) make funds available (and the Agent may apply Cash Collateral provided for this purpose) for the account of the Applicable LC Issuer at the Agent's Office in an amount equal to its pro rata share of the Unreimbursed Amount not later than 3:00 p.m. (Toronto time) on the Banking Day specified in such notice by the Agent, whereupon each Lender that so makes funds available shall be deemed to have made a USBR Loan (in the case of a Letter of Credit denominated in US Dollars) or a Prime Loan (in the case of a Letter of Credit denominated in Canadian Dollars), to the Borrower in such amount. The Agent shall remit the funds so received to the Applicable LC Issuer.

(c) Until each Lender funds its Applicable Percentage share of any Syndicated Loan pursuant to this Section 6.3 to reimburse the Applicable LC Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the Applicable LC Issuer.

(d) Each Lender's obligation to make Syndicated Loans to reimburse the Applicable LC Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 6.3, shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Applicable LC Issuer, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or Event of Default, (iii) non-compliance with any of the conditions set forth in Section 3.3 or (iv) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such making of a Syndicated Loan shall relieve or otherwise impair the obligation of the Borrower to reimburse the Applicable LC Issuer for the amount of any payment made by the Applicable LC Issuer under any Letter of Credit, together with interest as provided herein.

(e) If any Lender fails to make available to the Agent for the account of the Applicable LC Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 6.3 by the time specified in Section 6.3(b), then, without limiting the other provisions of this Agreement, such Applicable LC Issuer shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Applicable LC Issuer at a rate per annum reasonably determined by such Applicable LC Issuer in accordance with banking industry rules on interbank compensation, plus any reasonable administrative, processing or similar fees customarily charged by such Applicable LC Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Loan included in the relevant Borrowing in respect of the relevant LC Borrowing, as the case may be. A certificate of the Applicable LC Issuer submitted to any Lender (through the Agent) with respect to any amounts owing under this Section 6.3(e) shall be conclusive absent manifest error.

6.4 Repayment of Participations

(a) If, at any time after an Applicable LC Issuer has made a payment under any Fronted Letter of Credit issued by it and has received from any Lender such Lender's Applicable Percentage share of any Syndicated Loan in respect of such payment in accordance with

Section 6.3, if the Agent receives for the account of such Applicable LC Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Agent), the Agent will distribute to such Lender its Applicable Percentage share of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's Syndicated Loan was outstanding) in the same funds as those received by the Agent.

(b) If any payment received by the Agent for the account of the Applicable LC Issuer pursuant to Section 6.3(a) is required to be returned by Applicable Law (including pursuant to any settlement entered into by such Applicable LC Issuer in its discretion), each Lender shall pay to the Agent for the account of such Applicable LC Issuer its Applicable Percentage share thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the repayment of the Outstandings in full and the cancellation of the Credit Facility.

6.5 Obligations Absolute

The obligation of the Borrower to reimburse the applicable Applicable LC Issuer for each drawing under each Letter of Credit and to repay each LC Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(a) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(b) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Applicable LC Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(c) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(d) any payment by the Applicable LC Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Applicable LC Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, in each case in the absence of its gross negligence or willful misconduct on the part of such Applicable LC Issuer as determined by a final non-appealable judgment of a court of competent jurisdiction;

(e) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any Loan Guarantee or any Security Document, for all or any of the Outstandings of the Borrower in respect of such Letter of Credit; or

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower, in each case in the absence of its gross negligence or willful misconduct on the part of such Applicable LC Issuer as determined by a final non-appealable judgment of a court of competent jurisdiction.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the Applicable LC Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the Applicable LC Issuer and its correspondents unless such notice is given as aforesaid.

6.6 Role of Applicable LC Issuer

Each of the Borrower and the Lenders agrees that, in paying any drawing under a Letter of Credit, the Applicable LC Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Applicable LC Issuer, any Related Party of the Applicable LC Issuer nor any of the respective correspondents, participants or assignees of the Applicable LC Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted by it in the absence of its gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or LC Application. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Applicable LC Issuer, any Related Party of the Applicable LC Issuer, nor any of the respective correspondents, participants or assignees of the Applicable LC Issuer, shall be liable or responsible for any of the matters described in clauses (a) through (e) of Section 6.5; provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the Applicable LC Issuer, and the Applicable LC Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to indirect, special, punitive, consequential or exemplary, damages suffered by the Borrower which a court of competent jurisdiction determines in a final non-appealable judgment were caused by such Applicable LC Issuer's willful misconduct or gross negligence or the Applicable LC Issuer's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the Applicable LC Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Applicable LC Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

6.7 Applicability of ISP98 and UCP

Unless otherwise expressly agreed by the Applicable LC Issuer and the Borrower when a Letter of Credit is issued, (a) the rules of the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance) shall apply to each standby Letter of Credit, and (b) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce (the "**ICC**") at the time of issuance shall apply to each commercial Letter of Credit.

6.8 Applicant Under Letter of Credit

If the Borrower so requests in any applicable LC Application, any other Obligor may be named as the applicant in the applicable Letter of Credit; provided that the Borrower shall remain fully liable for all fees and reimbursement obligations in respect of such Letter of Credit.

6.9 Conflict with LC Application

In the event of any conflict between the terms hereof and the terms of any LC Application, the terms hereof shall control.

Article 7
PAYMENTS

7.1 [Intentionally Left Blank]

7.2 Mandatory Repayments and Reductions

Promptly, and in any event within ten (10) Banking Days, after receipt of the following proceeds by the Borrower or any Subsidiary (and, in the case of (c) below only, prior to the Covenant Normalization Date), the Borrower shall repay the Outstanding Principal (to the extent outstanding) and permanently reduce the Total Commitment by the following amounts (as applicable):

(a) the cumulative amount of proceeds (net of reasonable transaction costs) received by the Borrower or any Subsidiary from the disposition of any property, assets or undertaking in any Fiscal Year in excess of, in the aggregate, the Permitted Dispositions allowed in such Fiscal Year, except (i) where, within a 12-month period following receipt of such excess proceeds, such excess proceeds are reinvested by one or more Obligors in operating assets on terms and conditions satisfactory to the Required Lenders, acting reasonably; provided that the consent of the Required Lenders to any such re-investment shall be deemed to have been provided if such proceeds are used to fund the most recent capital budget provided to the Agent pursuant to Section 9.1(e)(vi) or 9.1(e)(ii) where such prepayment is waived by the Required Lenders;

(b) the cumulative amount of gross property insurance proceeds received by the Borrower or any Subsidiary in excess of an aggregate of Cdn. $20,000,000 or the Equivalent Amount in Cdn. Dollars in any Fiscal Year, except (i) where, within a 12-month period following receipt of such excess proceeds, such excess proceeds are either applied to repair or replace the damaged property or otherwise reinvested by one or more Obligors in operating assets, in the latter case on terms and conditions satisfactory to the Required Lenders, acting reasonably; provided that the consent of the Required Lenders to any such re-investment shall be deemed to have been provided if such proceeds are used to fund the most recent capital budget provided to the Agent pursuant to Section 9.1(e)(vi) or 9.1(e)(ii) where such prepayment is waived by the Required Lenders; and

(c) the amount of the Sharing Percentage allocable to the Credit Facility of the cumulative amount of proceeds (net of reasonable transaction costs) received by the Borrower or any Subsidiary from any issuance of any Junior Capital;

provided that any such payments shall not be applied to repay any Swingline Loans unless and until all other Outstandings have been paid in full. The Borrower shall provide the Agent with at least two Banking Days' prior written notice of such reduction (and, if necessary, prepayment), and such notice shall describe in reasonable detail the transaction giving rise to such reduction. Each reduction of the Total Commitment under this Section 7.2 shall be allocated among the Lenders in proportion to their respective Commitments at the time of such reduction.

7.3 Mandatory Repayments and Reductions Upon Senior Notes De-Leveraging Application

(a) Concurrent with any Senior Notes De-Leveraging Application which relates to principal (other than any repayment of the Short-Dated Senior Notes on their scheduled maturity date of April 28, 2016), the Borrower shall repay the Outstanding Principal (to the extent outstanding) and permanently reduce the Total Commitment on a pro rata basis by such amount which is equal to the Sharing Percentage allocable to the Credit Facility multiplied by the Aggregate Prepayment Amount (which, for the purposes of this Section 7.3(a), is defined as the Equivalent Amount of the Senior Notes De-Leveraging Application which relates to principal divided by the Sharing Percentage allocable to the Senior Notes taken as a whole); provided that any such payments shall not be applied to repay any Swingline Loans unless and until all other Outstandings have been paid in full. The Borrower shall provide the Agent with at least two Banking Days' prior written notice of such reduction (and, if necessary, prepayment).

(b) Concurrent with any Senior Notes De-Leveraging Application which involves a prepayment of any PIK Interest with respect to any of the Senior Notes, the Borrower shall pay an equivalent portion of the PIK Interest with respect to the Credit Facility. The Borrower shall provide the Agent with at least two Banking Days' prior written notice of such reduction (and, if necessary, prepayment).

(c) Each reduction of the Total Commitment under this Section 7.3 shall be allocated among the Lenders in proportion to their respective Commitments at the time of such reduction.

7.4 Mandatory Repayment Upon Maturity

The Borrower shall repay all Outstandings obtained by it under the Credit Facility on or before the Maturity Date of each Lender.

7.5 Optional Repayment

The Borrower may, without penalty and at any time and from time to time, repay to the Agent for the account of the Lenders the whole or any part of any Loan together with accrued interest thereon to the date of such repayment; provided that:

(a) in anticipation of any repayment of any Loan, the Borrower shall give a Conversion/Rollover/Repayment Notice to the Agent at least one Banking Day prior to any such repayment;

(b) each repayment of any Loan shall be in a minimum amount equal to the lesser of:

(i) Cdn. $3,000,000 (for repayments in Cdn. Dollars) and in whole multiples of Cdn. $1,000,000 thereafter or US $3,000,000 (for repayments in US Dollars) and in whole multiples of US $1,000,000 thereafter; and

(ii) the Outstanding Principal of all Loans outstanding immediately prior to such repayment;

(c) repayments pursuant to this Section may only be made on a Banking Day;

(d) unless the Borrower pays breakage costs pursuant to Section 7.7(a), each such repayment may only be made on the last day of the applicable Interest Period with regard to a LIBO Rate Loan that is being repaid;

(e) a Bankers' Acceptance (including a BA Equivalent Advance) may only be repaid on its maturity, but may be Cash Collateralized; and

(f) a Letter of Credit may only be repaid if it is returned for cancellation, but may be Cash Collateralized.

7.6 Currency Excess

(a) If the Agent determines that the Equivalent Amount in Cdn. Dollars of the Outstanding Principal under the Credit Facility exceeds the maximum amount of the Total Commitment (the amount of such excess is herein called the "**Currency Excess**"), then, upon written request by the Agent (which request shall detail the applicable Currency Excess), the Borrower shall either repay sufficient Outstandings to remove the Currency Excess or collateralize the Currency Excess in accordance with Section 7.6(b) within (i) if the Currency Excess exceeds 3% of the maximum amount of the Total Commitment five Banking Days and (ii) in all other cases, on the next Drawdown Date, Rollover Date or Conversion Date.

(b) If and to the extent that the Borrower fails to make sufficient repayments to eliminate such Currency Excess (the remainder thereof being herein called the "**Currency Excess Deficiency**"), the Borrower shall place an amount equal to the Currency Excess Deficiency on deposit with the Agent in an interest-bearing account with interest at rates prevailing at the time of deposit for the account of the Borrower, to be held and applied to maturing Bankers' Acceptances or LIBO Rate Loans, as the case may be (converted if necessary at the exchange rate for determining the Equivalent Amount on the date of such application). The Agent is hereby irrevocably directed by the Borrower to apply any such sums on deposit to maturing Loans as provided in the preceding sentence. Upon the Currency Excess being eliminated as aforesaid or by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no Default or Event of Default is then continuing, such funds on deposit, together with interest thereon, shall be returned to the Borrower.

7.7 Additional Repayment Terms

(a) If any LIBO Rate Loan is repaid or converted on other than the last day of the applicable Interest Period, the Borrower shall, within three Banking Days after notice is given by the Agent, pay to the Agent for the account of the Lenders all costs, losses, premiums and expenses incurred by such Lenders by reason of the liquidation or re-deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. Any Lender, upon becoming entitled to be paid such costs, losses, premiums and expenses, shall deliver to the Borrower and the Agent, a certificate of such Lender, prepared in good faith, certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

(b) With respect to the prepayment or Cash Collateralization of unmatured Bankers' Acceptances required as a result of Section 7.5(e) or 12.4, the Borrower shall provide for the funding in full of such unmatured Bankers' Acceptances by paying to and depositing with the Agent Cash Collateral for each such unmatured Bankers' Acceptances equal to the face amount payable at maturity thereof; such Cash Collateral deposited by the Borrower shall be held by the Agent in an interest-bearing Cash Collateral Account with interest to be credited to the Borrower at rates prevailing at the time of deposit for similar accounts with the Agent. Such Cash Collateral Account shall be assigned to the Agent as security for the obligations of the Borrower in relation to such Bankers' Acceptances and the security of the Agent thereby created shall rank in priority to all other Liens and adverse claims against such Cash Collateral. Such Cash Collateral shall be applied to satisfy the obligations of the Borrower for such Bankers' Acceptances as they mature and the Agent is hereby irrevocably directed by the Borrower to apply any such Cash Collateral to such maturing Bankers' Acceptances. Amounts held in such Cash Collateral

Accounts may not be withdrawn by the Borrower without the consent of the Lenders; however, interest on such deposited amounts shall be for the account of the Borrower and may be withdrawn by the Borrower so long as no Default or Event of Default is then continuing. If after maturity of the Bankers' Acceptances for which such funds are held and application by the Agent of the amounts in such Cash Collateral Accounts to satisfy the obligations of the Borrower hereunder with respect to the Bankers' Acceptances being repaid, any excess remains, such excess shall be promptly paid by the Agent to the Borrower so long as no Default or Event of Default is then continuing.

(c) With respect to the prepayment or Cash Collateralization of undrawn Letters of Credit required as a result of Section 7.5(f)) or 12.4, the Borrower shall provide for the funding in full of such undrawn Letters of Credit by paying to and depositing with the Agent Cash Collateral for each such undrawn Letter of Credit equal to the face amount payable at maturity thereof; such Cash Collateral deposited by the Borrower shall be held by the Agent in an interest-bearing Cash Collateral Account with interest to be credited to the Borrower at rates prevailing at the time of deposit for similar accounts with the Agent. Such Cash Collateral Account shall be assigned to the Agent as security for the obligations of the Borrower in relation to such Letters of Credit and the security of the Agent thereby created shall rank in priority to all other Liens and adverse claims against such Cash Collateral. Such Cash Collateral shall be applied to satisfy the obligations of the Borrower for such Letters of Credit if they are drawn and the Agent is hereby irrevocably directed by the Borrower to apply any such Cash Collateral to pay the applicable Reimbursement Obligations. Amounts held in such Cash Collateral Accounts may not be withdrawn by the Borrower without the consent of the Lenders; however, interest on such deposited amounts shall be for the account of the Borrower and may be withdrawn by the Borrower so long as no Default or Event of Default is then continuing. If after the expiration or cancellation of the Letters of Credit for which such funds are held and application by the Agent of the amounts in such Cash Collateral Accounts to satisfy the Reimbursement Obligations of the Borrower hereunder with respect to such Letters of Credit, any excess remains, such excess shall be promptly paid by the Agent to the Borrower so long as no Default or Event of Default is then continuing.

7.8 Payments – General

(a) Except for principal and interest for Swingline Loans (which are payable directly to the Swingline Lender for its own account), all payments of principal, interest, fees and other amounts to be made by the Borrower pursuant to this Agreement shall be made unconditionally and without set off, defence, counterclaim or other reduction of any type, in the currency in which the Loan is outstanding for value on the day such amount is due, by deposit or transfer thereof to the Agent's Accounts. Notwithstanding anything to the contrary expressed or implied in this Agreement, the receipt by the Agent in accordance with this Agreement of any payment made by the Borrower for the account of any of the Lenders shall, insofar as the Borrower's obligations to the relevant Lenders are concerned, be deemed also to be receipt by such Lenders and the Borrower shall have no liability in respect of any failure or delay on the part of the Agent in disbursing and/or accounting to the relevant Lenders in regard thereto.

(b) All payments of principal, interest, fees or other amounts to be made by the Agent to the Lenders pursuant to this Agreement shall be made for value on the day required hereunder, provided the Agent receives funds from the Borrower for value on such day, by deposit or transfer thereof at the time specified herein to the account of each Lender designated by such Lender to the Agent for such purpose or to such other place or account as the Lenders may from time to time notify the Agent.

(c) The Borrower authorizes and directs the Agent to automatically debit the Borrower's Accounts for all amounts payable by the Borrower under this Agreement, including the repayment of principal and the payment of interest and fees and all charges agreed to by the Borrower for the maintaining of the Borrower's Accounts. The Agent shall, as soon as is practical after making any such debit, inform the Borrower of the amount thereof and provide reasonable details of the calculation thereof.

(d) Unless otherwise specifically provided for herein, if any payment required hereunder shall become due and payable on a day which is not a Banking Day, such payment shall be made on the next following Banking Day and any extension of time shall in such case be included in computing interest payable hereunder relating to such payment.

7.9 Application of Payments after Default

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

(a) to amounts due hereunder as fees other than stamping fees for Bankers' Acceptances;

(b) to amounts due hereunder as costs and expenses;

(c) to amounts due hereunder as default interest;

(d) to amounts due hereunder as interest and stamping fees for Bankers' Acceptances; and

(e) to amounts due hereunder as principal.

7.10 Margin Changes; Adjustments for Margin Changes

(a) A change in the Applicable Pricing Margin due to a change in the Consolidated Senior Net Debt to Consolidated EBITDA Ratio shall become effective on the first day of the Fiscal Quarter immediately following the Fiscal Quarter during which the Borrower delivers the Financial Statements (and accompanying Compliance Certificate) which reflect such Consolidated Senior Net Debt to Consolidated EBITDA Ratio; provided that, if the Borrower fails to deliver the applicable Financial Statements and Compliance Certificate within the time permitted by Section 9.1(e), then the Applicable Pricing Margin shall be based on Level 7 for the period from the latest date permitted hereunder for delivery of such Financial Statements and Compliance Certificate until the delivery thereof.

(b) Except for outstanding Bankers' Acceptances for which no adjustments shall be made, for any Loans outstanding as of the effective date of a change in an Applicable Pricing Margin:

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

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

(c) The additional payments required by Section 7.10(b)(i) shall be made on the next Interest Payment Date. The adjustments required by Section 7.10(b)(ii) shall be accounted for in successive interest and fee payments by the Borrower until the amount of the credit therein contemplated has been fully applied; provided that, upon satisfaction in full of all Outstandings and cancellation of the Credit Facility in accordance herewith, the Lenders shall pay to the Borrower an amount equal to any such credit which remains outstanding.

Article 8
REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties

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

(a) **Status**. The Borrower is a corporation duly incorporated and validly existing under the laws of Alberta. Each of the Restricted Subsidiaries is a corporation duly incorporated or a partnership duly formed and validly existing under the laws of their respective jurisdiction of incorporation or formation, as applicable. Each of the Obligors has all necessary corporate, limited liability company or partnership (as applicable) capacity, power and authority to own, lease and operate its respective properties and assets and carry on its respective business as presently carried on, and each is duly licensed, registered or qualified in all jurisdictions where the character of its property owned or leased or the nature of the activities conducted by it makes such licensing, registration or qualification necessary or desirable, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) **Authority.** Each of the Obligors has full corporate, limited liability company or partnership (as applicable) capacity, power and authority to enter into each of the Loan Documents to which it is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by it or them in accordance with their respective terms.

(c) **Valid Authorization**. Each of the Obligors has taken all necessary corporate, limited liability company or partnership (as applicable) action to authorize the creation, execution and delivery of, and performance of its respective obligations under, each of the Loan Documents to which it is a party in accordance with the respective terms of each of the Loan Documents to which it is a party, and each of the Loan Documents, when signed and delivered, have or will have been duly executed and delivered in accordance with such corporate or partnership action (as applicable).

(d) **Validity and Enforceability.** This Agreement constitutes and each other Loan Document constitutes or, when executed and delivered, will constitute, valid and legally binding obligations of each of the Obligors that is a party thereto, enforceable against it in accordance with its terms, subject only to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to general principles of equity, including the fact that specific performance is an equitable remedy, available only in the discretion of the court.

(e) **No Violation, Breach, Conflict etc**. Neither the execution and delivery of this Agreement or any other Loan Document, nor compliance with the terms and conditions of any of them:

(i) has resulted, or will result, in a violation of the articles, by-laws or other constating or governing documents of the Obligor party thereto or any resolutions passed by the directors, shareholders or partners (as applicable) of such Obligor;

(ii) has resulted, or will result, in a violation of any Applicable Law, rule, regulation, order, judgment, injunction, award or decree;

(iii) has resulted, or will result, in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other agreement or instrument to which any Obligor is a party or by which it or any of its property, assets or undertaking are bound, or requires any consent thereunder other than such as has already been received, except to the extent that such breach, default or failure to have consent arises after (and not upon) the execution and delivery of the Loan Documents and would not have a Material Adverse Effect; or

(iv) has resulted or will result, in the creation of, or the obligation to create, any Lien on, against or in respect of any of the property, assets or undertaking of any Obligor except as expressly permitted or contemplated hereby.

(f) **Authorizations**. All Governmental Authorizations, approvals, consents, licences, exemptions, filings, registrations, notarizations and other requirements of any Governmental Authority or any other Person reasonably necessary to, or in connection with, the execution and delivery by the Obligors of, and performance of their respective obligations under, this Agreement and each of the other Loan Documents to which it is a party, and to carry on the businesses of the Obligors have been obtained and are in full force and effect, except to the extent that the failure to have or maintain the same in full force and effect would not, when taken in the aggregate, have a Material Adverse Effect.

(g) **Organization Chart**. Schedule J (as at the date hereof and as it may be required to be updated from time to time by the Borrower) sets forth the names and jurisdictions of incorporation, continuance or formation of each of the Borrower and its Subsidiaries, and the details of ownership of the outstanding shares or ownership interests of each such Person.

(h) **Ownership of Assets**. Each Obligor:

(i) has good and marketable title to all of the material property and assets that it owns, subject only to Permitted Liens and defects in title which are not general in application and which in the aggregate do not materially detract from the value of such property and assets or any significant part thereof or materially impair the use of any thereof in the operation of the business of the Obligors, taken as a whole; and

(ii) owns, leases or has the lawful right to use all of the material property, assets and undertaking necessary for the conduct of the businesses of such Obligor.

Such material property, assets and undertaking are not subject to any Liens, except for Permitted Liens.

(i) **No Default**. No Default or Event of Default has occurred or is continuing.

(j) **Financial Condition**. The most recent audited and unaudited consolidated Financial Statements of the Borrower delivered to the Agent present fairly, in all material respects, the consolidated financial condition of the Borrower as at the date or dates thereof and the results of the consolidated operations thereof for the Fiscal Quarter or Fiscal Year then ending, as applicable, all in accordance with GAAP consistently applied, and since the date of the most recent Financial Statements delivered to the Agent no event or circumstance has occurred and is continuing which would have a Material Adverse Effect.

(k) **Books and Records**. All books and records of the Obligors have been fully, properly and accurately kept and completed in all material respects and there are no material inaccuracies or discrepancies of any kind contained or reflected therein.

(l) **Information Provided**. All information, materials and documents, including all projections, economic models, engineering data, capital and operating budgets and other information and data:

(i) prepared and provided to the Agent by an Obligor as required by the terms of this Agreement, were true, complete and correct in all material respects as of the respective dates thereof or, in the case of projections, were prepared in good faith based upon assumptions believed to be reasonable at the time such projections were made; and

(ii) prepared by Persons other than an Obligor and provided to the Agent by or on behalf of an Obligor in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were, to the Knowledge of the Borrower, true, complete and correct in all material respects as of the respective dates thereof or, in the case of projections, were prepared in good faith based upon reasonable assumptions.

(m) **No Change**. As of the Amendment Effective Date, except as has been disclosed to the Agent by written notice in accordance with the provisions of this Agreement, no filing is imminent of a report of a Material Change as required to be filed by the Borrower with any securities commission or exchange or with any Governmental Authority having jurisdiction over the issuance and sale of securities of the Borrower, and which Material Change would have a Material Adverse Effect.

(n) **Litigation**. Except to the extent written notice has been provided to the Agent as required by Section 9.1(d), there are no actions, suits, proceedings or Environmental Claims pending or, to the Knowledge of the Borrower, threatened against or affecting the Borrower or any Restricted Subsidiary, (including, without limitation, any claims against their property or any of their undertakings and assets, at law, in equity or before any arbitrator or before or by any Governmental Authority) in respect of which there is a reasonable possibility of a determination adverse to the Borrower or any Restricted Subsidiary and which, if determined adversely to the Borrower or any Restricted Subsidiary, would have a Material Adverse Effect.

(o) **Compliance**. Each Obligor and its businesses and operations are in compliance with: all Applicable Laws (including, without limitation, all applicable Environmental Laws); all applicable directives, judgments, decrees, injunctions and orders rendered by any Governmental Authority or any court of competent jurisdiction; its and their constating or governing documents (including partnership agreements) and by-laws; all material agreements or instruments to which it is a party or by which any of its property or assets are bound; and any employee benefit plans; except to the extent that non-compliance with any of the foregoing would not have a Material Adverse Effect.

(p) **Remittances**. All of the material remittances required to be made by an Obligor to any Governmental Authority (including, without limitation, in respect of Taxes and Other Taxes) have been made and are currently up to date, and there are no outstanding material arrears other than those which are subject to a Permitted Contest.

(q) **Taxes**. Each Obligor has duly filed on a timely basis all material tax returns required to be filed and have paid all material Taxes which are due and payable, and have paid all material assessments and reassessments and all material Other Taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against them, other than those which, in each case, are subject to a Permitted Contest. Each Obligor has made adequate provision for, and all required instalment payments have been made in respect of, Taxes and Other Taxes in all material amounts payable for the current period for which returns are not yet required to be filed. There are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any material tax return by them or the payment of any material Taxes or Other Taxes. There are no actions or proceedings being taken by any Governmental Authority to enforce the payment of any material Taxes or Other Taxes by them, other than those which are subject to a Permitted Contest.

(r) **Insurance**. All insurance policies required to be maintained by each Obligor pursuant to Section 9.1(g) have been obtained and are in full force and effect, and such insurance policies comply in all material respects with the requirements of Section 9.1(g).

(s) **Environmental Matters**.

(i) Each Obligor and its property and assets comply in all respects, and the businesses, activities and operations of each Obligor and the use of its property and assets comply in all respects, with all Environmental Laws, Environmental Permits and Environmental Orders except to the extent failure to comply would not have a Material Adverse Effect; further, the Borrower does not have Knowledge of, and has no reasonable grounds to believe there exists, any facts which result in, or constitute, or are likely to give rise to, non-compliance with any Environmental Laws, Environmental Permits or Environmental Orders, which facts or non-compliance have a Material Adverse Effect.

(ii) Each Obligor has obtained all material Environmental Permits which currently are required in relation to its property and assets or in respect of their respective businesses, activities, and operations except to the extent failure to do so would not have a Material Adverse Effect; all such Environmental Permits are valid and in full force and effect, and no violations thereof have occurred which are continuing and which would have a Material Adverse Effect; no proceedings are pending and, to the Knowledge of the Borrower, no proceedings have been or are being taken by any Governmental Authority to remove or invalidate any of the Environmental Permits, the removal or invalidation of which would have a Material Adverse Effect; and there is no reason to believe that any Environmental Permits required to be obtained after the date hereof will not be issued pursuant to applications made for such Environmental Permits if the failure to have such Environmental Permit would have a Material Adverse Effect.

(iii) The businesses, activities and operations of each Obligor which have generated, manufactured, refined, treated, transported, stored, handled, disposed, transferred, produced or processed Hazardous Materials have done so in compliance in all respects with all Environmental Laws, Environmental Permits and Environmental Orders, except to the extent such failure to so comply would not have a Material Adverse Effect.

(iv) All contaminants and other Hazardous Materials owned or controlled by an Obligor and disposed of, treated or stored on or in relation to their property and assets have been or are in the process of being disposed of, treated and stored in compliance in all respects with all Environmental Laws, Environmental Permits and Environmental Orders, except where such failure to so comply would not have a Material Adverse Effect.

(v) Except as previously disclosed to the Agent in writing, no Obligor has received written notice of any material non-compliance under any Environmental Laws, Environmental Permits or Environmental Orders, nor has Knowledge of any facts which could give rise to any notice of non-compliance with any Environmental Laws, Environmental Permits and Environmental Orders, which facts or non-compliance would have a Material Adverse Effect, or except as previously disclosed to the Agent in writing, any notice that an Obligor is a potentially responsible party for a federal, provincial, regional, municipal or local clean-up or corrective action in connection with their property and assets which, if not complied with, would have a Material Adverse Effect.

(vi) No Obligor nor, to the Knowledge of the Borrower, any of an Obligor's predecessor corporations or partnerships have, within the immediately preceding four years, been convicted of an offence for non-compliance with any Environmental Laws, Environmental Permits or Environmental Orders, or been fined or otherwise sentenced or settled any prosecution short of conviction, except as otherwise advised in writing to the Agent or except to the extent that any of the foregoing would not have a Material Adverse Effect.

(vii) To the Knowledge of the Borrower, each Obligor has maintained all environmental and operating documents and records in the manner and for the time periods required to comply in all respects with all Environmental Laws, Environmental Permits and Environmental Orders, except where failure to do so would not have a Material Adverse Effect.

(viii) Each Obligor has in effect a management structure and policies and procedures that will permit such Obligor to effectively manage environmental risk and respond in a timely manner in compliance with the Environmental Laws, Environmental Orders and Environmental Permits in the event of Release of Hazardous Materials in, on or under property of such Obligor.

(t) **Priority of Outstandings**. The Outstandings of the Borrower hereunder and the obligations of each Restricted Subsidiary under its Loan Guarantee rank at least *pari passu* in right of payment with the most senior unsecured unsubordinated indebtedness for borrowed money of the Borrower or such Restricted Subsidiary, as the case may be.

(u) **Full Disclosure**. As of the Amendment Effective Date, there is no information of which the Borrower has Knowledge on the Amendment Effective Date which has not been fully disclosed to the Agent which would have a Material Adverse Effect or cause the information referred to in Section 8.1(l) to be incorrect or misleading in any material respect.

(v) **Compliance with Pension Laws.** As of the Amendment Effective Date and with respect to the Plans:

(i) to the extent applicable, each Plan has been operated and administered in compliance with all Applicable Laws except for such instances of non-compliance as have not resulted in, and would not reasonably be expected to result in a Material Adverse Effect. No ERISA Affiliate has incurred any liability pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee pension benefit plans (as defined in Section 3(2) of ERISA), other than for PBGC premiums due but not delinquent under Section 4007 of ERISA and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of any ERISA Affiliate, in either case pursuant to Title IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(ii) to the extent applicable, no ERISA Affiliates have incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under Section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect;

(iii) except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect:

(A) no Reportable Event has occurred with respect to a Plan;

(B) there has been no withdrawal of any ERISA Affiliate from a Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA nor has there been any cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA;

(C) no ERISA Affiliate has received notification that a Multiemployer Plan is in reorganization;

(D) there has been no filing of a notice of intent to terminate a Plan or institution by the PBGC of proceedings to terminate a Plan, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Plan;

(E) no event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan has occurred or is reasonably likely to occur;

(F) no determination has been made that any Plan is an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA;

(G) each ERISA Affiliate has satisfied the minimum funding requirements of Sections 302, 303, 304 and 305 of ERISA and Sections 412, 430, 431 and 436 of the Code in respect of each Plan, and no waiver of such minimum funding standards has been applied for or obtained;

(H) as of the most recent valuation date for any Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 80% or higher and no ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such Plan to drop below 80% as of the most recent valuation date; and

(I) no ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and

(iv) to the extent applicable, the expected post-retirement benefit obligation (determined as of the last day of the Borrower's most recently ended Fiscal Year in accordance with GAAP) of the Borrower and its Subsidiaries could not reasonably be expected to result in a Material Adverse Effect.

(w) **Foreign Assets Control Regulations, Etc.** The Borrower's use of the proceeds of this Credit Facility will not violate the *United States Trading with the Enemy Act*, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(x) **Status under Certain Statutes.** No Obligor is required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended, or any other statute or regulation that restricts its ability to incur debt.

(y) **AML Legislation, etc**. To the knowledge of the Borrower, neither the Borrower, any of its Subsidiaries, any of their Affiliates nor any officers or directors of the Borrower, Subsidiary or Affiliate: (i) has violated any AML Legislation or Sanctions Law; or (ii) has engaged in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(z) **Sanctions Laws, Blocked Persons**. To the knowledge of the Borrower, neither the Borrower, any of its Subsidiaries, any of their Affiliates nor any officers or directors of the Borrower, Subsidiary or Affiliate that is acting or benefiting in any capacity in connection with the Loans: (i) is a Blocked Person; (ii) conducts any business or engages in making or receiving any contribution of goods, services or money to or for the benefit of any Blocked Person or in violation of Sanctions Laws; (iii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any AML Legislation or Sanctions Laws; or (iv) 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 AML Legislation or Sanctions Laws.

(aa) **FCPA**. To the knowledge of the Borrower, neither the Borrower, any of its Subsidiaries, any of their Affiliates nor any officers or directors of the Borrower, Subsidiary or Affiliate has taken any action, directly or indirectly, that would result in a violation by such Persons of the *United States Foreign Corrupt Practices Act of 1977*, as amended.

(bb) **Perfection, Etc**. Each Security Document delivered pursuant to this Agreement will, upon execution and delivery thereof, be effective to create in favour of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in or floating charges over (as applicable), the Collateral described therein to the extent intended to be created thereby and required to be perfected therein under the Loan Documents and subject to the Perfection Exceptions, and (i) when financing statements and other filings in appropriate form are filed in the offices of the appropriate Governmental Authority of each Obligor's jurisdiction of organization or formation, as applicable, in the case of US Obligors, and the jurisdiction where the chief executive officer of each Canadian Obligor is located and each jurisdiction where a Canadian Obligor has assets and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by the applicable Security Document), the Liens created by the Security Documents shall constitute fully perfected Liens on, and security interests in (to the extent intended to be created thereby and required to be perfected under the Loan Documents and subject to the Perfection Exceptions), all right, title and interest of the grantors in such Collateral, to the extent a security interest therein may be perfected by the taking of such actions, in each case free and clear of any Liens other than Permitted Liens.

(cc) **Solvency**. As of the Amendment Effective Date, the fair value of the business and assets of the Obligors (taken as a whole) exceeds the amount that will be required to pay their liabilities on a consolidated basis (including, without limitation, contingent, subordinated, unmatured and unliquidated liabilities on existing debts, as such liabilities may become absolute and matured). No Obligor is engaged in any business or transaction, or about to engage in any business or transaction, for which such Person has unreasonably small assets or capital (within the meaning of the *Uniform Fraudulent Transfer Act*, the *Uniform Fraudulent Conveyance Act* and Section 548 of the *United States Bankruptcy Code*), and no Obligor has engaged in any transaction or is about to engage in any transaction that is in breach of the *Fraudulent Preferences Act* (Alberta) or Section 95 of the *Bankruptcy and Insolvency Act* (Canada), and no Obligor has any intent to

(i) hinder, delay or defraud any entity to which any of them is, or will become, on or after the Amendment Effective Date, indebted, or

(ii) incur debts that would be beyond any of their ability to pay as they mature.

(dd) **Collateral Representations**.

(i) **Valid and Perfected Security Interests**. Subject to the Perfection Exceptions, the Security Documents create in favour of the Collateral Agent, for the benefit of the Lender Secured Parties and the other Secured Parties, a good and valid security interest upon the Collateral purported to be encumbered thereby, subject only to Permitted Liens. Upon the Amendment Effective Date, such security interest will attach to all the Collateral purported to be encumbered thereby to which such security interest was not previously attached. Subject to the Perfection Exceptions, such security interest, upon the filing of UCC-1 financing statements or PPSA financing statements (collectively, the "**Financing Statements**") in the jurisdictions listed in the Perfection Certificate, and the filing of patent and trademark assignments with the U.S. Patent and Trademark Office and the U.S. Copyright Office, the effectiveness of the Control Agreements, the recording of the Mortgages in respect of Material Real Property in the jurisdictions identified in the Perfection Certificate, and the notation of the Collateral Agent's Lien on the certificates of title with respect to the Titled Goods described in the Perfection Certificate (where such notation is required by Section 10.3(a)) with the Governmental Authorities identified therein, will be a first priority (subject only to Permitted Liens) security interest duly perfected (subject to the Perfection Exceptions) with respect to all Collateral as to which such security interest is intended to be perfected pursuant to the Security Documents. The Perfection Certificate also sets forth a complete and correct list of all of the real properties leased or owned by the Obligors at which Collateral is located with an aggregate net book value in excess of US $500,000.

(ii) **Filings and Registrations**. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for:

(A) the grant by each Obligor of the Liens granted pursuant to the Security Documents; or

(B) the perfection of such security interest (other than as described in Section 8.1(dd)(i) above) and such other filings and recordings (and renewals thereof) as may be required to perfect the Liens created by the Security Documents.

(iii) **Absence of Financing Statements, etc**. Except for Permitted Liens, there is no financing statement, PPSA filing, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry or other public office, that purports to cover, affect or give notice of any present or possible future Lien on, or security interest in, any property of any Obligor or any rights relating thereto.

(iv) **Deposit Accounts**. The Obligors maintain all of their deposit and securities accounts with one or more Lenders in Canada or the United States, and subject to Control Agreements other than (A) any such accounts holding money or securities for the benefit of employees of the Borrower and its Subsidiaries under employee benefit plans and (B) any such account the outstanding balance of which does not exceed Cdn. or US $1,000,000 (as applicable) on the Amendment Effective Date (subject to the Perfection Exceptions) and all successor and replacement accounts thereof; provided that the outstanding balance of all such accounts under this clause (B) does not exceed Cdn. $10,000,000 in the aggregate on the Amendment Effective Date.

8.2 Deemed Repetition

On the date of any Drawdown made by the Borrower pursuant hereto:

(a) each of the representations and warranties contained in Section 8.1 shall be true and correct in all material respects as if made on such date of such Drawdown (excluding those representations and warranties which are expressly made as of a specific date only); and

(b) the Borrower shall be deemed to have represented to the Agent and the Lenders that, except as has otherwise been notified to the Agent in writing and has been waived in accordance herewith, no Default or Event of Default has occurred and is continuing nor will any such event occur as a result of the aforementioned Drawdown.

8.3 Other Loan Documents

All representations, warranties and statements of any Obligor contained elsewhere in this Agreement or in any other Loan Document delivered pursuant hereto or thereto shall be deemed to constitute representations and warranties made to the Agent and the Lenders under Section 8.1 of this Agreement.

8.4 Effective Time of Repetition

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

8.5 Nature of Representations and Warranties

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

Article 9
GENERAL COVENANTS

9.1 Positive Covenants

So long as any Outstandings exist or the Credit Facility is available hereunder, the Borrower with respect to each Obligor covenants and agrees with each of the Lenders and the Agent that:

(a) **Payment and Performance**. The Borrower shall duly and punctually pay the principal of all Loans, all interest thereon and all fees and other amounts required to be paid by it hereunder at the times and in the manner specified hereunder and the Borrower shall, and shall cause each of the other Obligors to, perform and observe all of their respective obligations under this Agreement and under any other Loan Document to which it or any other Obligor is a party.

(b) **Existence and Conduct of Business**. The Borrower shall, and shall cause each of the Restricted Subsidiaries to:

(i) except as permitted by Section 9.2(c), maintain their respective corporate or partnership existences in good standing;

(ii) register and qualify and remain duly registered and qualified as a corporation or partnership authorized to carry on business under the laws of each jurisdiction in which the nature of any business transacted by it or the character of any properties and assets owned or leased by it requires such registration and qualification except where failure to obtain and maintain such registration or qualification would not have a Material Adverse Effect;

(iii) preserve and keep in full force and effect all franchises, licences, rights, privileges and permits necessary to enable the Borrower and each of the Restricted Subsidiaries to operate and conduct their respective businesses in accordance with good industry practice, except to the extent such failure to comply or to preserve or keep in full force and effect would not have a Material Adverse Effect; and

(iv) maintain, protect and defend title to all property and assets held by the Borrower or any Restricted Subsidiary and take all such acts and steps as are necessary or advisable at any time and from time to time to maintain such property and assets in good standing, except to the extent the failure to so maintain, protect and defend or to take any such acts or steps would not have a Material Adverse Effect.

(c) **Compliance with Applicable Laws**. The Borrower shall, and shall cause each of the Restricted Subsidiaries to:

(i) carry on and conduct its business, and keep, maintain and operate its assets and properties, in accordance with all Applicable Laws and prudent industry practice in the oilfield services industry; and

(ii) observe and conform to all requirements of any approval by any Governmental Authority relative to any of its properties and assets and all covenants, terms and conditions of all agreements upon or under which any of such properties or assets are held;

except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(d) **Material Litigation**. The Borrower shall promptly give written notice to the Agent of any litigation, proceeding, dispute or investigation affecting an Obligor involving a claim in excess of Cdn. $20,000,000, or in respect of which there is a reasonable possibility of a determination adverse to any Obligor and which would, in the latter case, if adversely determined, have a Material Adverse Effect, and shall from time to time furnish to the Agent all reasonable information requested by the Agent concerning the status of any such litigation, proceeding, dispute or investigation.

(e) **Financial Statements and Other Reporting**. The Borrower shall keep, and shall cause each of the Restricted Subsidiaries to keep, proper books of record and account in which full and correct entries shall be made in respect of the business, affairs, financial condition, property and assets of the applicable Obligor, and the Borrower shall deliver to the Agent, with sufficient copies for each of the Lenders, or hold (in the case of part (vi) below):

(i) within 90 days after the end of each of the Borrower's Fiscal Years (unless a shorter filing period is required by any Governmental Authority, in which case within 5 Banking Days after such shorter period), the audited annual Financial Statements of the Borrower on a consolidated basis, for each such Fiscal Year, together with the notes thereto, all prepared in accordance with GAAP consistently applied, together with an unqualified report of the Borrower's auditors thereon;

(ii) within 45 days after the end of its first, second and third Fiscal Quarters in each Fiscal Year (unless a shorter filing period is required by any Governmental Authority, in which case 5 Banking Days after such shorter period), the unaudited quarterly Financial Statements of the Borrower on a consolidated basis, for each such Fiscal Quarter, all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous Fiscal Year, all prepared in accordance with GAAP consistently applied and certified by the Borrower's president, chief executive officer, chief financial officer, treasurer or vice president finance to present fairly, in all material respects, the consolidated financial condition of the Borrower;

(iii) concurrently with delivering the Financial Statements pursuant to Sections 9.1(e)(i) and 9.1(e)(ii), a Compliance Certificate; provided that the Compliance Certificate for the Fiscal Quarter ending March 31, 2016 must be delivered prior to the earlier of (A) any Drawdown Notice requesting a Drawdown which will be used in whole or in part to fund the repayment of the Short-Dated Senior Notes on their scheduled maturity date on April 28, 2016, and (B) April 28, 2016;

(iv) within five Banking Days of its approval by the Borrower's board of directors, and in any event no later than 10 days before each Fiscal Year (which date may be extended in the discretion of the Agent), an annual consolidated operating and capital budget of the Borrower for such Fiscal Year substantially in the same form as the budgets previously provided to the Agent;

(v) within 10 Banking Days after the Borrower delivers the Financial Statements pursuant to Sections 9.1(e)(i) and 9.1(e)(ii) for the Fiscal Quarters up to and including March 31, 2017, a quarterly update call with the Lenders and the other Secured Parties to discuss the financial performance of the Borrower and its Subsidiaries and such other matters as may be reasonably requested by any Secured Party;

(vi) within 30 days after the end of the Fiscal Quarter ending December 31, 2016, an updated two year financial forecast;

(vii) promptly upon transmission thereof, copies of all proxy statements, information circulars, notices and reports as the Borrower shall send to its shareholders, and copies of all prospectuses, registration statements and Material Change reports (or the equivalent) filed on a non-confidential basis by or on behalf of the Borrower with Canadian or United States regulatory authorities (except, in the case of Material Change reports, to the extent notice of such change has otherwise been provided pursuant to Section 9.1(l)); and

(viii) at the request of the Agent, such other information, reports, certificates or other matters affecting the business, affairs, financial condition, property or assets of the Borrower or any of its Subsidiaries as the Agent may reasonably request.

The financial statements, budgets, descriptions, reports and other documents to be delivered pursuant to Sections 9.1(e)(i) to 9.1(e)(viii) inclusive:

(A) may be delivered by transmitting an electronic version of the same to the Agent and confirming receipt thereof by the Agent and the ability of the Agent to access the same; and

(B) shall be deemed to be delivered by the posting of such information on www.sedar.com or www.sec.gov/edgar.shtml, as applicable, and the Borrower advising the Agent of such posting;

provided that, in the case of Compliance Certificates, an original thereof shall be executed and delivered to the Agent promptly after such transmittal or notification.

(f) **Inspection**. At any reasonable time and from time to time upon reasonable prior notice, and during usual business hours, the Borrower shall permit the Agent or any representative thereof (at the expense of the Borrower) or any Lender or any representative thereof (at the expense of such Lender) to examine and make copies of and abstracts from the records and books of account of any Obligor and to visit and inspect the premises and properties of any Obligor and to discuss the affairs, finances and accounts of any Obligor with any of the officers or auditors and other professional advisors of any Obligor.

(g) **Insurance**. The Borrower shall, and shall cause each of the Restricted Subsidiaries to, maintain all-risks property insurance in connection with their respective assets and businesses and other types of insurance, including liability insurance with respect to claims for personal injury, death or property damage, with respect to the operation of their businesses, all in accordance with prudent industry standards and with creditworthy and reputable insurance companies in such amounts and with such deductibles as are in accordance with prudent industry standards, except to the extent failure to do so would not have a Material Adverse Effect. The Borrower shall, from time to time at the request of the Agent acting reasonably, promptly deliver to the Agent evidence of the insurance required to be maintained pursuant to this Section 9.1(g), including originals or copies as the Agent may request of policies, certificates of insurance, riders, endorsements and proof of premium payments.

(h) **Notice of Default**. The Borrower shall deliver to the Agent, promptly upon becoming aware of the occurrence of a Default or the occurrence of an Event of Default, an Officer's Certificate describing in reasonable detail such Default or such Event of Default and specifying the steps, if any, being taken to cure or remedy the same.

(i) **Revised Organization Chart**. The Borrower shall, within 90 days of the end of each Fiscal Year, deliver to the Agent an updated Schedule J.

(j) **Payment of Taxes and Other Amounts**. The Borrower shall, and shall cause each of the Restricted Subsidiaries to, from time to time, file all tax returns which are required to be filed and pay or cause to be paid, all material rents, Taxes, Other Taxes, rates, levies, assessments (ordinary or extraordinary), governmental fees and dues, wages, workers' compensation arrangements, government royalties, pension fund obligations and any other amounts which may result in a Lien on their property and assets arising under statute or regulation (any of which being a "**Levy**") and to make and remit all material withholdings lawfully levied, assessed or imposed upon an Obligor or any of the assets of an Obligor, as and when the same become due and payable, except when and for so long as the validity of such Levy or withholding is subject to a Permitted Contest.

(k) **Priority of Outstandings**. The Borrower shall ensure that the Outstandings and the obligations of each Restricted Subsidiary under its Loan Guarantee rank at least *pari passu* in right of payment with the most senior unsecured unsubordinated indebtedness for borrowed money of the Borrower or such Restricted Subsidiary, as the case may be.

(l) **Notice of Material Adverse Change or Material Adverse Effect**. The Borrower shall promptly notify the Agent of any event, circumstance or condition that has had or could reasonably be expected to have a Material Adverse Effect or that has constituted or could reasonably be expected to constitute a Material Adverse Change.

(m) **Compliance with Environmental Matters**. Without limiting the generality of Section 9.1(c), the Borrower shall, and shall cause each of the Restricted Subsidiaries to, conduct their business and operations so as to so comply at all times with all Environmental Laws, Environmental Permits and Environmental Orders if the consequence of a failure to comply would, either alone or in conjunction with any other such failures to so comply, have a Material Adverse Effect.

(n) **Notice re Environmental Matters**. If an Obligor shall:

(i) receive or give any notice that a violation of any Environmental Law, Environmental Permit or Environmental Order has or may have been committed or is about to be committed by such Obligor, or in respect of any of its property and assets, if such violation would reasonably be expected to result in such Obligor incurring liabilities or costs in excess of Cdn. $20,000,000 in any Fiscal Year;

(ii) receive any notice that a complaint, proceeding or order has been filed or is about to be filed against such Obligor, or in respect of any of their property and assets, alleging a violation of any Environmental Law, Environmental Permit or Environmental Order, if such violation would reasonably be expected to result in such Obligor incurring liabilities or costs in excess of Cdn. $20,000,000 in any Fiscal Year; or

(iii) receive any notice requiring such Obligor to take any action in connection with the Release of Hazardous Materials into the environment or alleging that such Obligor may be liable or responsible for costs associated with a response to, or to clean-up, a Release of Hazardous Materials into the environment, or any damages caused thereby, if such action or liability would result in such Obligor incurring liabilities or costs in excess of Cdn. $20,000,000 in any Fiscal Year;

the Borrower shall promptly provide the Agent with a copy of such notice and shall furnish to the Agent details of any action taken or proposed to be taken in respect of such notice and, from time to time, all reasonable information requested by the Agent relating to the same.

(o) **Notice of Environmental Breach or Damage**. The Borrower shall promptly provide the Agent with written notice of the discovery of:

(i) any violation of any Environmental Law, Environmental Permit or Environmental Order that has or may have been committed by an Obligor or in respect of any of its property or assets; or

(ii) any Release of Hazardous Materials into the environment from or upon the land or property of an Obligor,

which violation or Release has had or would reasonably be expected to have a Material Adverse Effect.

(p) **Environmental Audit**. Upon the occurrence or discovery of any circumstance, condition or event which, in the opinion of the Agent, acting reasonably, would reasonably be expected to result in any Environmental Claim which would have a Material Adverse Effect, the Agent may (unless such an audit is already being undertaken by the Borrower and the Lenders are entitled to rely thereon) arrange, after consultation with the Borrower, for an environmental audit to be conducted by an independent environmental engineer or other environmental consultant at the expense of the Borrower in respect of such circumstance, condition or event. The Borrower shall, and shall cause each Restricted Subsidiary to, upon reasonable prior notice and during usual business hours, provide access to its property and assets in order for such engineer or consultant to conduct such environmental and other inspections as it deems advisable, acting reasonably, and in that connection to examine the books, records, assets, affairs and business operations of such Person and to make inquiries of governmental offices concerning compliance by such Person with Environmental Laws.

(q) **Further Assurances**. The Borrower, at its expense, shall, and shall cause each Restricted Subsidiary to promptly cure any default by it in the execution and delivery of this Agreement or of any of the other Loan Documents to which it is a party, and after notice thereof from the Agent, promptly take all such further action, do all such further things and execute and deliver all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for compliance with, or accomplishment of, the covenants and agreements hereunder or to more fully state the obligations set out herein or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

(r) **Use of Credit Facility**. The Borrower shall use the Credit Facility solely for the purposes described in Section 2.1(f), and no proceeds of any Drawdown will be used for any purpose which violates, or would be inconsistent with, Regulation T, Regulation U or Regulation X or any Obligor's constating documents.

(s) **Consolidated EBITDA; Ownership of Assets.** The Borrower shall ensure at all times that:

(i) Consolidated EBITDA, adjusted to exclude all Unrestricted Subsidiaries, is equal to at least 85% of Consolidated EBITDA; and

(ii) the Obligors directly own at least 90% of Consolidated Tangible Assets.

(t) **Termination of Existing Hedge Agreements**. The Borrower shall ensure that all of the Existing Hedge Agreements expire or are otherwise terminated by no later than April 28, 2016.

9.2 Negative Covenants

So long as any Outstandings exist or the Credit Facility is available hereunder, the Borrower with respect to each Obligor covenants and agrees with each of the Lenders and the Agent that without the prior written consent of the Lenders not to be unreasonably withheld:

(a) **Negative Pledge**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, create, issue, incur, assume, have outstanding or permit to exist any Liens on any of its or their present or future property, assets or undertaking, except for Permitted Liens;

(b) **Dispositions**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, directly or indirectly, make any Disposition to any Person of any of its present or future property, assets or undertaking, except for Permitted Dispositions.

(c) **Amalgamation etc.** The Borrower shall not, nor shall it permit any Restricted Subsidiary to, enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other Person (herein called a "**Successor**") whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise (each a "**Transaction**") unless all of the following conditions are met:

(i) such Person is a wholly-owned Subsidiary, direct or indirect, of the Borrower;

(ii) if the Transaction involves the Borrower, the Borrower is the continuing entity and the Successor is a Person organized and existing under the federal laws of Canada or the laws in force in a province in Canada;

(iii) if the Transaction involves a Restricted Subsidiary, a Restricted Subsidiary is the continuing entity and the Successor is a Person organized and existing under the federal laws of Canada, the laws in force in a province in Canada or the laws in force in a state of the United States;

(iv) prior to or contemporaneously with the consummation of such Transaction:

(A) the Successor will be bound by or have assumed all the covenants and obligations of any applicable Obligor under all Loan Documents to which it is a party;

(B) the Loan Documents to which any applicable Obligor was a party immediately prior to entering into the Transaction, will be valid and binding obligations of the Successor, enforceable against the Successor and entitling the Lenders, as against the Successor, to exercise all their rights under such Loan Documents; and

(C) the resulting creditworthiness of the Successor after such Transaction shall not be materially weaker than the creditworthiness of the Borrower, if the Transaction involves the Borrower or the applicable Restricted Subsidiary, if the Transaction does not involve the Borrower;

(D) and provided that the Successor shall also execute and/or deliver to the Lenders such documents (including legal opinions of counsel to the

Successor), if any, as may, in the opinion of the Lenders, acting reasonably, be necessary to effect or establish (A) and (B) above;

(v) such Transaction shall be on such terms and shall be carried out in such manner as to preserve and not to impair any of the rights and powers of the Lenders hereunder and under any other Loan Documents and not to affect adversely the liability of the Lenders for any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Government of Canada or any province or political subdivision thereof, the Government of the United States or any state or political subdivision thereof and any authority or agency therein or thereof having power to impose or levy taxes, duties, assessments or charges; and

(vi) no Event of Default or Default shall have occurred and be continuing immediately prior to such Transaction or will occur (including as determined by a Pro Forma Basis testing) upon or as a result of such Transaction.

(d) **Hedge Agreements**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, enter into any Hedge Agreements other than in the ordinary course of business on commercially reasonable terms; provided that: (i) no Hedge Agreement shall be entered into for speculative purposes, and (ii) each Hedge Agreement may only be entered into with creditworthy counterparties, as reasonably determined by the Borrower or Restricted Subsidiary at the time such Hedge Agreement is entered into.

(e) **Change of Business**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, change in any material respect the nature of the business or operations of the Borrower and the Restricted Subsidiaries taken as a whole from oilfield services and any business ancillary or incidental thereto.

(f) **No Postponement or Subordination of Inter-Corporate Indebtedness**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, directly or indirectly, enter into any arrangement whereby any indebtedness of the types referred to in paragraphs (a) through (g) inclusive of the definition of Consolidated Debt owed to it or them by the Borrower or any Restricted Subsidiary is postponed or subordinated to and in favour of any other such indebtedness unless such postponement and subordination is also extended to the Outstandings on substantially the same terms and conditions.

(g) **Financial Assistance**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, provide any form of Financial Assistance to or for the benefit of any Person, other than:

(i) to or for the benefit of the Lender Secured Parties, the holders of the Senior Notes, the Borrower or any Subsidiary of which the Borrower owns, directly or indirectly, 75% of its Voting Securities and any other senior unsecured indebtedness for borrowed money of the Borrower or any Subsidiary, provided that such other senior unsecured indebtedness for borrowed money ranks *pari passu* with the Outstandings and is otherwise permitted under this Agreement; and

(ii) to or for the benefit of any other Persons, provided that (A) such outstanding Financial Assistance does not in aggregate exceed 5% of Consolidated Tangible Assets at any time, (B) the maximum amount of Financial Assistance that can be provided to or for the benefit of Keane prior to the Covenant Normalization Date cannot exceed a cumulative maximum limit of the sum of (1) Cdn. $10,000,000 until October 1, 2016 and Cdn. $25,000,000 thereafter (or in each case, such greater amount as may be approved by the Required Lenders) plus (2) the aggregate amount of any Junior Capital raised that is not (x) required to repay (or reduce the commitments for) any of the Secured Obligations or (y) the Cure Amount and (C) such Financial Assistance may only be provided if the Borrower will be in compliance with such financial covenants as determined on a Pro Forma Basis;

provided that in any event no Default or Event of Default shall have occurred and be continuing immediately prior to providing such Financial Assistance, or will occur as a result of providing such Financial Assistance.

(h) **Status under Certain Statutes**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, conduct its business in a manner which would require it to be registered as an "investment company" under the *United States Investment Company Act of 1940*, as amended, or any other statute or regulation that restricts its ability to incur debt.

(i) **Foreign Assets Control Regulations.** The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly:

(i) use the proceeds of the Credit Facility in violation of any Sanctions Laws;

(A) violate any AML Legislation;

(B) engage in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering; or

(C) knowingly permit any of their Affiliates to violate these laws or engage in these actions;

(ii) become a Blocked Person or knowingly permit any of their respective Affiliates to become a Blocked Person;

(A) conduct any business or engage in making or receiving any contribution of goods, services or money to or for the benefit of any Blocked Person in violation of any Sanctions Laws;

(B) deal in, or otherwise engage in any transaction related to, any property or interests in property blocked pursuant to any AML Legislation or Sanctions Laws;

(C) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempt to violate, any of the prohibitions set forth in any AML Legislation or Sanctions Laws; or

(D) knowingly permit any of their respective Affiliates to do any of the foregoing.

(j) **Third Party Consolidated Debt.** The Borrower shall not, nor shall it permit any Restricted Subsidiary to, create, incur, assume, or permit to be outstanding any Consolidated Debt, except for Permitted Debt.

(k) **Distributions.** The Borrower shall not, nor shall it permit any Restricted Subsidiary to, make any Distribution, except for Permitted Distributions.

(l) **Acquisitions**. The Borrower shall not, nor shall it permit any Restricted Subsidiary to, make any Acquisition, except for Permitted Acquisitions.

(m) **FCPA**. The Borrower shall not, nor shall it permit any Subsidiary to, use the proceeds of the Loans, 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*, as amended.

(n) **Cash Balances**. The Borrower shall not, nor shall it permit any Subsidiary to, accumulate, hold or otherwise maintain cash or cash equivalents in any deposit or securities accounts of the Borrower and their Subsidiaries except (i) in the ordinary course of business and in the form of cash or Cash Equivalents and (ii) provided that the aggregate amount of such cash and Cash Equivalents at no time shall exceed (A) the Equivalent Amount of Cdn. $50,000,000 during the period beginning on the Amendment Effective Date and ending 180 days thereafter; and (B) the Equivalent Amount of Cdn. $25,000,000 at all times after such 180 day period.

(o) **Future Amendments of Senior Notes and Broadway Subordinated Make-Whole Notes**. The Borrower shall not agree to amend any of the Senior Notes Purchase Agreements, the Senior Notes or the Broadway Subordinated Make-Whole Notes after the Amendment Effective Date in any manner that will (i) shorten the scheduled maturity date of any of the Senior Notes, Broadway Subordinated Make-Whole Notes or any PIK Interest or PIK Principal relating thereto to a date which is less than 90 days after October 18, 2018, (ii) add any new scheduled or mandatory amortization payments on any of the Senior Notes, Broadway Subordinated Make-Whole Notes or any PIK Interest or PIK Principal relating thereto, (iii) increase the interest rates or fees payable on or under any of the Senior Notes, the Broadway Make-Whole Subordinated Notes or any PIK Principal relating thereto or (iv) amend the subordination provisions in any of the Broadway Subordinated Make-Whole Notes.

(p) **Prepayments of Certain Consolidated Debt**. The Borrower shall not, nor shall it permit any Subsidiary to, make any payment, prepayment, purchase or offer to prepay or purchase any of the Broadway Subordinated Make Whole Notes, Permitted Refinancing Debt or any of the PIK Interest or PIK Principal relating thereto, except in each case on the scheduled maturity date thereof.

9.3 Financial Covenants

So long as any Outstandings exist or the Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and Agent that:

(a) **Maximum Consolidated Senior Net Debt to Consolidated EBITDA Ratio.** as at the end of each Fiscal Quarter (commencing with the Fiscal Quarter ending September 30, 2016), the Consolidated Senior Net Debt to Consolidated EBITDA Ratio shall not be more than (i) 5.0 to 1.0 for each of the Fiscal Quarters ending September 30, 2016, December 31, 2016, March 31, 2017, June 30, 2017 and September 30, 2017; (ii) 4.0 to 1.0 for the Fiscal Quarter ending December 31, 2017 and (iii) 3.0 to 1.0 for the Fiscal Quarter ending March 31, 2018 and each Fiscal Quarter ending thereafter;

(b) **Minimum Consolidated EBITDA to Consolidated Interest Expense Ratio**. as at the end of each Fiscal Quarter (commencing with the Fiscal Quarter ending September 30, 2016), the Consolidated EBITDA to Consolidated Interest Expense Ratio shall not be less than (i) 2.0 to 1.0 for the Fiscal Quarters ending September 30, 2016, December 31 2016, March 31, 2017, June 30, 2017 and September 30, 2017; (ii) 2.5 to 1.0 for the Fiscal Quarter ending December 31, 2017 and (iii) 3.0 to 1.0 for the Fiscal Quarter ending March 31, 2018 and each Fiscal Quarter ending thereafter; provided that for purposes of calculating such ratio (A) as of September 30, 2016, Consolidated EBITDA and Consolidated Interest Expense shall be deemed to be equal to Consolidated EBITDA or Consolidated Interest Expense, as applicable, for the Fiscal Quarter of the Borrower ended on such date multiplied in each case by four, plus, in the case of Consolidated EBITDA, any Cure Amount applicable to such Fiscal Quarter, (B) as of December 31, 2016, Consolidated EBITDA and Consolidated Interest Expense shall be deemed to be equal to Consolidated EBITDA or Consolidated Interest Expense, as applicable, for the two consecutive Fiscal Quarters of the Borrower ended on such date multiplied by two, plus, in the case of Consolidated EBITDA, any Cure Amount applicable to either or both such Fiscal Quarters and (C) as of March 31, 2017, Consolidated EBITDA and Consolidated Interest Expense shall be deemed to be equal to Consolidated EBITDA or Consolidated Interest Expense, as applicable, for the three consecutive Fiscal Quarters of the Borrower ended on such date multiplied in by 4/3, plus, in the case of Consolidated EBITDA, any Cure Amount applicable to one or two of such Fiscal Quarters; and

(c) **Maximum Outstanding Principal.** during the period from and including the Amendment Effective Date to and including the earlier of (ii) the date of delivery of the Borrower's financial statements pursuant to Section 9.1(e)(ii) for the Fiscal Quarter of the Borrower ending September 30, 2016 and (ii) 45 days after the end of such Fiscal Quarter, the Outstanding Principal (excluding PIK Principal) shall not at any time exceed Cdn. $175,000,000.

9.4 Agent May Perform Covenants

If the Borrower fails to perform any covenants on its part herein contained for a period of 10 days after notice from the Agent to remedy the same, the Agent may give notice to the Borrower of such failure and if such covenant remains unperformed, the Agent may, in its discretion but need not, perform any such covenant capable of being performed by the Agent, and if the covenant requires the payment or expenditure of money, the Agent may, upon having received approval of all Lenders, make such payments or expenditure and all sums so expended shall constitute credit advanced by the Lenders for the benefit of the Borrower and shall be forthwith payable by the Borrower to the Agent on behalf of the Lenders and shall bear interest at the applicable interest rate provided in Section 4.8 for amounts due in Cdn. Dollars or United States Dollars, as the case may be. No such performance, payment or expenditure by the Agent shall be deemed to relieve the Borrower of any default hereunder or under the other Loan Documents.

Article 10
GUARANTEES AND SECURITY

10.1 Guarantees

(a) **Scope of Guarantees:** Each Obligor shall Guarantee all of the Lender Secured Obligations of the other Obligors.

(b) **Loan Guarantees:** The Borrower shall execute and deliver, and shall cause each of the Restricted Subsidiaries to execute and deliver, the following (as applicable):

(i) from each of the Borrower and all other Obligors which are organized under the laws of any jurisdiction of Canada, a Loan Guarantee substantially in the form of Schedule H-1, with such modifications and insertions as may be required by the Agent, acting reasonably;

(ii) from all other Obligors which are organized under the laws of any jurisdiction of the United States, a Loan Guarantee substantially in the form of Schedule H-1, with such modifications and insertions as may be required by the Agent, acting reasonably; and

(iii) from each of the Obligors which are organized under the laws of any jurisdiction outside of Canada or the United States, a Loan Guarantee in a form satisfactory to the Agent, acting reasonably.

10.2 Security

(a) **Scope of Security:** All of the Lender Secured Obligations of all Obligors shall be secured, equally and rateably, by the Security Documents which will grant first priority Liens (subject to Permitted Liens) on, to and against all present and future property, assets and undertaking of the Obligors (except for the Excluded Property and subject to the Perfection Exceptions and Sections 10.2(e) and 10.2(f)).

(b) **Security Documents:** The Borrower shall execute and deliver, and shall cause each of the Restricted Subsidiaries to execute and deliver or shall execute, the following (as applicable):

(i) from each of the Obligors, the Collateral Agency and Intercreditor Agreement;

(ii) from each of the Canadian Obligors, a Canadian Obligor Debenture and a Canadian Obligor Security Agreement;

(iii) from each of the US Obligors, a US Obligor Security Agreement;

(iv) subject to Section 10.4 and the Perfection Exceptions, from any US Obligor and any other Obligor with a deposit account, securities account, commodity account, securities entitlement or commodity contract in any jurisdiction of the United States, a Control Agreement that, in the reasonable judgment of the Agent, is required for such Obligor(s) to comply with the Loan Documents; and

(v) from any US Obligor which owns any Material Real Property, a Mortgage which creates a Lien in such Material Real Property.

(c) **Collateral Requirements:** The Borrower shall, and shall cause each Restricted Subsidiary to:

(i) comply with and perform in all material respects each of the terms, conditions and covenants set forth in the Security Documents;

(ii) subject to the Perfection Exceptions, deliver to the Agent copies of the Security Documents, in form and substance reasonably satisfactory to the Agent and their counsel encumbering the Equity Interests in the Restricted Subsidiaries held by any of the Obligors, together with (A) evidence that all other action that Agents may reasonably deem necessary in order to create valid and subsisting Liens on the Collateral, subject to no other Liens (other than Permitted Liens), has been taken, and (B) completed United States Uniform Commercial Code financing statements and PPSA or other filings, as the case may be, for the appropriate jurisdiction reasonably deemed necessary by the Agents to perfect the Collateral Agent's (on behalf of the Secured Parties) security interest with respect to the Collateral naming the applicable Obligor as debtor and the Collateral Agent (on behalf of the Secured Parties) as secured party; and

(iii) subject to the Perfection Exceptions, take such reasonable action as is necessary to maintain a valid first priority Lien (subject to Permitted Liens) on all Collateral in favour of the Secured Parties, and deliver to the Agent such documentation in connection therewith as is delivered to the Collateral Agent or any other Secured Party, in form and substance reasonably satisfactory to the Agent.

(d) **Additional Collateral:** Without limiting the provisions of Sections 10.3 and 10.4, if at any time the Borrower or any of its Subsidiaries shall grant to the Collateral Agent or a holder of any Secured Obligation additional credit support or a Lien on additional collateral of any kind (in each case, that is not already Collateral) as additional security to secure any Secured Obligations, then the Borrower shall, or shall cause such Subsidiary to, (i) grant or provide to the Collateral Agent for the benefit of the Secured Parties the same credit support or collateral so that the Lender Secured Obligations shall at all times be secured on an equal and ratable basis with the other Secured Obligations, and (ii) deliver an opinion of counsel reasonably satisfactory to the Agents to the effect that such additional credit support and the Security Documents relating to any such collateral have been duly authorized, executed and delivered by the Borrower or such Subsidiary, as applicable, constitute the legal, valid and binding obligations of the Borrower or such Subsidiary, as applicable, are enforceable against the Borrower or such Subsidiary in accordance with the terms thereof, and covering such other matters as the Agent may reasonably request.

(e) **Disclaimer for Illegality:** If any Lender determines that it is unlawful for such Lender to hold or benefit from a Mortgage over real property pursuant to any law of the United States, such Lender shall notify the Agent and disclaim any benefit of such Mortgage to the extent of such illegality; provided that such disclaimer shall be subject to the provisions of Section 13(d) of the Collateral Agency and Intercreditor Agreement and shall not (i) invalidate or render unenforceable such Mortgage for the benefit of any other Secured Party or (ii) result in any redistribution of any payments under Section 12.6 as a consequence of any other Lenders receiving realization proceeds from such Mortgage in excess of their respective Applicable Percentages of such realization proceeds.

(f) **Disclaimer of Mortgages:** The Borrower shall provide the Lenders with the ancillary deliverables required by Sections 10.3(d) and 10.3(e) (or near final form drafts thereof) prior to execution and recordation of any Mortgage encumbering any Material Real Property and, within five days after receipt of these deliverables, any Lender may elect (in its sole discretion) to disclaim any and all benefit of such Mortgage against any or all of the parcel(s) included in such Material Real Property by providing written notice thereof to the Agent (which notice shall be irrevocable); provided that such disclaimer shall be subject to the provisions of Section 13(d) of the Collateral Agency and Intercreditor Agreement and shall not (i) invalidate or render unenforceable such Mortgage for the benefit of any other Secured Party or (ii) result in any redistribution of any payments under Section 12.6 as a consequence of any other Lenders receiving realization proceeds from such Mortgage in excess of their respective Applicable Percentages of such realization proceeds. The Borrower shall defer execution and recordation of any Mortgage encumbering any Material Real Property until such five day election period has lapsed or been waived by all of the Lenders.

10.3 Modifications and Perfection of Security

To the extent not delivered to the Collateral Agent on or before the Amendment Effective Date (it being acknowledged that the Borrower shall be required to use all commercially reasonable efforts to deliver each of the following on or before the Amendment Effective Date in the case of any Collateral which is not after-acquired property) (including in respect of after-acquired property and Persons that become Obligors after the Amendment Effective Date), the Borrower shall, and shall cause each other Obligor to, promptly (or as soon as reasonably practicable but in any event within 30 days, or 60 days in the case of perfecting a security interest over any Material Titled Goods or providing a Mortgage over any Material Real Property and any ancillary deliverables) do each of the following (in each case, other than in respect of any Excluded Collateral and subject to the Perfection Exceptions) unless otherwise agreed by the Agent:

(a) cause to be inscribed on the certificate of title for each Material Titled Good a notation sufficient for perfection of the Collateral Agent’s security interest in such Material Titled Good in compliance with the Uniform Commercial Code of the applicable jurisdiction and shall deliver to the Collateral Agent a copy of each such certificate of title bearing such inscription, if and to the extent required to ensure that a minimum of at least 80% of the aggregate value of all of the Titled Goods is so perfected;

(b) deliver to the Collateral Agent all documents and certificates representing all Securities pledged pursuant to the Security Documents, together with undated powers or endorsements duly executed in blank;

(c) take all other actions necessary or advisable to ensure the validity or continuing validity of any Loan Guarantee or any Lien securing any Lender Secured Obligations, to perfect, maintain, evidence, or enforce any Lien securing any Lender Secured Obligation, or to ensure such Liens have the same priority as that of the Liens on similar Collateral set forth in the Loan Documents executed on or after the Amendment Effective Date, including the filing of UCC and PPSA financing statements in such jurisdictions within Canada or the United States as may be required by the Loan Documents or Applicable Law or as the Agent may otherwise reasonably request;

(d) if a Mortgage on Material Real Property located in the United States is required pursuant to the terms of Section 10.2, deliver to the Agent and the Collateral Agent prior to the grant of such Mortgage (i) a flood determination certificate issued by the appropriate Governmental Authority or third party indicating whether such Material Real Property is designated as a “flood hazard area” and (ii) if such Material Real Property is designated to be in a “flood hazard area”, evidence of flood insurance on such Material Real Property obtained by the applicable Obligor in such total amount as required under Applicable Law and otherwise in compliance with the National Flood Insurance Program as set forth in the *Flood Disaster Protection Act of 1973*; provided that, although HSBC Bank Canada, National Association has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the *National Flood Insurance Reform Act of 1994* and related legislation and regulatory requirements (the "**Flood Laws**") and, if applicable, the Agent will post on the applicable electronic platform (or otherwise distribute to each Lender) documents that it receives in connection with the Flood Laws, pursuant to the Flood Laws, each federally regulated lender (whether acting as a Lender or Participant) is responsible for assuring its own compliance with the Flood Laws;

(e) if a Mortgage on Material Real Property located in the United States required pursuant to the terms of Section 10.2, deliver to the Agent and the Collateral Agent (i) a Title Insurance Policy, (ii) a phase 1 environmental audit and (iii) an appraisal, in each case relating to such Material Real Property, which deliverables shall be in form and substance and from Person(s) reasonably satisfactory to, the Agent;

(f) deliver to the Agent and the Collateral Agent legal opinions relating to the matters described in this Section 10.3, which opinions shall be as reasonably required by, and in form and substance and from counsel reasonably satisfactory to, the Agent;

(g) deliver to the Agent such modifications to the terms of the Loan Guarantees (or, to the extent applicable as determined by the Agent, such other documents), in each case in form and substance reasonably satisfactory to the Agent and as the Agent deem necessary or advisable in order to ensure that each Obligor shall effectively Guarantee the payment of all of the Lender Secured Obligations of the other Obligors; and

(h) deliver to the Agents and the Collateral Agent such modifications to the terms of the Security Documents (or, to the extent applicable as determined by the Agent, such other documents), in each case in form and substance reasonably satisfactory to the Agent and as the Agent deem necessary or advisable in order to ensure that each Obligor shall effectively grant to the Collateral Agent, for the benefit of the Secured Parties, a valid and enforceable Lien in all of its property (except the Excluded Property) as security for all of the Lender Secured Obligations incurred or guaranteed by such Obligor.

10.4 Deposit Accounts; Securities Accounts

(a) Each of the Obligors shall maintain all of its cash on hand in the form of either cash or Cash Equivalents.

(b) Subject to Section 10.4(d), each Canadian Obligor shall deposit all of its cash in deposit accounts with the Agent or any Lender.

(c) Subject to Section 10.4(d), each US Obligor shall (i) deposit all of its cash in deposit accounts that are Controlled Deposit Accounts and (ii) deposit all of its Cash Equivalents in securities accounts that are Controlled Securities Accounts.

(d) The provisions of Sections 10.4(b) and 10.4(c) shall not apply to (i) any such accounts holding cash or Cash Equivalents for the benefit of employees of the Borrower and its Subsidiaries under employee benefit plans or (ii) any such account the outstanding balance of which does not exceed Cdn. $1,000,000 or US $1,000,000 (as applicable) at any time; provided that the outstanding balance of all such accounts under this clause (ii) shall not exceed Cdn. $10,000,000 in the aggregate at any time.

(e) Each Obligor which is not a Canadian Obligor shall be entitled to deposit cash and Cash Equivalents in Canada provided that it complies with Section 10.4(b) as if it was a Canadian Obligor.

(f) Each Obligor which is not a US Obligor shall be entitled to deposit cash and Cash Equivalents in the United States provided that it complies with Section 10.4(c) as if it was a US Obligor.

10.5 Post-Closing Perfection Matters

To the extent not completed on or prior to the Amendment Effective Date, the Borrower shall, and shall cause each Restricted Subsidiary to, complete each of the following tasks as soon as reasonably practicable and in any event within the relevant period of time specified below after the Amendment Effective Date (or such later date as may be agreed to by the Agent), in each case pursuant to documentation in form and substance reasonably satisfactory to the Agent (such satisfaction to be conclusively presumed unless written objection is delivered to the Borrower by the Agent within 10 days after their receipt of an executed copy thereof) which provides for the property referred to below to be Collateral subject to the Collateral Agency and Intercreditor Agreement:

(a) Unless all of the Lenders and holders of the Senior Notes disclaim their security interest in accordance with Section 13 of the Collateral Agency and Intercreditor Agreement, it will execute and record, or cause to be executed and recorded, in the appropriate land records office, on or prior to the Perfection Deadline, a Mortgage with respect to each parcel of Real Estate located in the United States and identified in Section 5(a) of the Perfection Certificate, which Mortgage shall be sufficient to give the Collateral Agent a valid and perfected first priority (subject to Permitted Liens) Lien on each such parcel securing the Secured Obligations, together with the ancillary deliverables required by Sections 10.3(d), 10.3(e) and 10.3(f) with respect to each such parcel. The Borrower represents and warrants that, as of the Amendment Effective Date, there are no parcels of Real Estate owned by it or any of its Subsidiaries in any jurisdiction in the United States other than those identified in Section 5(a) of the Perfection Certificate.

(b) It will execute and deliver to the Collateral Agent (or will cause the relevant Restricted Subsidiary to take such action), and will cause each relevant depository bank to execute and deliver to the Collateral Agent, on or prior to February 15, 2016, a Control Agreement with respect to each account identified in Section 9 of the Perfection Certificate. The Borrower represents and warrants that, as of the Amendment Effective Date, neither it nor any of its Subsidiaries has any deposit or securities account in which more than US $1,000,000 is on deposit as of the Amendment Effective Date, except as set forth in Section 9 of the Perfection Certificate.

(c) It will cause to be inscribed on the certificate of title for each Material Titled Good a notation sufficient for perfection of the Collateral Agent's security interest in such Material Titled Good in compliance with the Uniform Commercial Code of the applicable jurisdiction and shall deliver to the Collateral Agent a copy of each such certificate of title bearing such inscription, on or prior to the Perfection Deadline, if and to the extent required to ensure that a minimum of at least 80% of the aggregate value of all of the Titled Goods is so perfected. The Borrower represents and warrants that, as of the Amendment Effective Date, the list of equipment set forth in Section 14 of the Perfection Certificate sets forth, in all material respects as of the Amendment Effective Date, an accurate list of all Titled Goods, and the Borrower's good faith estimate of the value of each such Titled Good.

(d) It will deliver to the Collateral Agent, within 30 days after the Amendment Effective Date, all documents and certificates representing all Securities in any of the Unrestricted Subsidiaries which are owned by any of the Obligors and pledged pursuant to the Security Documents, together with undated powers or endorsements duly executed in blank.

10.6 Registration and Perfection

Without limiting the Borrower's obligations under Section 10.3 but subject to the Perfection Exceptions, the Collateral Agent may, at the Borrower's expense, register, file or record the Security Documents in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the Lien constituted thereby. The Collateral Agent may amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the Lien established by any prior registration, filing or recording thereof.

10.7 Permitted Liens

The Collateral Agent will, at the sole expense of the Borrower, forthwith upon request by the Borrower, execute and deliver to the Borrower, any other Obligor and any third party as requested by the Borrower, such discharges or postponements of the Security Documents and the Liens constituted thereby as the Borrower may reasonably request in order to permit such Obligor to create, incur, allow to be created or suffer to exist, any Purchase Money Security Interests and Liens securing Capitalized Lease Obligations which in each case are permitted by Section 9.2(a).

10.8 Permitted Dispositions

The Collateral Agent will, at the sole expense of the Borrower, forthwith upon request by the Borrower, execute and deliver to the Borrower, any other Obligor and any third party as requested by the Borrower, such releases, discharges or letters of no interest in respect of the Security Documents as the

Borrower may reasonably request in order to permit such Obligor to effect Dispositions that are permitted by Section 9.2(b) free and clear of the Security Documents and the Liens constituted thereby.

10.9 Continuing Security

Each item or part of the Security Documents shall for all purposes be treated as a separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security Documents or any other security now held or hereafter acquired by the Collateral Agent or any Agent on behalf of the Lenders. No item or part of the Security Documents shall be merged or be deemed to have been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to any Agent, any Lender or the Collateral Agent under any security, instruments or agreements held by it or at law or in equity.

10.10 Dealing with Security

The Collateral Agent on behalf of the Secured Parties may grant extensions of time or other indulgences, take and give up securities (including, without limitation, the Security Documents or any part or parts thereof), accept compositions, grant releases and discharges and otherwise deal with any Obligor, the Collateral Agent, other Secured Parties and others and with the Security and each part thereof as the Agent may see fit, and may, subject to Section 7.9, apply all amounts received from any Obligor or others or from securities (including the Security or any part thereof) upon such part of the liabilities of the Borrower hereunder or under any of the Security as the Agent may direct, without prejudice to or in any way limiting the liability of the Obligors under the Loan Documents or any other collateral security.

10.11 Effectiveness

The Liens created by the Security Documents shall be effective, and the undertakings as to the Security Documents herein or in any other Loan Document shall be continuing, whether any Debt hereunder is then outstanding or any amounts thereby secured or any part thereof shall be owing before or after, or at the same time as, the creation of such Liens or before or after or upon the date of execution of any amendments to this Agreement.

10.12 Hedging Affiliates

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

(a) such Lender is, for the purpose of securing the Lender Swap Obligations owing to or in favour of its Affiliates pursuant to the Security Documents, executing and delivering this Agreement both on its own behalf and as agent for and on behalf of such Affiliates;

(b) the Collateral Agent shall be and is hereby authorized by each such Affiliate (i) to hold the Security Document on behalf of such Affiliate as security for the Lender Swap Obligations owing to or in favour of such Affiliate in accordance with the provisions of the Loan Documents and (ii) to act in accordance with the provisions of the Loan Documents (including on the instructions or at the direction of the Lenders or the Required Lenders (which, for certainty, shall not include their respective Affiliates)) in all respects with respect to the Security Documents; and

(c) the Lender Hedge Agreements of any such Affiliate or the Lender Swap Obligations owing to or in favour of any such Affiliate shall not be included or taken into account for the purposes of Section 15.14 or (for certainty) in any determination of the Required Lenders or all of the Lenders which shall be determined solely based upon the

Commitments of the Lenders hereunder or the Outstanding Principal owing to the Lenders.

10.13 Security for Hedging with Former Lenders

If a Lender ceases to be a Lender under this Agreement (a "**Former Lender**"), all Lender Swap Obligations owing to such Former Lender and its Affiliates under Lender Hedge Agreements entered into while such Former Lender was a Lender shall remain secured by the Security Documents (equally and rateably) to the extent that such Lender Swap Obligations were secured by the Security Documents prior to such Lender becoming a Former Lender and, subject to the following provisions of this Section 10.13 and, unless the context otherwise requires, all references herein to "Lender Swap Obligations" shall include such obligations to a Former Lender and its Affiliates and all references herein to "Lender Hedge Agreements" shall include such Lender Hedge Agreements with a Former Lender and its Affiliates (in each case, other than Excluded Swap Obligations). For certainty, any Lender Swap Obligations under any individual Lender Hedge Agreements entered into with a Former Lender or an Affiliate thereof after the Former Lender has ceased to be a Lender (irrespective of the fact that the master agreement between such parties was entered into prior thereto) shall not be secured by the Security Documents. Notwithstanding the foregoing, no Former Lender or any Affiliate thereof shall have any right to cause or require the enforcement of the Security Documents or any right to participate in any decisions relating to the Security Documents, including any decisions relating to the enforcement or manner of enforcement of the Security Documents or decisions relating to any amendment to, waiver under, release of or other dealing with all or any part of the Security Documents; for certainty, the sole right of a Former Lender and its Affiliates with respect to the Security Documents is to share, on a *pari passu* basis, in any proceeds of realization and enforcement of the Security Documents.

Article 11
DESIGNATION OF RESTRICTED SUBSIDIARIES

11.1 Designation of Restricted Subsidiaries

(a) The Borrower shall be entitled, from time to time (but subject to the proviso below) by notice in writing to the Agent (together with reasonable particulars which demonstrate compliance with the positive covenant in Section 9.1(s)), to designate that:

(i) a Subsidiary which is an Unrestricted Subsidiary shall become a Restricted Subsidiary; or

(ii) a Restricted Subsidiary shall cease to be a Restricted Subsidiary;

provided that the Borrower shall not be entitled to designate that (A) a Restricted Subsidiary shall cease to be a Restricted Subsidiary (x) at any time prior to the Covenant Normalization Date or (y) if a Default or an Event of Default would result from or exist immediately after such designation, (B) a Subsidiary shall become a Restricted Subsidiary (x) at any time prior to the Covenant Normalization Date, unless such Subsidiary is organized and existing under the laws of Canada or any province thereof or of the United States or any state thereof and all or substantially all of its assets are located in Canada or the United States or (y) if a Default or an Event of Default would result from or exist immediately after such designation or (C) any Restricted Subsidiary that meets any of the qualifications set forth in part (b)(i), (b)(ii) or (b)(iii) of the definition of “Restricted Subsidiary” shall cease to be a Restricted Subsidiary if and for so long as such Restricted Subsidiary meets any of such qualifications.

(b) The Borrower shall cause any Subsidiary of the Borrower that becomes a Restricted Subsidiary after the Amendment Effective Date to enter into and become a party to a Loan Guarantee, and to deliver to the Agent the following as soon as reasonably practicable (and in any event within the relevant period of time specified below and on or prior to the time such documents (or corresponding documents) are provided under the applicable Senior Notes Purchase Agreements) (or such longer period as may be agreed to by the Agent):

(i) a Loan Guarantee;

(ii) a certificate signed by the President, the Chief Financial Officer, a Vice President or another authorized officer of such Subsidiary making representations and warranties to the effect of those contained in Sections 8.1(a), 8.1(b),8.1(c)), 8.1(d), 8.1(e), 8.1(f) and 8.1(t) but with respect to such Subsidiary and its Loan Guarantee and the Security Documents delivered pursuant to clause (vi) below, and, if relevant under applicable law to the provision of the Loan Guarantee, a certificate confirming the solvency of such Subsidiary;

(iii) such documents and evidence with respect to such Subsidiary as the Required Lenders may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by the Loan Guarantee and the Security Documents to be delivered by it under clause (vi) below;

(iv) the perfection certificate required by any of the Security Documents;

(v) an addendum to the Collateral Agency and Intercreditor Agreement;

(vi) subject to the Perfection Exceptions, such Security Documents and other agreements, documents and instruments related thereto, necessary to grant a first priority (subject to Permitted Liens) perfected Lien on all of the assets of such Subsidiary (other than Excluded Property), each in form and substance satisfactory to the Collateral Agent and the Agent and similar to those required to be provided by other Restricted Subsidiaries; provided that (A) perfection of a security interest over any Material Titled Goods and the provision of any Mortgage over Material Real Property (and any ancillary deliverables) may be delivered within 45 days after such Subsidiary becomes a Restricted Subsidiary or the Borrower or guarantor under a Senior Notes Purchase Agreement and (B) Control Agreements with respect to the deposit and securities accounts of such Subsidiary may be delivered within 30 days after such Subsidiary becomes a Restricted Subsidiary or the Borrower or guarantor under a Senior Notes Purchase Agreement, or, in each case under clause (A) or clause (B), such longer period as may be agreed to by the Agent;

(vii) all original certificates evidencing Equity Securities owned by it, together with any endorsements thereto required by the Collateral Agent;

(viii) such certificates, lien searches, organizational and other charter documents, resolutions and other documents and agreements as the Collateral Agent or the Agent may reasonably request in connection therewith; and

(ix) an opinion of independent counsel satisfactory to the Agent to the effect that (A) the Loan Guarantee and the Security Documents entered into by such Subsidiary pursuant to clause (vi) above have been duly authorized, executed and delivered and such Loan Guarantee and such Security Documents constitute the legal, valid and binding obligation of such Subsidiary enforceable in accordance with their terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles and other customary qualifications, (B) the Loan Guarantee and the Security

Documents to which it is becoming a party do not violate or conflict with any law or its constating documents, (C) the Liens of the Collateral Agent on the Collateral granted by such Subsidiary are valid, attached, perfected Liens, and (D) as to such other matters as are reasonably required by the Collateral Agent or the Agent.

(c) The Agent shall promptly release any Loan Guarantee, and direct the Collateral Agent to release any Security Documents, provided by a Restricted Subsidiary that ceases to be a Restricted Subsidiary in accordance with the provisions hereof.

Article 12
EVENTS OF DEFAULT AND REMEDIES

12.1 Events of Default

The occurrence of any one or more of the following events shall constitute an "**Event of Default**":

(a) **Principal Default**: if the Borrower fails to pay the principal amount of any Loan when due and payable hereunder;

(b) **Other Payment Default**: if the Borrower fails to pay:

(i) any interest (including, if applicable, default interest) on any Loan;

(ii) any stamping fee with respect to Bankers' Acceptances;

(iii) any standby fees payable hereunder; or

(iv) any other amount not specifically referred to herein payable by the Borrower hereunder (except the costs and expenses referred to in Section 14.1(a));

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

(c) **Breach of Certain Covenants**: if any Obligor defaults in the performance of or compliance with (i) any term contained in Section 9.1(h) or 10.5; or (ii) Section 2.1(c), 9.1(s), 9.2(a), 9.2(b) or 9.2(j) and, in the case of this clause (ii), such default continues for more than five Banking Days;

(d) **Breach of Other Covenants**: if any Obligor fails to observe or perform any covenant or obligation herein or in any other Loan Document on its part to be observed or performed (other than a covenant or obligation whose breach or default in performance is specifically dealt with elsewhere in this Section 12.1) and, except in the case of a breach under Section 9.3, such Obligor shall fail to cure such breach or default within a period of 30 consecutive days after written notice thereof is given by the Agent to the Borrower specifying such breach or default and requiring the Borrower to remedy or cure the same;

(e) **Incorrect Representations**: if any representation or warranty made or deemed to be made by any Obligor herein or in any other Loan Document, certificate or other document at any time delivered hereunder to the Agent shall prove to have been incorrect in any material adverse respect on and as of the date made and:

(i) the circumstances giving rise to the incorrect representation or warranty are not capable of modification or rectification (such that the representation or warranty would be correct); or

(ii) if the circumstances giving rise to the incorrect representation or warranty are capable of modification or rectification (such that the representation or warranty would be correct), the representation or warranty remains incorrect or misleading for a period of 30 consecutive days after such incorrect representation or warranty was made;

(f) **Involuntary Insolvency**. if any case, proceeding or other action shall be instituted in any court of competent jurisdiction against an Obligor, seeking in respect of such Obligor an adjudication in bankruptcy, reorganization of its indebtedness, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, liquidator or any Obligor with similar powers with respect to such Obligor or of all or any substantial part of its assets, or any other like relief in respect of such Person under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), the *United States Bankruptcy Code*, or any other bankruptcy, insolvency or analogous law and:

(i) such case, proceeding or other action results in an entry of an order for relief or any such adjudication or appointment; or

(ii) if such case, proceeding or other action is subject to a Permitted Contest, the same shall continue undismissed, or unstayed and in effect, for any period of 30 consecutive days;

(g) **Voluntary Insolvency**: if an Obligor:

(i) makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors;

(ii) makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), the *United States Bankruptcy Code*, or any other bankruptcy, insolvency or analogous law, or files a petition or proposal to take advantage of any act of insolvency;

(iii) consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any portion of its assets which is, in the opinion of the Required Lenders, material;

(iv) files a petition or otherwise commences any proceeding seeking any arrangement with creditors, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights;

(v) commits or threatens to commit an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any statute passed in substitution therefor;

(vi) becomes insolvent or is not able to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due; or

(vii) consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding or takes any action to authorize or effect any of the foregoing;

(h) **Dissolution**: if proceedings are commenced for the dissolution, liquidation or winding-up of an Obligor unless such proceedings are being actively and diligently contested in good faith to the satisfaction of the Required Lenders, or if a decree or order is enacted for the dissolution, liquidation or winding-up of an Obligor, except in each case as permitted hereunder;

(i) **Security Realization**: if any secured creditors of an Obligor realize upon or enforce their security against property and assets of such Person having an aggregate fair market value in excess of 2.5% of Consolidated Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within 30 days; provided that the commencement of any "Enforcement Action" under and as defined in the Collateral Agency and Intercreditor Agreement shall be deemed to be an Event of Default under this Section 12.1(i);

(j) **Writs of Execution**: if writs of execution or attachment or similar process in respect of any judgements or claims which, in the aggregate, are in excess of 2.5% of Consolidated Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency), are levied against all or a substantial portion of the property of an Obligor and such writs, execution, attachment or similar processes are not released, bonded, satisfied, discharged, vacated or stayed within 30 days after their entry, commencement or levy;

(k) **Payment Cross Default**: other than as specifically dealt with under this Section 12.1, if the Borrower or any Subsidiary defaults in the payment when due (whether at maturity, upon acceleration, on demand or otherwise) of (i) any indebtedness of the types referred to in paragraphs (a) through (g) inclusive of the definition of Consolidated Debt or any Hedge Agreements (other than a Lender Hedge Agreement) of the Borrower or any Subsidiary, in either case for amounts in aggregate in excess of 2.5% of Consolidated Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the Equivalent Amount in any other currency), or (ii) any indebtedness for borrowed money under an agreement with a Lender or its Affiliate;

(l) **Non-Payment Cross Default**: other than as specifically dealt with under this Section 12.1, if a default, event of default or other similar condition or event (however described) in respect of the Borrower or any Subsidiary occurs or exists under any indentures, credit agreements, agreements or other instruments evidencing or relating to any Consolidated Debt of the Borrower or any Subsidiary (individually or collectively) with a Lender or its Affiliate or in an aggregate amount in excess of 2.5% of Consolidated Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such default, event or condition has resulted in such debt becoming, or becoming capable at such time of being declared, due and payable thereunder before it would otherwise have been due and payable;

(m) **Change of Control**: if a Change of Control occurs without the prior written consent of the Required Lenders, acting reasonably;

(n) **Lender Hedge Agreement**: if a Hedge Agreement Demand for Payment has been delivered to the Borrower or any Subsidiary or a Termination Event occurs and such Person fails to make payment thereunder within the time required for payment thereunder;

(o) **Invalidity**: if any Loan Document or any material provision thereof shall at any time for any reason cease to be in full force and effect (other than through a release by the Agent or the Lenders), be declared to be void or voidable (and the same is not forthwith effectively rectified or replaced by the applicable Obligor forthwith upon demand by the Agent) or shall be repudiated, or the validity or enforceability thereof shall at any time be contested by any Obligor, or any Obligor shall deny that it has any or any further liability or obligation thereunder;

(p) **Cessation of Business**: if an Obligor shall cease or threaten to cease to carry on all or any material part of its business as now conducted;

(q) **ERISA**: if

(i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the Code,

(ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA Section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified any ERISA Affiliate that a Plan may become a subject of any such proceedings,

(iii) the “amount of unfunded benefit liabilities” (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed 2.5% of Consolidated Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) in the aggregate,

(iv) any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title IV of ERISA or any material liability under the penalty or excise tax provisions of the Code relating to employee benefit plans,

(v) any ERISA Affiliate withdraws from any Multiemployer Plan, or

(vi) any ERISA Affiliate establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that could increase the liability of such ERISA Affiliate thereunder;

and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this clause, the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in Section 3 of ERISA; or

(r) (i) any grantor under any Security Document shall default in the performance of any obligation under such Security Document or the Collateral Agency and Intercreditor Agreement, (ii) any Security Document shall fail or cease to create a valid and perfected and, except to the extent permitted by such Security Document, first priority Lien (subject to Permitted Liens) in favour of the Collateral Agent for the benefit of the holders of the Lender Secured Parties and the other Secured Parties on any Collateral purported to be covered thereby, or (iii) the Borrower or any Subsidiary challenges the validity, perfection or priority of any such Lien and, in the case of clause (i) or (ii), such default, failure or cessation continues for at least 30 days.

12.2 Enforcement

(a) If any Event of Default shall occur and for so long as it is continuing, the Total Commitment shall terminate, and:

(i) the entire principal amount of all Loans then outstanding hereunder and all accrued and unpaid interest thereon,

(ii) an amount equal to the face amount at maturity of all Bankers' Acceptances issued by the Borrower hereunder which are unmatured, and

(iii) all other Outstandings outstanding hereunder,

shall, at the option of the Agent in accordance with Section 15.9 or upon the request of the Required Lenders, become immediately due and payable upon written notice to that effect from the Agent to the Borrower, all without any other notice and without presentment, protest, demand, notice of dishonour or any other demand whatsoever (all of which are hereby expressly waived by the Borrower); provided that upon the occurrence of the events described in (f) and (g) above, such termination and acceleration shall be automatic and no such notice shall be required.

(b) If the Borrower does not pay all Outstandings owing by it forthwith after receipt of a notice under Section 12.2, the Agent on behalf of the Lenders and in accordance with Section 15.9 may, in their discretion and subject to the terms of the Collateral Agency and Intercreditor Agreement, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the indebtedness and liabilities of the Borrower to the Lenders hereunder and proceed to exercise any and all rights hereunder and under the other Loan Documents and no such remedy for the enforcement of the rights of the Lenders shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

12.3 Suspension of Lenders' Outstandings

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

12.4 Cash Collateral Accounts

(a) Upon the occurrence of an Event of Default, the Agent on behalf of the Lenders may require the Borrower to forthwith pay funds in an amount sufficient to pay the maximum aggregate amount for which such Lenders are or may become liable in respect of all outstanding Bankers' Acceptances into a Cash Collateral Account in accordance with Section 7.7(b) and any amount not so paid by the Borrower may, at the option of Lenders holding, in aggregate, at least 66⅔% of the Total Commitments and without notice to the Borrower, be paid by the Lenders into an interest-bearing Cash Collateral Account and shall be deemed to constitute a Prime Loan.

(b) Upon the occurrence of an Event of Default, the Agent on behalf of the Lenders may require the Borrower to forthwith pay funds in an amount sufficient to pay the maximum aggregate amount for which such Lenders are or may become liable in respect of all outstanding Letters of Credit into a Cash Collateral Account in accordance with 7.7(c) and any amount not so paid by the Borrower may, at the option of Lenders holding, in aggregate, at least 66⅔% of the Total Commitments and without notice to the Borrower, be paid by the Lenders into an interest-bearing Cash Collateral Account and shall be deemed to constitute a Prime Loan (for Letters of Credit denominated in Canadian Dollars) or a USBR Loan (for Letters of Credit denominated in US Dollars) .

12.5 Right of Set Off

Subject to the terms of the Collateral Agency and Intercreditor Agreement, if an Event of Default has occurred and is continuing, each of the Lenders is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each of the Lenders under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders may have. Each Lender agrees to promptly notify the Borrower and the Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application.

12.6 Sharing of Payments by Lenders

Subject to the terms of the Collateral Agency and Intercreditor Agreement, if any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Loans and accrued interest thereon or other obligations hereunder greater than its *pro rata* share thereof as provided herein, then the Lender receiving such payment or other reduction shall:

(a) notify the Agent of such fact; and

(b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing to them, <u>provided</u> that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest;

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(iii) the provisions of this Section shall not be construed to apply to (v) Cash Collateral provided, payment received, or the exercise of rights of counterclaim, set-off or banker's lien or similar rights, in respect of any Cash Management Services provided by, or Cash Management Obligations owing to, any Cash Manager, (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of any Lender Hedge Agreement, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

12.7 Remedies Cumulative and Waivers

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

Article 13
YIELD PROTECTION

13.1 Increased Costs

(a) **Increased Costs Generally**. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 13.2 and except for the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) **Capital Requirements**. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) **Certificates for Reimbursement**. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph 13.1(a) or 13.1(b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) **Delay in Requests**. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not 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 Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the three-month period referred to above shall be extended to include the period of retroactive effect thereof.

13.2 Taxes

(a) **Payments Subject to Taxes**. If any Obligor, the Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then:

(i) the sum payable shall be increased by that Obligor (and in the case of a Restricted Subsidiary the Borrower shall cause such Restricted Subsidiary to do so) when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required;

(ii) the Borrower shall, and the Borrower shall cause any Restricted Subsidiary to make any such deductions required to be made by it under Applicable Law; and

(iii) the Borrower shall, and the Borrower shall cause any Restricted Subsidiary to timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) **Payment of Other Taxes by the Borrower**. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) **Indemnification**.

(i) The Borrower shall indemnify the Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. In the event the Borrower has made a payment to the Agent or a Lender pursuant to this paragraph (c) and the Agent or Lender is thereafter granted or receives a credit, refund or remission in respect of the Indemnified Taxes or Other Taxes, then the Agent or Lender, as the case may be, shall, subject to the Borrower having paid the relevant amount payable under this paragraph (c) and to the extent it is satisfied that it can do so without prejudice to the retention of the amount of such credit or refund, refund to the Borrower such amount (if any) as the Agent or Lender determines in good faith will leave the Agent or Lender in no worse position than would have been the case if there had been no obligation to pay the Indemnified Taxes or Other Taxes in the first place. The Agent or Lender shall not be obligated to provide to the Borrower copies of all or any part of its tax returns, financial statements or other corporate financial data by reason of any such matter.

(ii) Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Agent for such Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and without limiting the obligation of the Borrower to do so) and (ii) any Taxes attributable to the Agent's failure to comply with the provisions of Section 16.2(c) relating to the maintenance of a Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph.

(d) **Evidence of Payments**. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(e) **Status of Lenders**. Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower or the Agent, deliver to the Borrower and the Agent, no later than 30 days after the later of the date of the request and the date such Lender becomes a party hereto (or designates a new lending office) under this Agreement, at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition:

(i) any Lender, if requested by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to withholding or information reporting requirements; and

(ii) any Lender that becomes subject to Canadian withholding tax with respect to any Outstandings, or any US Lender that becomes subject to United States withholding tax with respect to any Outstandings, in each case other than by reason of a Change in Law, shall within five days thereof notify the Borrower and the Agent in writing.

(f) **Treatment of Certain Refunds and Tax Reductions**. Without duplication of amounts payable pursuant to subsection (c) hereof, if the Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which another Obligor has paid additional amounts pursuant to this Section, it shall pay to the Borrower or other Obligor, as applicable, an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or other Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender, as the case may be, and without interest. The Borrower shall, and shall cause each Restricted Subsidiary, as applicable, to, upon the request of the Agent or such Lender, agree to repay the amount paid over to the Borrower or Restricted Subsidiary (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender if the Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

(g) **Survival.** The provisions of Section 13.2(c) shall survive the repayment of the Outstandings and the cancellation of the Credit Facility.

13.3 Mitigation Obligations: Replacement of Lenders

(a) **Designation of a Different Lending Office**. If any Lender requests compensation under Section 13.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 13.2, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 13.1 or 13.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders**. If

(i) any Lender requests compensation under Section 13.1;

(ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 13.2;

(iii) any Lender's obligations are suspended pursuant to Section 13.4;

(iv) any Lender defaults in its obligation to fund Loans hereunder;

(v) any Lender exercises its rights under Section 13.5 or 13.6, but not all Lenders are so affected;

(vi) any Lender does not provide its consent to a request by the Borrower for a waiver of a condition precedent as provided in Section 3.4;

(vii) any Lender does not provide its consent or agreement to a request by the Borrower for a waiver or amendment that requires the consent of all of the Lenders as provided for in Section 16.10; or

(viii) any Lender becomes a Defaulting Lender;

then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 16.2), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(ix) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(x) in the case of any such assignment resulting from a claim for compensation under Section 13.1 or payments required to be made pursuant to Section 13.2, such assignment will result in a reduction in such compensation or payments thereafter;

(xi) in the case of any assignment in the circumstances set out in subsections (b)(vi) and (vii) of this Section 13.3, such waiver or amendment is approved by at least the Required Lenders and the assignee consents to such waiver or amendment; and

(xii) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

13.4 Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be disadvantageous to such Lender.

13.5 Market Disruption Respecting Bankers' Acceptances

If:

(a) the Agent (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for bankers' acceptances accepted by the Lenders; or

(b) the Borrower is not marketing Bankers' Acceptances on its own and the Agent is advised by Lenders holding at least 25% of the Commitments by written notice (each, a "**BA Suspension Notice**") that such Lenders have determined (acting reasonably) that the BA Discount Rate will not or does not accurately reflect the cost of funds of such Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lenders in the market for the applicable term;

then:

(c) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Advances from any Lender shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the Lenders;

(d) any outstanding Drawdown Notice requesting a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a Drawdown Notice requesting a Loan by way of a Prime Loan in the amount specified in the original Drawdown Notice;

(e) any outstanding Conversion/Rollover/Repayment Notice requesting a Conversion of a Loan by way of Prime Loan, USBR Loan or LIBO Rate Loan into a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a Conversion/Rollover/Repayment Notice requesting a Conversion of such Loan into a Loan by way of a Prime Loan; and

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

The Agent shall promptly notify the Borrower and the Lenders of any suspension of the Borrower's right to request Bankers' Acceptances or BA Equivalent Advances and of any termination of any such suspension. A BA Suspension Notice shall be effective upon receipt of the same by the Agent if received prior to 12:00 noon (Calgary time) on a Banking Day and if not, then on the next following Banking Day, except in connection with a Drawdown Notice or Conversion/Rollover/Repayment Notice previously received by the Agent, in which case the applicable BA Suspension Notice shall only be effective with respect to such previously received Drawdown Notice or Conversion/Rollover/Repayment Notice if received by the Agent prior to 12:00 noon (Calgary time) two Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date (as applicable) applicable to such previously received Drawdown Notice or Conversion/Rollover/Repayment Notice, as applicable.

13.6 Market Disruption Respecting LIBO Rate Loans

If, at any time subsequent to the giving of a Drawdown Notice or a Conversion/Rollover/Repayment Notice to the Agent by the Borrower with regard to any requested LIBO Rate Loan:

(a) the Agent (acting reasonably) determines that by reason of circumstances affecting the London interbank market, adequate and fair means do not exist for ascertaining the rate of interest with respect to, or deposits are not available in sufficient amounts in the ordinary course of business at the rate determined hereunder to fund, a requested LIBO Rate Loan during the ensuing Interest Period selected;

(b) the Agent (acting reasonably) determines that the making or continuing of the requested LIBO Rate Loan by the Lenders has been made impracticable by the occurrence of an event which materially adversely affects the London interbank market generally; or

(c) the Agent is advised by Lenders holding at least 25% of the Total Commitment by written notice (each, a "**LIBO Suspension Notice**"), such notice to be received by the Agent no later than 12:00 noon (Calgary time) on the third Banking Day prior to the date of the requested Drawdown, Rollover or Conversion, as the case may be, that such Lenders have determined (acting reasonably) that the LIBO Rate will not or does not represent the effective cost to such Lenders of United States Dollar deposits in such market for the relevant Interest Period,

then the Agent shall give notice thereof to the Lenders and the Borrower as soon as possible after such determination or receipt of such LIBO Suspension Notice, as the case may be, and the Borrower shall, within one Banking Day after receipt of such notice and in replacement of the Drawdown Notice or Conversion/Rollover/Repayment Notice, as the case may be, previously given by the Borrower, give the Agent a Drawdown Notice or a Conversion/Rollover/Repayment Notice, as the case may be, which specifies the Drawdown of any other Loan or the Conversion of the relevant LIBO Rate Loan on the last day of the applicable Interest Period into any other Loan which would not be affected by the notice from the Agent pursuant to this Section 13.6.

In the event the Borrower fails to give, if applicable, a valid replacement Conversion/Rollover/Repayment Notice with respect to the maturing LIBO Rate Loans which were the subject of a Conversion/Rollover/Repayment Notice, such maturing LIBO Rate Loans shall be converted on the last day of the applicable Interest Period into USBR Loans as if a valid replacement Conversion/Rollover/Repayment Notice had been given to the Agent by the Borrower pursuant to the provisions hereof. In the event the Borrower fails to give, if applicable, a valid replacement Drawdown Notice with respect to a Drawdown originally requested by way of a LIBO Rate Loan, then the Borrower shall be deemed to have requested a Drawdown by way of a USBR Loan in the amount specified in the original Drawdown Notice and, on the originally requested Drawdown Date, the Lenders (subject to the other provisions hereof) shall make available the requested amount by way of a USBR Loan.

Article 14
EXPENSES, INDEMNIFICATION AND JUDGMENT CURRENCY

14.1 Expenses; Indemnity; Damage Waiver

(a) **Costs and Expenses**. The Borrower shall pay:

(i) all reasonable out-of-pocket expenses incurred by the Agent, including the reasonable fees, charges and disbursements of the Collateral Agent or counsel for the Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated); and

(ii) all reasonable out-of-pocket expenses incurred by the Agent or any Lender, including the reasonable fees, charges and disbursements of counsel or the Collateral Agent, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) **Indemnification by the Borrower**. The Borrower shall indemnify the Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party arising out of, in connection with, or as a result of:

(i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby;

(ii) any Loan or the use or proposed use of the proceeds therefrom;

(iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower, or any of its Subsidiaries, or any Environmental Claims related in any way to the Borrower, or any of its Subsidiaries; or

(iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, and regardless of whether any Indemnitee is a party thereto,

provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee, nor shall it be available in respect of matters specifically addressed in Sections 13.1, 13.2 and 14.1(a). An Indemnitee shall not settle any claim asserted against any Indemnitee by a third party without the written consent of the Borrower, which consent shall not be unreasonably delayed or withheld.

(c) **Reimbursement by Lenders**. To the extent that the Borrower for any reason fail to indefeasibly pay any amount required under Section 14.1(a) or 14.1(b) to be paid by it to the Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(d) **Waiver of Consequential Damages. Etc**. To the fullest extent permitted by Applicable Law, the Borrower shall not, and shall not permit any Subsidiary to, assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, provided the Indemnitee has used its usual and customary practices to avoid such use.

(e) **Payments**. All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Agent or a Lender setting forth the amount or amounts owing to the Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

(f) **Survival**. The provisions of this Section shall survive the repayment of the Outstandings and the cancellation of the Credit Facility.

14.2 Judgment Currency

(a) If for the purpose of obtaining or enforcing judgment against the Borrower in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section referred to as the "**Judgment Currency**") an amount due in Cdn. Dollars or United States Dollars under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

(i) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date; or

(ii) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section being hereinafter in this Section referred to as the "**Judgment Conversion Date**").

(b) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 14.2(a)(ii), there is a change in the rate of exchange prevailing between the

Judgment Conversion Date and the date of actual payment of the amount due, the Borrower shall pay such additional amount (if any) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Cdn. Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(c) Any amount due from the Borrower under the provisions of Section 14.2(b) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(d) The term "rate of exchange" in this Section 14.2 means the Noon Rate.

Article 15
AGENCY

15.1 Appointment and Authority

Each of the Lenders hereby irrevocably appoints HSBC Canada as Agent to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, each of the Lenders hereby authorizes (a) the Agent to execute and deliver the Collateral Agency and Intercreditor Agreement on their behalf, (b) the "Agents" (as defined in the Existing Credit Agreement) to execute and deliver the direction referred to in Section 3.1(n) and (c) the "US Administrative Agent" (as defined in the Existing Credit Agreement) to execute and deliver the notices referred to in Section 3.1(o). The provisions of this Article are solely for the benefit of the Agent and the Lenders, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

15.2 Rights as a Lender

Each Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Each Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Agent and without any duty to account to the Lenders.

15.3 Exculpatory Provisions

(a) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Agent or any of its Affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it:

(i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Agent believes in good faith is necessary, under the provisions of the Loan Documents); or

(ii) in the absence of its own gross negligence or wilful misconduct.

The Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default or Event of Default is given to the Agent by the Borrower or a Lender.

(c) Except as otherwise expressly specified in this Agreement, the Agent shall not be responsible for or have any duty to ascertain or inquire into:

(i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document;

(ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith;

(iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default;

(iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document; or

(v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Agent.

15.4 Reliance by Agent

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Agent shall promptly provide information to one another in order to carry out the purpose and intent of this Agreement.

15.5 Indemnification of Agent

Each Lender agrees to indemnify the Agent and each Related Party and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Agent's gross negligence or wilful misconduct.

15.6 Delegation of Duties

The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-Agent appointed by the Agent from among the Lenders and their respective Affiliates. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Agent shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facility provided for herein as well as activities as the Agent.

15.7 Replacement of Agent

(a) The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower, such consent not to be unreasonably withheld, to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and, in the case of the Agent, having an office in Toronto, Ontario or Calgary, Alberta, or an Affiliate of any such Lender with an office in Toronto, Ontario or Calgary, Alberta. The Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Agent and the Borrower as long as the Required Lenders, with the consent of the Borrower, such consent not to be unreasonably withheld, appoint and obtain the acceptance of a successor within such 30 days, which, in the case of the Agent, shall be a Lender having an office in Toronto, Ontario or Calgary, Alberta, or an Affiliate of any such Lender with an office in Toronto, Ontario or Calgary, Alberta.

(b) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, and with the consent of the Borrower, such consent not to be unreasonably withheld, appoint a successor Agent meeting the qualifications specified in Section 15.7(a), provided that if the Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in the preceding paragraph.

(c) Upon a successor's appointment as the Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former

Agent, and the former Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Agent, the provisions of this Section 15.7 and of Section 14.1 shall continue in effect for the benefit of such former Agent, its sub-Agent and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while such former Agent was acting as the Agent.

15.8 Non-Reliance on Agent and Other Lenders

Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

15.9 Collective Action of the Lenders

Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, the remedies and any collateral security provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Agent or the Collateral Agent upon the decision of the Required Lenders (or such other number or percentage of the Secured Parties as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder with respect to the Credit Facility including, without limitation, any declaration of Default or Event of Default hereunder or thereunder but that any such action shall be taken only by the Agent with the prior written agreement of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Agent, acting reasonably and in good faith, the exigencies of the situation warrant such 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.

15.10 Lender Decisions

The Lenders agree that all decisions as to actions to be or not to be taken, as to consents or waivers to be given or not to be given, as to determinations to be made and otherwise in connection with this Agreement and the Loan Documents, shall be made upon the decision of the Required Lenders except in respect of a decision or determination where it is specifically provided in this Agreement that “all of the Lenders” or words to similar effect, or the Agent alone, is to be responsible for same. Each of the Lenders shall be bound by and agrees to abide by and adopt all decisions made as aforesaid and covenants in all communications with the Borrower to act in concert and to join in the action, consent, waiver, determination or other matter decided as aforesaid.

15.11 Procedure for Funding Loans

The Agent shall make Loans available to the Borrower as required hereunder by debiting the Agent’s Account to which the Lender’s Applicable Percentage of such Loans have been credited in accordance with Section 2.8(b) (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent and the Borrower in writing, by crediting the account of the Borrower or, at the expense of the Borrower, transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Drawdown Notice or Conversion/Rollover/Repayment Notice, as the case may be, in respect of each Loan; provided that the obligation of the Agent hereunder to effect such a transfer shall be limited to taking such steps as are commercially reasonable to implement such instructions, which steps once taken shall constitute conclusive and binding evidence that such funds were advanced hereunder in accordance with the provisions relating thereto and the Agent shall not be liable for any damages, claims or costs which may be suffered by the Borrower and occasioned by the failure of such Loan to reach the designated destination.

15.12 Remittance of Payments

Except for amounts payable to the Agent for its own account and to the Swingline Lender for its own account, forthwith after receipt of any repayment pursuant hereto or payment of interest or fees pursuant to Article 4 or payment pursuant to Article 7, the Agent shall remit to each Lender or each US Lender, as the case may be, its Applicable Percentage of such payment.

15.13 Agent' Clawback

(a) **Funding by Lenders; Presumption by Agent**. Unless the Agent shall have received notice from an Lender prior to the proposed date of any advance of funds 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 date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender or a US Lender, as the case may be, has not in fact made its share of the applicable advance available to the Agent, then such Lender shall pay 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 the Borrower to but excluding the date of payment to the Agent, at a rate determined by the Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender's Loan included in such advance. If such Lender does not do so forthwith, the Borrower shall pay to the Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Agent.

(b) **Payments by Borrower; Presumptions by Agent**. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at a rate determined by the Agent in accordance with prevailing banking industry practice on interbank compensation.

15.14 Adjustments Among Lenders

(a) **Adjustments to Outstandings**. Each Lender agrees that, after delivery of a notice of acceleration pursuant to Section 12.2 or the occurrence of an Event of Default specified in Section 12.1(f) or 12.1(g), it will at any time and from time to time upon the request of the Agent as required by any Lender purchase portions of the Outstandings owed to the other Lenders and make any other adjustments which may be necessary or appropriate, so that the amount of Outstandings owed to each Lender, as adjusted pursuant to this Section 15.14(a), will be equal to its Applicable Percentage of all Outstandings under the Credit Facility. For the purposes of this Section 15.14(a), any undrawn Commitments shall be deemed to have been cancelled upon delivery of such notice of acceleration or the occurrence of such specified Event of Default.

(b) **Application of Payments**. Subject to the Collateral Agency and Intercreditor Agreement, the Agent and the Lenders agree that, after delivery of a notice of acceleration pursuant to Section 12.2 or the occurrence of an Event of Default specified in Section 12.1(f) or 12.1(g), the amount of any repayment made by the Borrower under this Agreement, and the amount of any proceeds from the exercise of any rights or remedies of the Lenders under the Loan Documents, which are to be applied against amounts owing hereunder, will be so applied in a manner so that, to the extent possible, the amount of Outstandings owed to each Lender after giving effect to such application and any adjustments made pursuant to Sections 15.14(a) and 15.14(b) will be equal to its *pro rata* share of all Outstandings owed to all Lenders.

(c) **Further Assurances**. The Borrower agrees to be bound by and, at the request of the Agent, to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders pursuant to this Section 15.14, but shall incur no increased liabilities, in aggregate, by reason thereof.

15.15 Agent and Defaulting Lenders

(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 Borrower. Such cash shall be held by the Agent in one or more Cash Collateral Accounts, which accounts shall be in the name of the Agent and shall not be required to be interest bearing. The Agent shall be entitled to apply the foregoing cash in accordance with Section 15.5.

(b) In addition to the indemnity and reimbursement obligations in Section 15.5, each Lender agrees to indemnify the Agent and hold it harmless (to the extent not reimbursed by the Borrower) on a pro rata basis (and, in calculating the pro rata basis, the Commitment of any Defaulting Lender shall be excluded) any amount that a Defaulting Lender fails to pay the Agent and which is due and owing to the Agent pursuant to Section 15.5. 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:

(A) first, to reimburse the Agent for any amounts owing to it by the Defaulting Lender pursuant to any Loan Document; and

(B) 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 Borrower.

(d) For greater certainty and in addition to the foregoing, neither the Agent nor any of their Affiliates nor any of their respective shareholders, officers, directors, employees, Agent or representatives shall be liable to any Lender (including, without limitation, a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Defaulting Lender and received and deposited by the Agent in a Cash Collateral account and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Agent.

Article 16
GENERAL

16.1 Notices: Effectiveness; Electronic Communication

(a) **Notices Generally**. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified (i) in the case of the Borrower or the Agent, on the signature pages to this Agreement, (ii) in the case of an Obligor other than the Borrower, in care of the Borrower and (iii) in the case of a Lender, in its Administrative Questionnaire provided to the Agent.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a Banking Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Banking Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) **Electronic Communications**. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender of Loans to be made if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) **Change of Address. Etc.** Any party hereto may change its address, telecopier number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

16.2 Successors and Assigns

(a) **Successors and Assigns Generally**. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that, other than as permitted hereunder, no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph 16.2(b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph 16.2(d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph 16.2(f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph 16.2(d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders**. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that:

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than Cdn. $5,000,000 and the minimum amount of any Commitment retained by the assigning Lender shall be not less than Cdn. $5,000,000 unless each of the Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents to a lower amount (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-pro rata basis;

(iii) any assignment must be approved by the Agent (such approval not to be unreasonably withheld or delayed) unless:

(A) the proposed assignee is itself already a Lender, or

(B) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's, S&P and DBRS, respectively;

(iv) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless:

(A) the proposed assignee is itself already a Lender acting through a branch in Canada,

(B) the proposed assignee is not a non-resident of Canada or is a Canadian branch of a non-resident of Canada and is an Affiliate of a Lender or an Approved Fund with respect to a Lender, and the Lender has agreed not to be released from its obligations under this Agreement, or

(C) an Event of Default has occurred and is continuing; and

(v) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of Cdn. $3,500.00 and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Agent pursuant to paragraph 16.2(c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and, unless the assigning Lender has agreed otherwise, the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 13 and Section 14.1, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph 16.2(d) of this Section. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(c) **Register**. The Agent shall maintain at one of its offices in Toronto, Ontario or Calgary, Alberta a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (each, a "**Register**"). The entries in each Register shall be conclusive, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in a Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Each Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations**. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (each, a "**Participant**") in all or a portion of such

Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that:

(i) such Lender's obligations under this Agreement shall remain unchanged;

(ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and

(iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to paragraph 16.2(e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Article 13 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph 16.2(b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.5 as though it were a Lender, provided such Participant agrees to be subject to Section 12.6 as though it were a Lender and provided that the Participant has given the Borrower written notice of its rights under Section 12.5 prior to exercising its right of set off.

(e) **Limitations upon Participant Rights**. A Participant shall not be entitled to receive any greater payment under Sections 13.1 and 13.2 than the Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 13.2 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 13.2(e) as though it were a Lender.

(f) **Certain Pledges**. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender to any Governmental Authority, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

16.3 Governing Law: Jurisdiction: Etc.

(a) **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

(b) **Submission to Jurisdiction**. Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Alberta, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this

Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) **Waiver of Venue**. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

16.4 Waiver of Jury Trial

Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Loan Documents by, among other things, the mutual waivers and certifications in this Section.

16.5 Counterparts: Integration: Effectiveness: Electronic Execution

(a) **Counterparts: Integration: Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Subject to Section 3.1, this Agreement shall become effective when it has been executed by the Agent and when the Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) **Electronic Execution of Assignments**. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law.

16.6 Treatment of Certain Information: Confidentiality

(a) Each of the Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed:

(i) to it, its Affiliates and its and its Affiliates’ respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential);

(ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority);

(iii) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process;

(iv) to the Collateral Agent or any other Secured Party or their respective counsel and advisors;

(v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder;

(vi) subject to an agreement containing provisions substantially the same as those of this Section, to:

(A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement; or

(B) any actual or prospective insurers, re-insurers or counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower or a Subsidiary;

(vii) with the consent of the Borrower; or

(viii) to the extent such Information:

(A) becomes publicly available other than as a result of a breach of this Section; or

(B) becomes available to the Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(b) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any Subsidiary or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 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. In addition, the Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

16.7 Nature of Obligation under this Agreement

(a) The obligations of each Lender and of the Agent under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Agent or the Borrower of any of their respective obligations hereunder.

(b) Neither the Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

16.8 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrower, the Lenders, the Agent and their respective successors and permitted assigns.

16.9 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16.10 Amendments and Waivers

Any provision of this Agreement may be amended only if the Borrower and the Required Lenders so agree in writing and, except as otherwise specifically provided herein, may be waived only if the Required Lenders so agree in writing, provided that:

(a) an amendment or waiver which changes or relates to:

(i) increases in the amount of the Loans available hereunder, the Total Commitment or any Lender's Commitment;

(ii) decreases in the amounts of or rates of or deferral of the dates of payment of interest, Bankers' Acceptance stamping fees, or mandatory repayments of principal;

(iii) decreases in the amount of or deferral of the dates of payment of fees hereunder (other than fees payable for the account of the Agent);

(iv) the definition of "Required Lenders";

(v) any provision hereof that requires treatment of Lenders on a *pro rata* basis or according to each Lender's Applicable Percentage;

(vi) any provision hereof contemplating or requiring consent, approval or agreement of "all Lenders" or similar expressions or permitting waiver of conditions or covenants or agreements by "all Lenders" or similar expressions;

(vii) clause (a) or (b) of the definition of "Event of Default";

(viii) the provisions of Section 12.1(a) or 12.1(b);

(ix) release or discharge of any collateral security, including any Loan Guarantee or Security Document (other than as a result of any transaction permitted hereby or if required by the Collateral Agency and Intercreditor Agreement);

(x) the definition of "Maturity Date" or "PIK Maturity Date";

(xi) an assignment or transfer by the Borrower of any or all of its rights and obligations under any Loan Document;

(xii) any alteration of the amount, currency, or mode of calculation of any principal, interest or other amounts owing hereunder;

(xiii) any materially adverse change to any collateral security, including any Loan Guarantee or Security Document, unless permitted hereunder (and any opinion of Lenders' Counsel that a change to the collateral security is not materially adverse shall be binding on the Lenders); or

(xiv) this Section 16.10;

shall require the agreement or waiver of all the Lenders and also (in the case of an amendment) of the other parties hereto;

(b) an amendment or waiver which changes or relates to the rights and/or obligations of the Agent shall also require the agreement of the Agent thereto;

(c) an amendment or waiver which changes or relates to the rights and/or obligations of the Swingline Lender shall also require the agreement of the Swingline Lender thereto; and

(d) an amendment or waiver which changes or relates to the rights and/or obligations of a Fronting Lender shall also require the agreement of such Fronting Lender thereto

Any such waiver and any consent by the Agent, any Lender, the Required Lenders or all of the Lenders under any provision of this Agreement must be in writing and may be given subject to any conditions deemed appropriate by the Person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

16.11 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 standby fees payable pursuant to Section 4.7 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 or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 16.10), <u>provided</u> 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 Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender.

(b) If any Lender fails to fund its Applicable Percentage 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 Applicable Percentage (and, in calculating a Lender's Applicable Percentage, the Applicable Commitment of any Defaulting Lender shall be excluded) of such unfunded portion; <u>provided</u> that, for certainty, no Lender shall be obligated by this Section to make or provide an Advance in excess of its Applicable Commitment or its Commitment.

(c) If the re-allocation described in clause (b) above cannot be effected, or can only partially be effected, then such Defaulting Lender shall, within one (1) Banking Day following notice by the Agent, provide cash collateral to the Agent for such Defaulting Lender's

Applicable Percentage of such Advance (after giving effect to any partial re-allocation pursuant to clause (b) above) for so long as such Advance is outstanding, and if such Defaulting Lender shall fail to provide such cash collateral, then, at the request of the Swingline Lender, the Borrower shall provide such cash collateral to the Agent.

(d) If any Letter of Credit is outstanding at the time that a Lender becomes a Defaulting Lender, then:

(i) all or any part of such Defaulting Lender's Lender' Applicable Percentage of such Letter of Credit shall be re-allocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages; provided that such re-allocation may only be effected if and to the extent that (A) such re-allocation would not cause any Non-Defaulting Lender's Applicable Percentage of all Advances to exceed its applicable Commitment(s) and (B) the conditions precedent in Sections 3.3(b)), 3.3(c) and 3.3(d) are satisfied at such time;

(ii) if the re-allocation described in clause (i) above cannot be effected, or can only partially be effected, then such Defaulting Lender shall, within one (1) Banking Day following notice by the Agent, provide Cash Collateral to the Agent for such Defaulting Lender's Applicable Percentage share of such Letter of Credit (after giving effect to any partial re-allocation pursuant to clause (i) above) for so long as such Letter of Credit is outstanding, and if such Defaulting Lender shall fail to provide such Cash Collateral, then, at the request of the Applicable Fronting Lender, the Borrower shall provide such Cash Collateral to the Agent; and

(iii) if the Applicable Percentages of the Non-Defaulting Lenders are re-allocated pursuant to this Section 16.11(d), then the LC Fees payable to the Lenders pursuant to Section 4.7 shall be adjusted to give effect to such re-allocations in accordance with each such Non-Defaulting Lender's Applicable Percentages and if the Borrower provides Cash Collateral pursuant to clause (ii) above, then the Borrower shall not be required to pay the issuance fees attributable to the Cash Collateralized exposure of such Letters of Credit.

(e) 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 pro rata basis sell and assign to such Lender, portions of such Loans equal in total to such Lender's Applicable Percentage share thereof without regard to subsection (b) of this Section 16.11.

16.12 Further Assurances

Each Obligor, the Lenders and the Agent shall promptly cure any default by it in the execution and delivery of this Agreement, the other Loan Documents or any of the agreements provided for hereunder to which it is a party. The Borrower at its expense, shall promptly execute and deliver to the Agent, upon request by the Agent (acting reasonably), all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for its compliance with, or accomplishment of its respective covenants and agreements hereunder or more fully to state its respective obligations as set out herein or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

16.13 Time of the Essence

Time shall be of the essence of this Agreement.

16.14 Anti-Money Laundering Legislation

(a) Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA) or any other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" Applicable Laws (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), it may be required to obtain, verify and record information that identifies each Obligor, which information includes the name and address of each such Person and such other information that will allow such Lender or the Agent, as applicable, to identify each such Person in accordance with AML Legislation (including, information regarding such Person's directors, authorized signing officers, or other Persons in control of each such Person). The Borrower shall provide to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Agent or any Lender in order to assist the Agent and the Lenders in maintaining compliance with AML Legislation. The Borrower shall promptly provide all such information, to the extent commercially reasonable, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent (for itself and not on behalf of any Lender), or any prospective assignee of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If, upon the written request of any Lender, the Agent (for itself and not on behalf of any Lender) has ascertained the identity of an Obligor or any authorized signatories of such Person for the purposes of applicable AML Legislation on such Lender's behalf, then the Agent:

(i) shall be deemed to have done so as the Agent for such Lender, and this Agreement shall constitute a "written agreement" in such regard between such Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(c) Notwithstanding anything to the contrary in this Section 16.14, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of an Obligor or any authorized signatories of such Person, on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any such Person or any such authorized signatory in doing so.

16.15 Platform

(a) The Borrower agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "**Platform**").

(b) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Affiliates (collectively, the "**Agent Parties**") have any liability to the Borrower or any of its Subsidiaries, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Subsidiary's or the Agent's transmission of communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material that the Borrower or any Subsidiary thereof provides to the Agent pursuant to any Document or the transactions contemplated therein which is distributed to the Agent or any Lender by means of electronic communications pursuant to this Section 16.15, including through the Platform.

16.16 No Fiduciary Duty

(a) The Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this Section 16.16, the "**Lenders**"), may have economic interests that conflict with those of the Borrower, its Subsidiaries and/or their Affiliates. The Borrower agree that nothing in the Loan Documents will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, their Subsidiaries and their Affiliates, on the other hand. The Borrower acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other hand, and (ii) in connection therewith and with the process leading thereto, (A) no Lender has assumed an advisory or fiduciary responsibility in favour of the Borrower, their Subsidiaries or their Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, their Subsidiaries or their Affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (B) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, their management, shareholders, creditors or any other Person. The Borrower acknowledges and agrees that the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transactions or the process leading thereto.

(b) The Borrower\ acknowledges that (i) each Lender may be involved in a broad range of activities (including providing debt financing, equity capital, financial advisory or other services to other Persons) in respect of which the Borrower, their Subsidiaries and/or its Affiliates may have conflicting interests regarding the Credit Facility or otherwise and (ii) no Lender has any obligation to (A) disclose such other activities to the Borrower or (B) use in connection with the Credit Facility, or furnish to the Borrower, confidential information obtained by such Lender from such other Persons.

16.17 Credit Agreement Governs

(a) In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other Loan Documents (other than the Collateral Agency and Intercreditor Agreement), the provisions of this Agreement, to the extent of the conflict or inconsistency, shall govern and prevail.

(b) This Agreement and the other Loan Documents constitute the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancel and supersede any prior agreements (including, without limitation, the Covenant Amendment Term Sheet), undertakings, declarations, commitments, representations, written or oral, in respect thereof.

16.18 Release

In order to induce the Agent and the Lenders to enter into this Agreement, the Obligors acknowledge and agree that: (a) neither the Borrower nor any of its Subsidiaries has any claim or cause of action against any of the Agent or the Lenders (or any of their respective directors, trustees, officers, employees, attorneys, advisors or Agent) relating to or arising out of the Existing Credit Agreement, the Loan Guarantees or any agreement entered into in connection therewith (collectively, the "**Existing Loan Documents**"); (b) to their actual (and not constructive or imputed) knowledge, neither the Borrower nor any of its Subsidiaries has any offset right, counterclaim or defense of any kind against any of their respective obligations, indebtedness or liabilities to any of the Agent or the Lenders; and (c) each of the Agent and Lenders has heretofore properly performed and satisfied in a timely manner all of its obligations to the Borrower and its Subsidiaries under the Existing Loan Documents. The Obligors wish to eliminate any possibility that any past conditions, acts, omissions, events, circumstances or matters would impair or otherwise adversely affect any of the Agent' and Lenders' rights, interests, contracts, or remedies under the Existing Loan Documents, whether known or unknown, as applicable. Therefore, each of the Obligors (in the case of the Restricted Subsidiaries, pursuant to the confirmation and amendment on the signature pages hereto) unconditionally releases, waives and forever discharges (x) any and all liabilities, obligations, duties, promises or indebtedness of any kind of the Agent and the Lenders to the Borrower or any of its Subsidiaries, except the obligations to be performed by any of them on or after the date hereof as expressly stated in the Loan Documents, as such obligations may be modified pursuant to the terms of this Agreement, and (y) all claims, offsets, causes of action, suits or defenses of any kind whatsoever (if any), whether arising at law or in equity, whether known or unknown, which the Borrower or its Subsidiaries might otherwise have against any Agent or Lender or any of their respective directors, trustees, officers, employees or Agent, in either case (x) or (y), whether known or unknown, on account of any past or presently existing condition, act, omission, event, contract, liability, obligation, indebtedness, claim, cause of action, defense, circumstance or matter of any kind, in each case under clause (x) or clause (y), other than any such liabilities, obligations, claims, causes of action or suits resulting from the gross negligence or willful misconduct of any Agent or Lender, as determined by a court of competent jurisdiction in a final non-appealable judgment. Neither the Collateral Agent nor any Agent or Lender shall be liable with respect to, and the Borrower and each Restricted Subsidiary hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before, on or after the date hereof).

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

BORROWER:

TRICAN WELL SERVICE LTD.

By: (Signed) "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

By: (Signed) "*Michael A. Baldwin*"
Title: Senior Vice President, Finance and Chief Financial Officer

[ADDRESS REDACTED]
Attention: [TITLE REDACTED]
Telecopier: [NUMBER REDACTED]

AGENT:

HSBC BANK CANADA

By: Signed "*Jeff Lovestead*"
Title: Assistant Vice President, Loan Management Unit

By: Signed "*Brenda Chow*"
Title: Senior Manager, Loan Management Unit

[ADDRESS REDACTED]
Attention: [NAME AND TITLE REDACTED]
Telecopier: [NUMBER REDACTED]

LENDERS:

HSBC BANK CANADA

By: Signed "*Jeff Lovestead*"
Title: Assistant Vice President, Loan Management Unit

By: Signed "*Brenda Chow*"
Title: Senior Manager, Loan Management Unit

HSBC BANK USA, NATIONAL ASSOCIATION

By: Timothy Shanley
Title: Vice President

ALBERTA TREASURY BRANCHES

By: (Signed) "*Wes Jardine*"
Title: Managing Director

By: (Signed) "*Philip Zhu*"
Title: Associate Director

BANK OF MONTREAL

By: Signed "*Mark Kupka*"
Title: Senior Manager, SAMU National Accounts

By: Signed "*Trevor Bauer*"
Title: Account Manager, Western Canada SAMU

THE BANK OF NOVA SCOTIA

By: Signed "*Clare Horan*"
Title: Senior Manager

By: Signed "*Neel Chopra*"
Title: Director

WELLS FARGO BANK N.A., CANADIAN BRANCH

By: Signed "*Peter Borsos*"

This page is attached to and forms part of a Restated Credit Agreement among Trican Well Service Ltd., as Borrower, each of the financial and other institutions party thereto, in their capacities as Lenders and HSBC Bank Canada, as Administrative Agent.

Title: Director

By: Signed "*Perry Englot*"
Title: *Managing Director*

ICICI BANK CANADA

By: Signed "*Sandeep Goel*"
Title: Senior Vice President & Chief Risk Officer

By: Signed "*Akshay Chaturvedi*"
Title: Senior Vice President, Corporate & Commercial Banking

EXPORT DEVELOPMENT CANADA

By: Signed "*Richard Leong*"
Title: Asset Manager

By: Signed "*Cindy Lim*"
Title: Asset Manager

Confirmation and Amendment of Loan Guarantees and Security Documents

For good and valuable consideration (the receipt and sufficiency of which is hereby conclusively acknowledged) each of the undersigned in its capacity as a guarantor pursuant to its Loan Guarantee and as a grantor of security under the Security Documents to which it is party hereby: (a) consents and agrees to the terms of the above Restated Credit Agreement; (b) acknowledges and confirms the representations and warranties applicable to it in the above Restated Credit Agreement; (c) acknowledges that its Loan Guarantee and the Security Documents to which it is party each remains in full force and effect in all respects notwithstanding the amendments contained in the above Restated Credit Agreement and shall continue to exist and apply to all Guaranteed Obligations (as defined in its Loan Guarantees) and the Secured Obligations, as applicable, including, without limitation, the Outstandings under the Restated Credit Agreement and (d) with respect to the Subsidiary Guarantors only, acknowledges and agrees that its Loan Guarantee is hereby amended to add Section 3.18 of the form of Loan Guarantee attached as Schedule H-1 to the Restated Credit Agreement.

For good and valuable consideration (the receipt and sufficiency of which is hereby conclusively acknowledged) Trican Well Service, L.P. in its capacity as a borrower under the Existing Credit Agreement hereby consents and agrees to the terms of the above Restated Credit Agreement.

This Confirmation and Amendment is in addition to and shall not limit, derogate from or otherwise affect the provisions of the Loan Guarantees or the Security Documents, as amended prior to the date hereof.

This Confirmation and Amendment, insofar as it applies to each of the undersigned, shall be governed by the same governing law which in each case governs the Loan Guarantee and Security Documents given or entered into by such undersigned, as applicable.

Capitalized terms used herein shall have the same meanings herein as are ascribed thereto in the above Restated Credit Agreement.

[*Remainder of page intentionally left blank*]

This Confirmation and Amendment is dated the same date as the above Restated Credit Agreement.

TRICAN WELL SERVICE LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Senior Vice President, Finance and Chief Financial Officer

BIRCHWOOD INDUSTRIES LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Chief Financial Officer

CANADIAN OILFIELD STIMULATION SERVICES LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Chief Financial Officer

NORTHLINE ENERGY LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Chief Financial Officer

TRICAN GEOLOGICAL SOLUTIONS LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Chief Financial Officer

TRICAN PARTNERSHIP, by and through its managing partner, TRICAN WELL SERVICE LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Senior Vice President, Finance and Chief Financial Officer

TRICAN WELL SERVICE, L.P., by its general partner, TRILIB MANAGEMENT, LLC

Per: Signed "*Brian T. Harrison*"
Title: Secretary and Assistant Treasurer

TRICAN, LLC

Per: Signed "*Brian T. Harrison*"
Title: Secretary and Assistant Treasurer

TRICAN COMPLETION SOLUTIONS LTD.

Per: Signed "*Dale M. Dusterhoft*"
Title: Director

Per: Signed "*Michael A. Baldwin*"
Title: Director

NORTHLINE ENERGY SERVICES INC.

Per: Signed "*Dale M. Dusterhoft*"
Title: Chief Executive Officer

Per: Signed "*Michael A. Baldwin"*
Title: Chief Financial Officer

TRICAN COMPLETION SOLUTIONS, LLC, by its sole member TRICAN DELAWARE INC.

Per: Signed "*Brian T. Harrison*"
Title: Vice President

TRILIB MANAGEMENT, LLC

Per: Signed "*Brian T. Harrison*"
Title: Secretary and Assistant Treasurer

TRICAN DELAWARE INC.

Per: Signed "*Brian T. Harrison*"
Title: Vice President

TRICAN HOLDINGS LLC

Per: Signed "*Brian T. Harrison*"
Title: Secretary and Assistant Treasurer

SCHEDULE A
TO RESTATED CREDIT AGREEMENT

LENDERS AND COMMITMENTS

LENDERS	**COMMITMENT**
HSBC Bank Canada	[DOLLAR AMOUNT REDACTED]
HSBC Bank USA, N.A.	[DOLLAR AMOUNT REDACTED]
Alberta Treasury Branches	[DOLLAR AMOUNT REDACTED]
The Bank of Nova Scotia	[DOLLAR AMOUNT REDACTED]
The Toronto-Dominion Bank	[DOLLAR AMOUNT REDACTED]
Bank of Montreal	[DOLLAR AMOUNT REDACTED]
Wells Fargo Bank, N.A., Canadian Branch	[DOLLAR AMOUNT REDACTED]
ICICI Bank Canada	[DOLLAR AMOUNT REDACTED]
Export Development Canada	[DOLLAR AMOUNT REDACTED]
TOTAL COMMITMENT	**Cdn.$410,000,000**

SCHEDULE B
TO RESTATED CREDIT AGREEMENT

FORM OF ASSIGNMENT AND ASSUMPTION

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "**Assignor**") and [*Insert name of Eligible Assignee*] (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any guarantees and swap facilities included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1 Assignor: _______

2 Assignee: _______
[and is an Affiliate/Approved Fund of [*identify Lender*]]

3 Borrower(s): _______

4 Credit Agreement: The Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd. as Borrower, the Lenders party thereto and HSBC Bank Canada as Agent, as amended from time to time.

5 Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans	CUSIP Number
	$	$	%	
	$	$	%	
	$	$	%	

[7. Trade Date: ______________________________]

DATED this _____ day of _________________, 201__. [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR:
[NAME OF ASSIGNOR]

By: ________________________________
Name: •
Title: •

By: ________________________________
Name: •
Title: •

ASSIGNEE:
[NAME OF ASSIGNEE]

By: ________________________________
Name: •
Title: •

By: ________________________________
Name: •
Title: •

[Consented to and] Accepted:

[Consented to:]

[NAME OF PARTY]

By: ______________________________
Name: •
Title: •

ANNEX 1 - STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any Guarantor, any of the Subsidiaries or Affiliates of the Borrower or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any Guarantor, any of the Subsidiaries or Affiliates of the Borrower or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 9.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

SCHEDULE C
TO RESTATED CREDIT AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

TO: **HSBC Bank Canada, as Agent**
[ADDRESS REDACTED]
Attention: [TITLE REDACTED]
Telecopier: [NUMBER REDACTED]

AND TO: **The Lenders**

Re: Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd. as Borrower (the "**Borrower**"), persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**").

1 This Compliance Certificate is given pursuant to Section 9.1(e)(iv) of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

2 I am the duly appointed **[President/Chief Executive Officer/ Chief Financial Officer/ Vice President Finance/ Treasurer]** of Trican Well Service Ltd. (the "**Borrower**"), and hereby certify in such capacity and not in my personal capacity, after making due inquiry, that:

(a) no Default or Event of Default has occurred and is continuing **[except as described in Annex • hereto]**;

(b) the Restricted Subsidiaries are: •

(c) as at the end of the **[Fiscal Quarter/Fiscal Year]** ended •, the aggregate value of the Titled Goods for which certificates of title have been delivered to the Collateral Agent is US $● which represents •% of the aggregate value of all Titled Goods;

(d) **[commencing with the Fiscal Quarter ending September 30, 2016]** as at the end of the **[Fiscal Quarter/Fiscal Year]** ended •, the Consolidated Senior Net Debt to Consolidated EBITDA Ratio was •; and

(e) as at the end of the **[Fiscal Quarter/Fiscal Year]** ended •, the Consolidated EBITDA to Consolidated Interest Expense Ratio was •;

and attached hereto are the detailed particulars of the manner in which the above financial ratios (and any other covenant which was required to be tested on a Pro Forma Basis in connection with any event during the most recently ended Fiscal Quarter) were calculated.

3 This Compliance Certificate is signed by the undersigned officer of the Borrower in his capacity as an officer of the Borrower, without personal liability to the undersigned officer.

DATED this ______ day of ____________________, 20___.

TRICAN WELL SERVICE LTD.

By: ______________________________
Name: •

Title: •

SCHEDULE D
TO RESTATED CREDIT AGREEMENT

FORM OF CONVERSION / ROLLOVER / REPAYMENT NOTICE

TO: **HSBC Bank Canada, as Agent**
[ADDRESS REDACTED]

Attention: [TITLE REDACTED]
Telecopier: [NUMBER REDACTED]

RE: Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd. as borrower, persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**")

1. Pursuant to Section **[2.4/7.1/7.2/7.3/7.5]** of the Credit Agreement, the undersigned hereby irrevocably notifies the Agent that it will be:

(a) rolling over part or all of a Loan described as follows:

Type of Loan: ______________________________
Principal Amount(1): ______________________________
Interest Period (if applicable): ______________________________

into another Loan of the same type described as: ______________________________

Interest Period (if applicable): ______________________________

Note:
(1) If only part of maturing Loan is rolled over, please indicate.

or;

(b) converting part or all of the Loan described as follows:

Type of Loan:______________________________
Principal Amount(1): ______________________________
Interest Period (if applicable): ______________________________

into a Loan described as follows:

Type of Loan: ______________________________
Principal Amount(1): ______________________________
Interest Period (if applicable): ______________________________
effective the ______ day of ______________________, ______.

Note:
(1) If only part of maturing Loan is being converted, please indicate.

(c) repaying part or all of the Loan described as follows:

Type of Loan: ____
Principal Amount[(1)]: ____
Interest Period (if applicable): ___________________________________
on the _____ day of _______________________, _____.

Note:
(1) If only part of Loan is being repaid, please indicate.

4 The undersigned certifies to the Agent and the Lenders that as of the date of this Notice, no Event of Default exists nor will an Event of Default result after giving effect to the proposed Rollover, Conversion or repayment of the type provided herein.

5 This Notice is irrevocable.

6 Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

DATED this ____ day of ______________, _____ at ______ a.m. Calgary, Alberta time.

TRICAN WELL SERVICE LTD.

By: ______________________________
Name: •
Title: •

SCHEDULE E
TO RESTATED CREDIT AGREEMENT

FORM OF DISCOUNT NOTE

Cdn$_____________________ Date: ___________________

FOR VALUE RECEIVED, the undersigned unconditionally promises to pay on ____________________, 201___, to or to the order of **[NAME OF NON-ACCEPTANCE LENDER]** ("**Holder**"), the sum of Cdn$___________________________ with no interest thereon.

The undersigned hereby waives presentment, protest and notice of every kind and waives any defences based upon indulgences which may be granted by the holder hereof to any party liable hereon and any days of grace.

This promissory note evidences a BA Equivalent Advance, as defined in the Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd. as borrower, persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**") and constitutes evidence of indebtedness to the holder arising from such BA Equivalent Advance. Payment of this note shall be made at the account designated by the Agent pursuant to the Credit Agreement.

TRICAN WELL SERVICE LTD.

By: ______________________________
Name: •
Title: •

SCHEDULE F
TO RESTATED CREDIT AGREEMENT

<u>FORM OF DRAWDOWN NOTICE</u>

TO: **HSBC Bank Canada, as Agent**
[ADDRESS REDACTED]

Attention: [TITLE REDACTED]
Telecopier: [NUMBER REDACTED]

RE: Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd. as borrower, persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**")

1 The Drawdown Date is the ______ day of _______________, 201__.

2 Pursuant to Section 2.3 of the Credit Agreement, the undersigned hereby irrevocably requests that the following Drawdown(s) under the Credit Facility be made available:

Type of Loan	**Principal Amount**	**Interest Period**
Prime Loan	__________________	
USBR Loan	__________________	
Bankers' Acceptances and BA Equivalent Advances	__________________	__________________________
LIBO Rate Loan	__________________	__________________________

3 The undersigned certifies to the Agent and to the Lenders that:

(a) on the date hereof, all representations and warranties contained in Article 8 of the Credit Agreement (except those representations and warranties which are expressly made as of a specific date only) are true and accurate in all material respects as if made on such date; and

(b) on the date hereof, no Default or Event of Default has occurred and is continuing and no Default or Event of Default will occur as a result of the making of the Drawdown contemplated herein.

4 This Notice is irrevocable.

5 Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

DATED this ______ day of _________________, ______, at __________a.m., Calgary, Alberta time.

TRICAN WELL SERVICE LTD.

By: ______________________________
Name: •
Title: •

SCHEDULE G
TO RESTATED CREDIT AGREEMENT

FORM OF EXTENSION REQUEST

TO: **HSBC Bank Canada, as Agent**
[ADDRESS REDACTED]
Attention: [TITLE REDACTED]
Telecopier: [NUMBER REDACTED]

Re: Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd. as borrower (the "**Borrower**"), persons party thereto from time to time in their capacities as lenders and HSBC Bank Canada as administrative agent (such Credit Agreement, as it may be amended, supplemented or otherwise modified or restated from time to time, referred to as the "**Credit Agreement**")

1 This Extension Request is given pursuant to Section 2.2(a) of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them in the Credit Agreement.

2 The Borrower hereby requests that the Lenders extend the Maturity Date from _____________________, 20___, to _____________________, 20___.

3 The Borrower hereby represents that, on the date hereof, all representations and warranties contained in Article 8 of the Credit Agreement (except for those representations and warranties which are expressly made as of a specific date only) are true and correct as if made on such date (except for any inaccuracies which are immaterial in the aggregate), and no Default or Event of Default has occurred and is continuing.

DATED this _____ day of _________________, 20__.

TRICAN WELL SERVICE LTD.

By: ______________________________
Name: •
Title: •

SCHEDULE "H-1"
TO RESTATED CREDIT AGREEMENT

FORM OF LOAN GUARANTEE

GUARANTEE

THIS GUARANTEE is made as of **[date]** by ●, a **[corporation, limited liability company, partnership, limited partnership or other]** subsisting under the laws of **[Alberta/Delaware or other]** (the "**Guarantor**"), in favour of and for the benefit of the Guarantee Beneficiaries.

Recitals

1 The relevant Guarantee Beneficiaries have agreed to enter into (i) the Credit Agreement with Trican Well Service Ltd. (the "**Borrower**"), (ii) Lender Hedge Agreements and (iii) the Cash Management Arrangements, in each case on the condition that the Guarantor provide this Guarantee;

2 The Guarantor will derive significant benefit from the extension of credit by the Guarantee Beneficiaries to the Borrower and the other Obligors;

NOW THEREFORE the Guarantor agrees with the Guarantee Beneficiaries as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

"**Credit Agreement**" means the Restated Credit Agreement dated as of March 16, 2016 among Trican Well Service Ltd., as borrower, HSBC Bank Canada as administrative agent, and the persons party thereto from time to time in their capacity as lenders, as amended, supplemented or otherwise modified or restated from time to time.

"**Event of Default**" means (i) an "Event of Default" as defined in the Credit Agreement, (ii) an "Event of Default" (or equivalent designation) under any Lender Hedge Agreement or (iii) any failure by an Obligor to pay any Cash Management Obligations after a demand for payment under the applicable Cash Management Document.

"**Guarantee Beneficiaries**" means the Agent, for itself and as agent and on behalf of the Lenders, the Swap Lenders and any Cash Manager.

"**Guaranteed Obligations**" means, collectively and at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Borrower and each Subsidiary of the Borrower to the Guarantee Beneficiaries or any of them under, pursuant or relating to the Credit Agreement, any other Loan Documents, any Lender Hedge Agreements (other than Excluded Swap Obligations) and any Cash Management Documents, including without limitation all Outstandings, all Lender Swap Obligations (other than Excluded Swap Obligations) and all Cash Management Obligations and, without duplication, all interest and expenses accrued or incurred subsequent to the commencement of any bankruptcy or insolvency proceeding with respect to the Borrower or a Subsidiary of the Borrower (whether or not such interest or expenses are allowed as a claim in such proceeding), whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Guarantee.

Capitalized words and phrases used in this Guarantee and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Credit Agreement. For certainty, "Subsidiary" refers to a Subsidiary of the Borrower. For further certainty, if the Credit Agreement ceases to be in force for any reason whatsoever, then for all purposes hereof the aforementioned capitalized words and phrases shall continue to have the same defined meanings set forth in the Credit Agreement as if such agreement remained in force in the form immediately prior to its ceasing to be in force.

1.2 Headings and Guarantee References

(a) The division of this Guarantee into Articles and Sections, and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Guarantee.

(b) The terms "this Guarantee", "hereof", "hereunder" and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof, and include any amendments hereto. Unless otherwise stated, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

ARTICLE 2
NO COLLATERAL AGREEMENTS

2.1 Acknowledgement

The Guarantor confirms that its obligations under this Guarantee are not subject to any promise or condition affecting or limiting its liability, and no statement, representation, collateral agreement or promise on the part of the Guarantee Beneficiaries or any officer, employee or agent thereof forms any part of this Guarantee or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

ARTICLE 3
GUARANTEE

3.1 Guarantee

The Guarantor hereby absolutely, unconditionally and irrevocably guarantees to the Guarantee Beneficiaries the due and punctual payment, discharge and full performance of all Guaranteed Obligations. The Guarantor covenants that the Guaranteed Obligations will be fully and punctually paid and performed by the Guarantor strictly in accordance with the terms of the Credit Agreement, any other Loan Document and any Lender Hedge Agreement (as applicable), whether the same become due on maturity, by mandatory prepayment, by demand, acceleration or otherwise. The Guarantor hereby indemnifies the Guarantee Beneficiaries on demand by the applicable Guarantee Beneficiaries against any loss or liability suffered by them as a result of any Guaranteed Obligation being or becoming unenforceable, invalid or illegal.

3.2 Continuing Guarantee

This Guarantee shall be a continuing guarantee, shall cover and secure any ultimate balance owing to the Guarantee Beneficiaries, and shall be operative and binding notwithstanding that at any time or times the Guaranteed Obligations may equal zero or that any payments from time to time may be made to the Guarantee Beneficiaries or any settlements of account effected or any other thing whatsoever done, suffered or permitted, or any other action short of actual and final payment to the Guarantee Beneficiaries of all Guaranteed Obligations.

3.3 Other Indemnitors and Guarantors

This Guarantee shall be operative and binding regardless of whether or not any proposed indemnitor or guarantor or any other Persons have executed or shall execute any indemnity or guarantee of the Guaranteed Obligations or is or are or shall become in any other way responsible to the Guarantee Beneficiaries for or in respect of the Guaranteed Obligations or any part thereof, and regardless of whether or not any other Persons now or hereafter liable to the Guarantee Beneficiaries for the Guaranteed Obligations or any part thereof (whether under this Guarantee or otherwise) shall cease to be so liable.

3.4 Identity of Borrower and Subsidiaries

This Guarantee is to extend to the Borrower and each Subsidiary notwithstanding any change or changes in the name, business, powers, objects, membership, partners, shareholders or other equity owners, directorate, organization or management of the Borrower or a Subsidiary, and notwithstanding any reorganization of the Borrower or a Subsidiary or the merger or amalgamation of the Borrower or a Subsidiary with another or others, or the sale or disposal of any of the Borrower's or a Subsidiary's business in whole or in part to another or others, or the surrender, forfeiture or termination of its articles or charter, or the receivership, dissolution, insolvency, winding-up, arrangement, reorganization, bankruptcy or liquidation of or in respect of the Borrower or a Subsidiary, and no such event shall lessen, release or discharge the obligations of the Guarantor under this Guarantee.

3.5 Acknowledgement of Continued Liability

The Guarantor shall from time to time forthwith on the reasonable request of the Guarantee Beneficiaries deliver to them suitable acknowledgements of its continued liability hereunder in such form as counsel for the Guarantee Beneficiaries may advise.

3.6 Guarantor to Pay; Interest; Currency

(a) If the Borrower or a Subsidiary shall default in payment or performance of the Guaranteed Obligations or any part thereof strictly in accordance with the provisions of the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable) as and when the same become due, payable or performable, then the Guarantor shall, so often as any such default happens, on demand by any of the Guarantee Beneficiaries, forthwith pay to such Guarantee Beneficiaries the amount in default (including any accelerated obligations), and perform any obligations in respect of which the Borrower or such Subsidiary is then in default.

(b) If any of the Guarantee Beneficiaries make demand upon the Guarantor as provided in this Section 3.6, the Guarantor shall thereupon be liable to such Guarantee Beneficiaries for the amount demanded directly, as principal, and not just as surety, and will not plead or assert to the contrary in any proceeding taken by such Guarantee Beneficiaries in enforcing this Guarantee.

(c) The Guarantor shall pay interest on those of the Guaranteed Obligations that are payment obligations for which demand shall have been made, computed from and after the date of demand until payment in full, at the rate or rates provided in the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable) in respect of the obligation so demanded, calculated and compounded in the same manner, but without duplication of interest which is payable by the Guarantor where such interest forms part of such Guaranteed Obligations.

(d) All Guaranteed Obligations that are payment obligations shall be paid by the Guarantor in whichever currency or currencies in which they are denominated.

(e) Notwithstanding any other provision of this Section 3.6, any Cash Manager shall be permitted to, without notice or demand and whether or not a default or event of default has occurred under the terms of any applicable Cash Management Documents, enforce this Guarantee against the Guarantor from time to time in order to give effect to the terms of any Cash Management Documents or to effect repayment of any Cash Management Obligations.

3.7 Statement of Obligations

The statement in writing of the Guarantee Beneficiaries from time to time of the indebtedness, obligations or liability of the Borrower or a Subsidiary to them shall be binding upon the Guarantor and shall be *prima facie* evidence of the amount of the indebtedness, obligations or liability. All right to question in any way the present or future method of the Guarantee Beneficiaries of dealing with the Borrower, a Subsidiary or with any Persons now or hereafter liable to the Guarantee Beneficiaries for the Guaranteed Obligations or any part thereof, is hereby waived. The Guarantor renounces all benefits of discussion and division.

3.8 Not Bound to Exhaust Recourse

The Guarantee Beneficiaries shall not be bound to exhaust their recourse against the Borrower or any other Obligor or to pursue any rights or remedies they may have against the Borrower or any other Obligor, any other indemnitor or guarantor or any other Person, or to perform any diligence with respect to, make any demand or protest on, provide any notice to or present any note to the Borrower or any other Obligor or any Person other than the Guarantor, or file any proof of claim in any insolvency, administration, arrangement, winding-up, liquidation or bankruptcy before demanding or being entitled to demand payment from the Guarantor hereunder.

3.9 Corporate Authority

The Guarantee Beneficiaries shall not be concerned to see or enquire into the powers of the Borrower, any Subsidiary or any of the directors, officers, partners (or directors or officers thereof) or Agent of the Borrower or any Subsidiary acting or purporting to act on its behalf, and all moneys, advances, renewals and credits in fact borrowed or obtained in the professed exercise of such powers shall be deemed to form part of the Guaranteed Obligations even if irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Borrower, any Subsidiary or any of the directors, officers, partners (or directors or officers thereof) or Agent of the Borrower or any Subsidiary, and notwithstanding any incapacity or disability of any thereof, and further notwithstanding any actual or constructive notice of the powers of the Borrower, any Subsidiary or any of the directors, officers, partners (or directors or officers thereof) or Agent of the Borrower or any Subsidiary.

3.10 Reinstatement

Where any discharge (whether in respect of the obligations of the Borrower or a Subsidiary, any security for such obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on insolvency, bankruptcy, administration, arrangement, liquidation or otherwise, the liability of the Guarantor under this Guarantee shall continue as if there had been no such discharge or arrangement. The Guarantee Beneficiaries shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to avoidance or repayment. Furthermore, the Guarantor shall indemnify the Agent and the Lenders on demand for all reasonable costs and expenses (including fees of counsel) incurred by them in connection with such discharge or continuation, including any such costs and expenses incurred in defending against any claim alleging that such discharge, payment, security or other disposition constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

3.11 Postponement of Claims

During the existence of an Event of Default, all indebtedness and liabilities, present and future, of the Borrower and each Obligor to the Guarantor, together with any security therefor, is hereby postponed and subordinated to all present and future indebtedness and liabilities of the Borrower and each Obligor to the Guarantee Beneficiaries, and all monies received from the Borrower or an Obligor or for the account of the Borrower or such Obligor by the Guarantor shall be received and held by the Guarantor in trust for the Guarantee Beneficiaries and holders of other senior unsecured indebtedness for borrowed money permitted under the Credit Agreement, in whose favour a credit agreement, note, note agreement or guarantee has been executed by the Guarantor, and forthwith upon receipt paid over to the Guarantee Beneficiaries and the holders of such senior unsecured indebtedness on a *pari passu* basis until the Borrower's and each Obligor's indebtedness and liabilities to the Guarantee Beneficiaries is finally paid and satisfied in full, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Guarantee Beneficiaries under this Guarantee.

3.12 Subrogation; No Competition with Guarantee Beneficiaries

The Guarantor (a) shall not exercise any rights which it may have acquired by way of subrogation, indemnity or contribution under this Guarantee (by virtue of any payment being made by it hereunder, any liability to make payment hereunder, or otherwise), or exercise any right of contribution against any other indemnitor or guarantor, or claim or exercise any right of set-off against the Borrower or any other Obligor or any other indemnitor or guarantor, unless and until all Guaranteed Obligations have been finally paid and performed in full, and (b) agrees that during the existence of an Event of Default, any and all debts, liabilities and other obligations owed to the Guarantor by any Borrower or other Obligor are hereby subordinated to the prior payment in full in cash of the obligations of the Borrower or Obligor hereunder and under the Loan Documents. If any amount shall be paid (including through any exercise of set-off rights) to the Guarantor arising out of or based upon such right of subrogation, indemnity, contribution or set-off at a time when the Guaranteed Obligations have not been paid and performed in full, such amount (in the case of a set-off, an amount equal to such set-off in fact exercised by it) shall be deemed to have been paid to the Guarantor for the benefit of, and held by the Guarantor in trust for, the Guarantee Beneficiaries and shall forthwith be paid to the Guarantee Beneficiaries to be credited and applied to the Guaranteed Obligations, whether matured or unmatured.

3.13 Filing of Claims in Insolvency

Notwithstanding Section 3.12, on request by the applicable Guarantee Beneficiaries, the Guarantor shall file, enforce and collect all claims against the Borrower and any Obligor in any receivership, bankruptcy, arrangement or other proceedings in which the filing of claims is contemplated by Applicable Law in respect of any indebtedness of the Borrower or any Obligor to the Guarantor, and will hold in trust and assign to the Guarantee Beneficiaries all of the Guarantor's rights thereunder. If the Guarantor fails to file, enforce or collect any such claim, any Guarantee Beneficiary, as attorney in fact of the Guarantor, is hereby authorized to do so in the name of the Guarantor or, in its discretion, to assign the claim to the Guarantee Beneficiaries or their nominee and cause a proof of claim to be filed in the Guarantee Beneficiaries' name or the name of their nominee. In all such cases, whether in receivership, bankruptcy, arrangement proceedings or otherwise, the Person or Persons authorized to pay such claim shall be fully authorized and entitled to pay to the Guarantee Beneficiaries or their nominee the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the extent necessary to give effect hereto, the Guarantor hereby assigns to the Guarantee Beneficiaries all of its rights to any payments or distributions to which the Guarantor otherwise would be entitled in such proceeding.

3.14 Appropriation

During the existence of an Event of Default (or prior to an Event of Default if no appropriation is made by the Guarantor at the time of payment), the Guarantee Beneficiaries shall be at liberty (without in any way prejudicing or affecting their rights hereunder) to appropriate any payment made or monies received to any portion of the Guaranteed Obligations whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as the Guarantee Beneficiaries see fit.

3.15 Preservation of Rights

Until all amounts which may be or become payable by any and all indemnitors and guarantors under or in connection with the Credit Agreement, any other Loan Document, any Lender Hedge Agreement or any Cash Management Document (as applicable) have been irrevocably paid and discharged in full (whether by the Borrower, any other Obligor, the Guarantor or otherwise), after a claim has been made pursuant to this Guarantee which has not been paid in full, the Guarantee Beneficiaries may:

(a) refrain from applying or enforcing any other security, monies or rights held or received by the Guarantee Beneficiaries, as the case may be, in respect of (or capable of being applied in respect of) such amounts or apply and enforce the same in such manner and order as the Guarantee Beneficiaries see fit (whether against such amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and

(b) hold in a suspense account (with the obligation to pay interest on the monies held therein at a reasonable rate available to it for deposits made by it in the same currency on like terms and in like amounts) any monies received from the Guarantor or on account of the Guarantor’s liability under this Guarantee.

3.16 Rights of Set Off

If an Event of Default has occurred and is continuing, each of the Guarantee Beneficiaries is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Guarantee Beneficiary to or for the credit or the account of the Guarantor against any and all of the obligations of any Obligor now or hereafter existing under this Agreement or any other Loan Document to such Guarantee Beneficiary, irrespective of whether or not such Guarantee Beneficiary has made any demand and although such obligations of any such Obligor may be contingent or unmatured or are owed to a branch or office of such Guarantee Beneficiary different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each of the Guarantee Beneficiaries under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Guarantee Beneficiaries or any of them may have under any other agreement. Each Guarantee Beneficiary agrees to promptly notify the Guarantor after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application.

3.17 Waiver of Defenses

Guarantor hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of (a) any illegality or lack of validity or enforceability of any Guaranteed Obligation or the Credit Agreement, any other Loan Document, any Lender Hedge Agreement or any related agreement or instrument; (b) any change in the time, place or manner of payment of, or in any other term of, the Guaranteed Obligations or any other obligation of any Loan Party under the Credit Agreement, any other Loan Document or any Lender Hedge Agreement, or any rescission, waiver, amendment or other modification of the Credit Agreement, any other Loan Document, any Lender Hedge Agreement or any other agreement, including any increase in the Guaranteed Obligations resulting from any extension of additional credit or otherwise; (c) any taking, exchange, substitution, release, impairment or non-perfection of any collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for the Guaranteed Obligations; (d) any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Guaranteed Obligations; (e) any default, failure or delay, wilful or otherwise, in the performance of the Guaranteed Obligations; (f) any change, restructuring or termination of the corporate structure, ownership or existence of any Obligor or any of its Subsidiaries; (g) any failure of any Secured Party to disclose to any Obligor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Obligor now or hereafter known to such Secured Party; each Guarantor waiving any duty of the Secured Parties to disclose such information; (h) the failure of any other Person to execute or deliver any guaranty or agreement or the release or reduction of liability of any Guarantor or other guarantor or surety with respect to the Obligations; (i) the failure of any Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of the Credit Agreement, any other Loan Document, any Lender Hedge Agreement or otherwise; (j) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Borrower against any Secured Party; or (k) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Loans or any existence of or reliance on any representation by any Secured Party that might vary the risk of any Guarantor or otherwise operate as a defense available to, or a legal or equitable discharge of, any Obligor or any other guarantor or surety.

3.18 Certain parties other than the Guarantor (the Guarantor and each such other party from time to time, for the purpose of this Section 3.18, are referred to as “Co-Guarantors”) have entered into guarantees of the Guaranteed Obligations, each substantially in the form of this Guarantee, and each including a clause substantially in the form of this Section 3.18 (each such guarantee from time to time, for the purpose of this Section 3.18, an “Affiliate Guarantee”). All Co-Guarantors desire to allocate among themselves, in a fair and equitable manner, their obligations arising under their respective Affiliate Guarantees. Accordingly, in the event any payment or distribution is made on any date by a Co-Guarantor under an Affiliate Guarantee such that its Aggregate Payments (as defined below) exceeds its Fair Share (as defined below) as of such date, such Co-Guarantor shall be entitled to a contribution from each of the other Co-Guarantors in an amount sufficient to cause each Co-Guarantor's Aggregate Payments (as defined below) to equal its Fair Share as of such date. "Fair Share" means, with respect to any Co-Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Co-Guarantor, to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Co-Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Co-Guarantors under all Affiliate Guarantees in respect of the obligations Guaranteed under all Affiliate Guarantees. "Fair Share Contribution Amount" means, with respect to any Co-Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Co-Guarantor under its Affiliate Guarantee that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable law; provided, solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Co-Guarantor for purposes of this paragraph, any assets or liabilities of such Co-Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Co-Guarantor. "Aggregate Payments" means, with respect to any Co-Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Co-Guarantor in respect of its respective Affiliate Guarantee (including, without limitation, in respect of this paragraph), minus (B) the aggregate amount of all payments received on or before such date by such Co-Guarantor from the other Co-Guarantors as contributions under this paragraph. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Co-Guarantor. Notwithstanding anything herein, in any Affiliate Guarantee or in any other Loan Document to the contrary, the allocation among Co-Guarantors of their obligations as set forth in this paragraph shall not be construed in any way to limit the liability of any Co-Guarantor under any Affiliate Guarantee. Each Co-Guarantor is a third party beneficiary to the contribution agreement set forth in this paragraph.

ARTICLE 4
OBLIGATIONS NOT RELEASED

4.1 Obligations Absolute

The obligations of the Guarantor hereunder shall be absolute and unconditional, and shall not be released, diminished, discharged or in any way lessened, abated, impaired or reduced by:

(a) the Guarantee Beneficiaries agreeing to any renewal, extension, increased commitment, change, variation, alteration, restatement, waiver, modification, release or discharge in or in respect of the Guaranteed Obligations or the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable), or anything done, suffered or permitted by the Guarantee Beneficiaries in relation to the Guaranteed Obligations or the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable), including any amendment or change in the manner, time, place or calculation of payment of the Guaranteed Obligations (including increases or decreases in principal, interest rates, fees or other obligations);

(b) time or any indulgence being given to, the Borrower or any other Obligor or any other Person by the Guarantee Beneficiaries;

(c) the merging of the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable) or the Guaranteed Obligations or other obligations of the Borrower or any other Obligor in, or any alteration thereof by virtue of, any subsequent agreement or amending agreement;

(d) the Guarantee Beneficiaries agreeing to any compromise, settlement, proposal, arrangement or plan of reorganization affecting the Borrower or any other Obligor or any other indemnitor or guarantor;

(e) the Guarantee Beneficiaries agreeing to the release of any other indemnitor or guarantor or any other Person liable directly or as surety or otherwise for the Guaranteed Obligations or any part thereof, or the addition of any indemnitor, guarantor, endorser or surety;

(f) the Guarantee Beneficiaries failing or omitting to, or refraining from, taking any action to enforce the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable) or any rights or remedies thereunder, or proving the claim or part of the claim of the Guarantee Beneficiaries in any liquidation, bankruptcy, winding-up, compromise, arrangement or other proceeding relating to the Borrower or any other Obligor or any other Person;

(g) the lack of validity, enforceability, provability or collectibility (in whole or in part) for any reason of, or any informality, defect or irregularity in or omission from, the Guaranteed Obligations or the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable) or any impossibility, impracticability, frustration, illegality, fraud, forgery, force majeure, act of government or change in Applicable Laws, or the loans or advances constituting the Guaranteed Obligations having been made in excess of the power of the Guarantee Beneficiaries or any of them or in contravention of any of their governing statutes or constating documents;

(h) any common law or statute bar on enforcement of the whole or any part of the Guaranteed Obligations or the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable);

(i) any marshalling of assets and liabilities;

(j) any notice by the Guarantor purporting in any way to limit its liability hereunder in respect of any Guaranteed Obligations, whether arising prior or subsequent to such notice;

(k) any failure or lack of diligence on the part of the Guarantee Beneficiaries to examine, inspect, investigate, monitor or take any other steps in connection with the obligations of the Borrower or any other Obligor under the Credit Agreement, any other Loan Document, any Lender Hedge Agreement or any Cash Management Document (as applicable), including in respect of environmental matters;

(l) any limitation on the amount indemnified or guaranteed by any other indemnitor or guarantor of the Guaranteed Obligations;

(m) any of the acts mentioned in any of the provisions of the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable) shall be done or omitted to be done;

(n) the failure to perfect any lien or security interest granted to, or in favour of, any Agent or any Lender as security for any of the Guaranteed Obligations; or

(o) any other event, circumstance, occurrence or contingency which might otherwise constitute a legal or equitable defence available to, or discharge of, the Guarantor, the Borrower or any other Obligor or any other indemnitor or guarantor of or in respect of the Guaranteed Obligations;

in each case regardless of how substantial, fundamental or material such event or circumstance mentioned above may be, or however prejudicial it may be to the Guarantor, and without any requirement for notice to the Guarantor of any of such event or circumstance.

4.2 Security from the Borrower or an Obligor

(a) Without limiting the generality of Section 4.1, the Guarantee Beneficiaries shall be at liberty (without in any way prejudicing or affecting their rights hereunder) from time to time to hold and receive such security for the Guaranteed Obligations or any part thereof as they may deem proper, and may give up, vary, exchange, release, surrender, discharge, waive, postpone, subordinate, abandon or otherwise deal with or fail to deal with such security or any part thereof or property covered thereby or allow the Borrower, any other Obligor or others to deal with the property covered thereby, all as the Guarantee Beneficiaries may consider expedient or appropriate.

(b) The Guarantee Beneficiaries may, without exonerating in whole or in part the Guarantor, abstain from taking, perfecting or registering, or from continuing any such perfection or registration of, or from taking advantage of, any security or the provisions of any Applicable Laws relating thereto.

(c) The Guarantee Beneficiaries may realize or refrain from realizing upon any security when, and in such manner, as the Guarantee Beneficiaries deem expedient, and the Guarantor waives any right it may have to receive notice of any actions or proceedings taken in respect thereof.

(d) None of (i) the failure to take or any loss of or in respect of any security or the property covered thereby, whether occasioned by the fault, omission, carelessness, negligence or recklessness of the Guarantee Beneficiaries or otherwise (including improvident or improper handling, collection or realization thereof or thereunder), (ii) the failure by the Guarantee Beneficiaries, in whole or in part, to put or keep themselves in a position to deliver any security or any of it to the Guarantor on payment of the Guaranteed Obligations, or (iii) any release, modification or waiver of, or failure, omission, delay, neglect, refusal or lack of diligence to enforce, any right, benefit, privilege or interest under any contract or agreement under which the rights of the Borrower or any other Obligor have been collaterally or absolutely assigned or in which a security interest has been granted, shall in any way limit, lessen or release or otherwise abate the liability of the Guarantor hereunder.

4.3 Dealing with the Borrower or other Obligors

It is the intent of the Guarantor and the Guarantee Beneficiaries that the Guarantee Beneficiaries may discontinue, reduce, increase or otherwise vary the credit of the Borrower and otherwise deal, in the broadest sense of that word, with the Borrower, any other Obligor and others, including any other indemnitor or guarantor, as the Guarantee Beneficiaries may see fit, all without prejudice to or in any way limiting or lessening the Guarantor's liability hereunder and without necessity for obtaining the consent of or giving notice to the Guarantor.

4.4 Notices not Required

No Guarantee Beneficiary nor any other Person shall have any duty or obligation to notify, or timely notify, the Guarantor of (i) any default, event of default, demand or similar event (however denominated) under the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable), or any renewal, extension, supplement, modification, rearrangement, amendment, restatement, replacement, cancellation, rescission, revocation or reinstatement (whether or not material) in respect thereof, (ii) any taking, release or exchange of any security, (iii) any action taken or not taken by any Guarantee Beneficiary or any other Person against the Borrower or any other Obligor or any other Person, (iv) any new agreement between any Guarantee Beneficiary, the Borrower, any other Obligor or any other Person, or (v) any other event or circumstance whatsoever.

ARTICLE 5
REPRESENTATIONS

5.1 Representations

The Guarantor represents and warrants to each of the Guaranteed Beneficiaries that it has determined that its liability and obligation under this Guarantee may reasonably be expected to substantially benefit the Guarantor directly, and the board of directors of the Guarantor (or the equivalent thereof) has made such determination. The Guarantor has had full and complete access to the underlying papers relating to the Guaranteed Obligations and all other papers executed by any other Person in connection with the Guaranteed Obligations. The Guarantor is fully informed of all circumstances which bear upon the risks of executing this Guarantee which a diligent inquiry would reveal. The Guarantor has adequate means to obtain from the Borrower or any other Obligor, as the case may be, on a continuing basis, information concerning the financial condition of the Borrower or such other Obligor, and is not depending on any Guarantee Beneficiary to provide such information, now or in the future. The Guarantor agrees that no Guarantee Beneficiary shall have any obligation to advise or notify the Guarantor or to provide the Guarantor with any data or information. The Guarantor acknowledges receipt of a copy of the all Loan Documents, Lender Hedge Agreements (if any) and Cash Management Documents (if any) and understands the obligations of the Borrower or Subsidiary thereunder.

ARTICLE 6
WITHHOLDING TAXES

6.1 Payment Net of Withholding Taxes

The Guarantor shall make all payments required hereunder, whether by way of principal, interest or otherwise, without withholding any Indemnified Taxes or Other Taxes. If the Guarantor is required by Applicable Law to deduct any withholding Taxes from or in respect of any amounts payable under this Guarantee (i) with the exception of Excluded Taxes, the amounts payable by the Guarantor hereunder will be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 6.1) the Guarantee Beneficiaries will receive an amount equal to the sum they would have received had no such deductions been made, (ii) the Guarantor will make such deductions and (iii) the Guarantor will pay the full amount deducted to the relevant taxing authority or other Governmental Authority in accordance with Applicable Law.

ARTICLE 7
EXPENSES AND INDEMNITY

7.1 Expenses

The Guarantor shall pay to the Guarantee Beneficiaries all reasonable out-of-pocket costs and expenses incurred by the Guarantee Beneficiaries from time to time in the documentation, preparation, negotiation, printing, execution, registration, delivery, enforcement, realization and collection of or in respect of this Guarantee, including the reasonable fees of legal counsel for the Guarantee Beneficiaries on a solicitor and his own client basis. All such amounts shall be payable by the Guarantor on demand, shall bear interest at the Prime Rate plus the Applicable Pricing Margin for Prime Loans plus 2% per annum, calculated from the date demanded by the Guarantee Beneficiaries to the date paid by the Guarantor.

7.2 Indemnity

The Guarantor shall indemnify the Guarantee Beneficiaries and hold them harmless against all losses, costs, expenses, liabilities, actions, suits, claims or damages of any and every kind incurred by the Guarantee Beneficiaries as a result of:

(a) a default by the Guarantor in the payment of any Guaranteed Obligations, and

(b) the failure by the Guarantor to comply with any of its covenants or other obligations hereunder.

Without limiting the generality of the foregoing, this indemnity shall extend to:

(i) reasonable legal fees on a solicitor and his own client basis, including the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter, and

(ii) any amounts payable arising out of a settlement of any action entered into between the Guarantee Beneficiaries or any of them and any other Person with or without the consent of the Guarantor.

A certificate of the Guarantee Beneficiaries as to the amount of any such loss or expense shall be *prima facie* proof of the amount thereof, in the absence of manifest error. The amount required to be paid by the Guarantor hereunder shall be payable by the Guarantor on demand, shall bear interest at the Prime Rate calculated from the date of demand for any indemnified outlay is made by the Guarantee Beneficiaries hereunder to the date paid by the Guarantor. The provisions of and undertakings and indemnification set out in this Article 7 shall survive the payment and satisfaction of the Guaranteed Obligations.

ARTICLE 8
GENERAL

8.1 Notice

Any notice, communication or demand to be made or given hereunder shall be in writing and may be made or given by personal delivery or by facsimile or other electronic means of communication addressed as follows:

To the Guarantor:

[Insert name and address of applicable guarantor]

Attention: **[Title]**
Fax No.: **[•]**

To the Guarantee Beneficiaries:

HSBC Bank Canada, as Agent
[ADDRESS REDACTED]

Attention: [TITLE REDACTED]
Fax No.: [NUMBER REDACTED]

or to such other address or facsimile number as any party may from time to time notify the other in accordance with this Section 8.1. Any notice, communication or demand made or given by personal delivery during usual business hours at the place of receipt on a Banking Day shall be deemed to have been given on the day of actual delivery thereof. Any notice, communication or demand made or given by personal delivery after usual business hours on a Banking Day or by facsimile or other electronic means of communication shall be deemed to have been given, on the first Banking Day following the delivery or transmittal thereof.

8.2 Governing Law and Jurisdiction

(a) THIS GUARANTEE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE PROVINCE OF ALBERTA AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

(b) The Guarantor agrees that the courts of Alberta shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with the aforesaid documents and it irrevocably submits to the non-exclusive jurisdiction of such courts, without prejudice to the rights of any Guarantee Beneficiary to take proceedings in any other jurisdictions, whether concurrently or not.

(c) The Guarantor agrees that final judgment in any such suit, action or proceeding brought in such courts shall be conclusive and binding upon it and may be enforced against it in the courts of Canada (or any other courts to the jurisdiction of which it or its property is subject) by a suit upon such judgment, provided that it does not waive any right to appeal any such judgment, to seek any stay or otherwise to seek reconsideration or review of any such judgment.

8.3 Payment on Stay

If:

(a) the Borrower, any other Obligor or the Guarantor is prevented from making payment of any of the Guaranteed Obligations when it would otherwise be required to do so; or

(b) the Guarantee Beneficiaries are prevented from demanding payment of the Guaranteed Obligations;

in each case because of a stay or other judicial proceeding or any other legal impediment, all Guaranteed Obligations or other amounts otherwise subject to demand, acceleration or payment shall nevertheless be payable by the Guarantor as provided for hereunder.

8.4 Judgment Currency

If, for the purposes of obtaining or enforcing judgment against the Guarantor in any court, or for any other related purpose hereunder, it is necessary to convert an amount due under this Guarantee in the currency in which it is due (the "**Original Currency**") into another currency (the "**Second Currency**"), the rate of exchange applicable shall be the daily noon day rate quoted by the Bank of Canada on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase. The Guarantor agrees that its obligation in respect of any Original Currency due from it shall, notwithstanding any judgment or payment in the Second Currency, be discharged only to the extent that on the Banking Day following the receipt of any sum so paid or adjudged to be due hereunder in the Second Currency the payee may purchase in the market the Original Currency with the amount of the Second Currency so paid or so adjudicated to be due; and if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the Guarantor agrees that the deficiency shall be a separate obligation of it, independent from its obligations under this Guarantee, and shall constitute in favour of the Guarantee Beneficiaries a cause of action which shall continue in full force and effect notwithstanding any such judgment or order to the contrary, and the Guarantor agrees, notwithstanding any such payment or judgment, to indemnify the Guarantee Beneficiaries against any such loss or deficiency.

8.5 Prohibited Rate

In no event shall any interest or fee to be paid hereunder exceed the maximum rate permitted by Applicable Law. In the event any such interest rate or fee exceeds such maximum rate, such rate shall be adjusted downward to the highest rate (expressed as a percentage per annum) or fee that the parties could validly have agreed to by contract on the date hereof under Applicable Law. It is further agreed that any excess actually received by a Guarantee Beneficiary shall be credited against the Guaranteed Obligations.

8.6 Assignment

(a) The Guarantee Beneficiaries may assign, or grant participation in, this Guarantee (in whole or in part) to any Person to whom they are entitled to assign any Guaranteed Obligations under the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable).

(b) Except as permitted by the Credit Agreement, the Guarantor shall not assign its rights or obligations hereunder without the prior written consent of the Guarantee Beneficiaries.

(c) Subject to paragraphs (a) and (b), this Guarantee shall enure to the benefit of and be binding upon the Guarantor, the Guarantee Beneficiaries, and their respective successors and permitted assigns.

8.7 Severability

Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 Whole Agreement

This Guarantee constitutes the whole and entire agreement between the parties hereto and cancels and supersedes any prior agreements, undertakings, declarations, commitments and representations, written or oral, in respect thereof.

8.9 Amendments, Waivers and Consents

This Guarantee may only be amended by an agreement in writing among the Guarantor and the Agent, and provisions hereof may be waived or matters consented to by the Agent only if both Agent so agree in writing. Any waiver or consent by the Agent under any provision of this Guarantee may be given subject to any conditions thought fit by the Agent. Any waiver or consent shall be effective only in the specific instance and for the purpose for which it is given.

8.10 Further Assurances

(a) Each party shall promptly cure any defect by it in the execution and delivery of this Guarantee.

(b) The Guarantor, at its expense, shall promptly execute and deliver to the Guarantee Beneficiaries, upon request by the Guarantee Beneficiaries in writing, all such other and further documents, agreements, legal opinions, certificates and instruments in order to give effect to the covenants and agreements of the Guarantor in this Guarantee, and shall make any recording, file any notice or obtain any consent in connection therewith, all as may be reasonably necessary or appropriate.

8.11 Time of the Essence

Time shall be of the essence of this Guarantee.

8.12 Separate Action

In case of default hereunder, the Guarantee Beneficiaries may maintain an action or separate successive actions upon this Guarantee against the Guarantor whether or not the Borrower or the applicable Obligor are joined therein or a separate action is brought against the Borrower, such Obligor or any other indemnitor or guarantor or any judgment obtained against any of them. The Guarantee Beneficiaries' rights shall not be exhausted by the exercise of any of the Guarantee Beneficiaries' rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all Guaranteed Obligations have been fully paid and performed, and each of the Guarantor's obligations hereunder has been fully performed.

8.13 Waiver and Acknowledgement

(a) The Guarantor hereby expressly waives:

(i) notice of acceptance of this Guarantee;

(ii) notice of the existence or creation of all or any of the Guaranteed Obligations;

(iii) any right to require marshalling of assets and liabilities;

(iv) presentment, notice of dishonour, protest, and all other notices whatsoever;

(v) diligence in collection or protection of or realization upon all or any of the Guaranteed Obligations or any obligation hereunder; and

(vi) any requirement that any Agent or any Lender exhaust any right, power or remedy or proceed against the Borrower or any Subsidiary of the Borrower under the Credit Agreement, any other Loan Document or any Lender Hedge Agreement (as applicable), or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

(b) The Guarantor acknowledges the terms of each of the Credit Agreement, all other Loan Documents and the Lender Hedge Agreements (if any) and consents to and approves each of the same.

(c) The Guarantor hereby acknowledges receipt of a true and complete copy of this Guarantee.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

[Insert Guarantor's Name]

By: ______________________________
Name: •
Title: •

SCHEDULE "H-2"
TO RESTATED CREDIT AGREEMENT

FORM OF CANADIAN OBLIGOR DEBENTURE

DEBENTURE AND NEGATIVE PLEDGE

[Attached]

SCHEDULE "H-2"
TO RESTATED CREDIT AGREEMENT

FORM OF CANADIAN OBLIGOR DEBENTURE

DEBENTURE AND NEGATIVE PLEDGE

By: Each corporation, partnership, limited partnership, trust or other Person identified on the signature pages hereto under the heading "Debtors", and each other corporation, partnership, limited partnership, trust or other Person that hereafter becomes a Party to this Debenture by executing and delivering a Debtor Addition Agreement in accordance with Section 9.18 hereof (collectively, the "**Debtors**"), and individually, a "**Debtor**")

In favour of: Computershare Trust Company of Canada, in its capacity as Collateral Agent (as hereinafter defined)

Date: November 12, 2015

ARTICLE 1
INTERPRETATION

RECITALS:

(A) The Collateral Agent and the Secured Parties are parties to Intercreditor Agreement.

(B) To secure the payment of the Principal Sum, each Debtor has agreed to issue this Debenture and grant security to the Collateral Agent, for its own benefit and on behalf of the Secured Parties.

(C) The Secured Parties have agreed to share the security granted by the Debtors from time to time, including this Debenture, with each other in accordance with the terms of the Intercreditor Agreement.

1.1 Definitions

In this Debenture terms and expressions defined in the description of the parties and Schedule "A" shall have those meanings when used herein, including the recitals hereto. Unless otherwise defined herein, terms and expressions used but not defined herein shall have the meanings ascribed to them in the Intercreditor Agreement. All references in this Agreement to Sections of the Perfection Certificate shall be deemed to include reference to any and all Exhibits or Schedules referenced in such Sections of the Perfection Certificate.

1.2 Schedules

The following Schedules are incorporated herein and made a part hereof:

Schedule "A" – Definitions
Schedule "B" – Specifically Mortgaged Properties
Schedule "C" – Canadian Intellectual Property Security Agreement

Any reference to a Schedule in this Debenture includes, unless the context otherwise requires, such Schedule as amended from time to time by one or more indentures supplemental hereto.

ARTICLE 2
PRINCIPAL AND INTEREST

2.1 Promise to Pay

Each Debtor, for value received, hereby acknowledges itself jointly and severally indebted and promises to pay to the Collateral Agent for and on behalf of the Collateral Agent, for itself and as agent for the other Secured Parties, or any subsequent holder or holders of this Debenture **ON DEMAND** (or on such earlier date as the principal sum hereof may become payable as provided herein) the principal sum of TWO BILLION DOLLARS (Cdn.$2,000,000,000) and to pay interest on such principal sum at 21% per annum from the date hereof until full and final payment and discharge hereof, as well after as before maturity, default and judgment in like money and, to the extent permitted by Applicable Law, to pay interest on overdue and unpaid interest at the same rate as aforesaid. All payments due under this Debenture shall be paid in immediately available funds to the Collateral Agent at the Collateral Agent's branch at Suite 600, 530 – 8 Avenue SW, Calgary, Alberta, T2P 3S8 or at such other place as the Collateral Agent may designate in writing from time to time by notice to the Debtors. If payment of the Principal Amount is demanded or otherwise becomes payable in accordance with Article, 5, all accrued and unpaid interest shall also be payable on the date for payment of the Principal Amount.

2.2 Collateral Agent Capacity

This Debenture is granted to the Collateral Agent in its capacity as collateral agent for itself and the other Secured Parties. All of the covenants, representations, warranties, rights, benefits and protections made or given in favour of the Collateral Agent hereunder are acknowledged to be for the joint and several benefit of the Collateral Agent and each of the other Secured Parties from time to time. Each Debtor agrees and acknowledges that in relation to the Obligations the Charge and the Collateral are being shared among the Secured Parties on an equal and pro rata basis in accordance with the Intercreditor Agreement.

2.3 Calculation of Interest

Each Debtor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a 360 day year consisting of twelve 30-day periods. Solely for purposes of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of less than one year on the basis of a year of 360 days consisting of twelve 30-day periods is equivalent is such rate of interest multiplied by a fraction of which (i) the numerator is the product of (A) the actual number of days in the year commencing on the first day of such period, multiplied by (B) the sum of (y) the product of 30 multiplied by the number of complete months elapsed in such period and (z) the actual number of days elapsed in any incomplete month in such period; and (ii) the denominator is the product of (a) 360 multiplied by (b) the actual number of days in such period.

ARTICLE 3
SECURITY

3.1 Security

To secure the payment, performance and final and indefeasible satisfaction in full of each and every Obligation, each Debtor hereby (subject to the exceptions hereinafter contained):

(a) **fixed charge:** grants, assigns, conveys, mortgages and charges as and by way of a continuing first, fixed and specific mortgage, charge and security interest to and in favour of the Collateral Agent and grants in favour of the Collateral Agent, in each case for and on behalf of the Collateral Agent and the other Secured Parties, all of such Debtor's right, title, estate and interest, whether now owned or hereafter acquired, in and to the real property (whether freehold, leasehold, *profit à prendre* or otherwise, and whether legal or equitable, corporeal or incorporeal) listed on Schedule "B" hereto together with all buildings, erections, structures, improvements and fixtures now or hereafter constructed or placed in, under or upon such real property (whether the same form part of the realty or not) and all easements, rights-of-way, licences, rights and privileges appurtenant or appertaining to the foregoing (collectively, the "**Specifically Mortgaged Property**");

(b) **personal property security interest**: grants, assigns, conveys, mortgages and charges as and by way of a first fixed and specific mortgage and charge to and in favour of the Collateral Agent for and on behalf of the Collateral Agent and the other Secured Parties, and the Collateral Agent hereby takes a continuing first priority security interest in, all of such Debtor's present and after-acquired personal property, tangible and intangible, in each case, of every nature and kind and wherever situate and all proceeds thereof (but in every case excluding Excluded Property), including all "goods", "chattel paper", "investment property", "documents of title", "instruments", "money" or "intangibles" (each as defined in the PPSA); and

(c) **floating charge**: grants, assigns, conveys, mortgages and charges as and by way of a continuing first floating charge and security interest to and in favour of the Collateral Agent, for and on behalf of the Collateral Agent and the other Secured Parties, all of such Debtor's right, title, estate and interest, whether now owned or hereafter acquired, in and to such Debtor's lands and interests in land (including, by way of sub-lease, leasehold lands, *profit à prendre* or otherwise) and all the property and assets, rights and things of such Debtor, legal or equitable, tangible and intangible, real or personal, of which such Debtor may be possessed or to which it may be entitled or which may hereafter be acquired by such Debtor, other than:

(i) the Specifically Mortgaged Property to the extent validly subjected to the grant of a mortgage and charge therein pursuant to Section 3.1(a); and

(ii) such Debtor's present and after-acquired personal property to the extent validly subjected to the grant of a security interest therein pursuant to Section 3.1(b),

such floating charge to include, for certainty, all of such Debtor's right, title, estate and interest in and to any real property now owned or hereafter acquired by such Debtor.

(d) **proceeds**: grants, assigns, conveys, mortgages and charges as and by way of a first fixed and specific mortgage, charge and security interest (in the case of property of the nature described in Sections 3.1(a) and 3.1(b)) and a first floating charge and security interest (in the case of property of the nature described in Section 3.1(c)), and to and in favour of the Collateral Agent for and on behalf of the Collateral Agent and the other Secured Parties, and the Collateral Agent hereby takes a continuing first priority security interest in, all proceeds derived directly or indirectly from any dealing with any of the foregoing property (or any dealing with such proceeds), whether or not of the same type, class or kind as the original property, including any right to an insurance payment or any other payment as indemnity or compensation for loss or damage, and payments made in the total or partial discharge of an intangible, chattel paper, an instrument, a security, or a mortgage or charge in respect of an interest in land,

TO HAVE AND TO HOLD the Collateral and the Charge and all rights hereby conferred unto the Collateral Agent on behalf of itself and each of the other Secured Parties, it being the intent hereof that the entire property, assets and undertaking of each Debtor, real and personal, present and future, tangible and intangible, of every nature and kind, and wheresoever located (excluding the Excluded Property) shall be subject to the Charge, subject only to Sections 3.4 and 3.7.

3.2 Attachment

Each Debtor acknowledges conclusively that such Debtor and the Collateral Agent intend the Charge in the Collateral to attach immediately upon the execution of this Debenture, except in the case of Collateral in which such Debtor subsequently acquires rights, in which case the Charge shall attach contemporaneously with such Debtor acquiring rights therein without the need for any further or other deed, act or consideration.

3.3 Crystallization

(a) Without limiting its rights hereunder to crystallize the Charge in any other manner, the Collateral Agent may (or shall if required pursuant to the Intercreditor Agreement), by notice in writing to the Debtors, crystallize and fix the Charge in respect of all or a portion of the Collateral which is subject to the floating charge in Section 3.1(c) hereof, without any requirement for further intervention or action by the Collateral Agent or any Secured Party (whether by the taking of possession, the appointment of a Receiver or otherwise), but without in any way limiting the powers, rights and remedies of the Collateral Agent or the other Secured Parties in respect of the Collateral. After such crystallization, the Charge in respect of such Collateral shall constitute a fixed and specific mortgage and charge and Security Interest to and in favour of the Collateral Agent on behalf of the Secured Parties, its successors and assigns, in respect of such Collateral, and the Debtors shall not thereafter dispose of or otherwise deal with such Collateral without the consent of the Collateral Agent except to the extent otherwise permitted under the Intercreditor Agreement and the Secured Creditor Documents. Each Debtor shall execute such further documents and do all acts reasonably requested by the Collateral Agent to give effect to the foregoing all in accordance with the terms of the Intercreditor Agreement.

(b) To the extent permitted by Applicable Law, but not in limitation of any occurrences that at law cause a floating charge security to crystallize or become fixed, the Debtor agrees that the floating charge security created by Section 3.1(c) shall crystallize and become fixed immediately and without any requirement for any notice or intervention on the part of the Collateral Agent, upon the occurrence of any Bankruptcy or Insolvency.

(c) In connection with any such crystallization of the Charge in respect of any such Collateral, the Collateral Agent may register this Debenture or a caveat, security notice, financing statement or other instrument in respect of this Debenture, at any public registry or other office maintained for the purposes of registering fixed and specific mortgages and charges, Security Interests and other like interests.

(d) At any time after the floating charge security created by Section 3.1(c) is crystallized (whether by operation of law, by notice pursuant to paragraph (a), automatically pursuant to paragraph (b), by the intervention of the Collateral Agent or a Receiver or otherwise), the Collateral Agent may (or shall, if required pursuant to the Intercreditor Agreement), by notice to the Debtors in writing, to the extent permitted by Applicable Law, restore (or, if a Receiver has been privately appointed by the Collateral Agent, cause such Receiver to restore) to the Debtors the Collateral which shall have become subject to a fixed charge by reason of the crystallization of the floating charge freed from such crystallized charge, whereupon such Collateral shall again be subject to the floating charge security created by Section 3.1(c) as fully and to the same extent as though no crystallization had occurred, without prejudice to the right of the Collateral Agent to exercise any further or subsequent remedies in respect thereof, including the crystallization of such floating charge to which such property again became subject by virtue of this provision.

3.4 Leases

The last day of any term (or any extension or renewal of such term) reserved by any lease, sublease or *profit a prendre*, oral or written, or any agreement therefor, now held or hereafter acquired by any Debtor, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but such Debtor shall stand possessed of such last day upon trust to assign and dispose thereof as the Collateral Agent shall direct and upon any sale thereof, or any part thereof, the Collateral Agent, for the purpose of vesting the aforesaid in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as trustee or trustees thereof in the place of such Debtor and to vest same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting same.

3.5 Unlimited Liability Shares

Notwithstanding any other provision in this Debenture, to the extent that any shares (the "**Unlimited Liability Shares**") in an unlimited liability company (an "**Unlimited Company**") constitute Collateral, neither the Collateral Agent nor any other Secured Party shall become or be deemed to become a member or shareholder, or obtain or have the right to obtain any other indicia of ownership of any Unlimited Company, and no provision in this Debenture (except this Section 3.5) or actions taken by the Collateral Agent or any other Secured Party pursuant to this Debenture which might provide or be deemed to provide otherwise, in whole or in part, shall, without the express written consent of the Collateral Agent, apply in respect of Unlimited Liability Shares. For the avoidance of doubt, and except as otherwise provided in the last sentence of this Section 3.5, no provision of this Debenture or actions taken by the Collateral Agent pursuant to this Debenture shall apply or be deemed to apply so as to cause the Collateral Agent or any other Secured Party to be, and neither the Collateral Agent nor any other Secured Party shall be or be deemed to be, or entitled to:

(a) be registered as a shareholder or member, or apply to be registered as a shareholder or member, of any Unlimited Company;

(b) request or assent to a notation being entered in its favour in the share register in respect of Unlimited Liability Shares;

(c) hold itself out as a shareholder or member of any Unlimited Company; or

(d) act or purport to act as a member of any Unlimited Company, or obtain, exercise or attempt to exercise any rights of a shareholder or member, including the right to attend a meeting of, or to vote any Unlimited Liability Shares or to be entitled to receive any distribution in respect of Unlimited Liability Shares.

The foregoing limitation shall not restrict the Collateral Agent from exercising the rights which it is entitled to exercise hereunder in respect of any Unlimited Liability Shares constituting Collateral at any time that the Collateral Agent shall be entitled to realize on all or any portion of the Collateral.

3.6 Investment Property

If the Collateral at any time includes investment property which is or is to be credited to a securities account established by any Debtor with a securities intermediary, such Debtor shall, at the request of the Collateral Agent, ensure that each relevant securities intermediary shall enter into an agreement with the Agent which includes such terms as may be reasonably required by the Agent confirming that the Collateral Agent has exclusive control over all investment property held in the relevant securities account following notice from the Collateral Agent to the securities intermediary, including an agreement of the securities intermediary that it will comply with entitlement orders that are originated by the Agent without the further consent of such Debtor.

3.7 <u>Contractual Rights</u>

In the event the validity and effectiveness of the Charge over any of the Collateral is dependent upon obtaining the consent, approval or waiver of any arm's length third person in order to be effective as against such third person (or at all, as applicable), the Charge over any such Collateral shall not be effective as against such third person (or at all, as applicable) until the applicable consent, approval or waiver is obtained or is no longer necessary for the purposes of the validity and effectiveness of the Charge, whereupon the Charge shall immediately become effective as against such third person (or as against all, as applicable) on any such Collateral. Until such consent, approval or waiver is obtained or the same is no longer necessary, each Debtor shall (subject to the other terms hereof) stand possessed of such Collateral upon trust to assign the same to the Collateral Agent or otherwise subject the same to the Charge, as the Collateral Agent shall direct, forthwith upon obtaining such consent, waiver or approval or upon the same no longer being necessary. For the avoidance of doubt, no reference to a third person in this Section 3.7 shall include any Obligor or any Subsidiary of an Obligor.

3.8 <u>Not Liable on Debtor's Agreements</u>

Subject to Section 9.8, nothing contained in this Debenture shall be construed as rendering the Collateral Agent or any other Secured Party liable, directly or indirectly, for any obligations of any Debtor under any agreement, instrument, permit, lease, license or other document subject to the lien hereof, or any judgment, decree or order of any governmental authority.

3.9 <u>Charge Valid Irrespective of Advance of Moneys</u>

The Charge hereof shall be and be deemed to be effective whether or not the moneys hereby secured or any part thereof shall be advanced before, upon or after the date of execution and issuance of this Debenture.

3.10 <u>Amalgamation</u>

Each Debtor acknowledges and agrees that in the event that it amalgamates, consolidates or merges with any other corporation or corporations, it is the intention of each Debtor and the Collateral Agent that the term "Debtor" when used herein shall apply to each of the amalgamating, consolidating or merging Person and to the resulting amalgamated, consolidated or merged Person, such that the Charge will attach to all of the Collateral owned by each Person amalgamating, consolidating or merging with such Debtor and by the amalgamated, consolidated or merged Person at the time of the amalgamation, consolidation or merger, and shall attach to any Collateral thereafter owned or acquired by the amalgamated, consolidated or merged Person when such becomes owned or acquired; provided, however, that to the extent that one or more of the amalgamating, consolidating or merging Persons owns any Excluded Property, then such Excluded Property shall not be subject to the Charge.

3.11 <u>Acknowledgement</u>

Each Debtor, by executing this Debenture, hereby acknowledges and agrees that:

(a) value has been given by the Collateral Agent and the other Secured Parties,

(b) it has rights in the Collateral;

(c) there is no agreement to postpone the attachment of the Charge hereof; and

(d) notwithstanding that the mortgage, charge and security interest created pursuant to clause 3.1(c) is stated to be a floating charge, the time for attachment of the mortgage, charge and security interest created pursuant to this Debenture has not been postponed and is intended to attach when this Debenture is signed by the Debtors, and attaches at that time to property in which each Debtor then has any right, title or interest and attaches to property in which such Debtor subsequently acquires any right, title or interest at the time when such Debtor first acquires such right, title or interest.

3.12 British Columbia Floating Charges

For greater certainty, it is hereby confirmed that the floating charge created hereby is a floating charge within the meaning of Section 203 of the *Land Title Act* (British Columbia) and does not become a fixed charge on specific land until the occurrence of an Actionable Default that is continuing or until an Agent has made demand for payment of the Obligations.

For greater certainty, as to any specified land located outside of the Province of British Columbia, the Collateral Agent may register such floating charge or any caveat, security notice or other instrument in respect thereof against such specified lands at any real property registry or other similar office and such action shall, unless the Collateral Agent otherwise elects in writing, only operate so as to crystallize the floating charge created hereby against, and convert such floating charge into a fixed charge on, such specified lands, and shall not operate so as to prevent the floating charge created hereby from attaching to any real property subsequently acquired by any Debtor or in which any Debtor subsequently acquires an interest.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

Each Debtor hereby represents and warrants to the Collateral Agent that:

(a) such Debtor has the right to charge the Collateral as contemplated by this Debenture;

(b) such Debtor is the legal and beneficial owner of the Collateral pledged or collaterally assigned by such Debtor hereunder free and clear of any Lien, except for Permitted Liens;

(c) this Debenture constitutes legal, valid and enforceable obligations of such Debtor, subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally**,** and general equitable principles;

(d) the Security Interests granted pursuant to this Debenture constitute valid Security Interests in the Collateral in favor of the Collateral Agent, for the benefit of the Secured Parties; and

(e) the street address, city, state or province, country and postal code of each parcel of real property owned or leased by such Debtor is indicated in Section 5(a) of the Perfection Certificate.

4.2 Survival

All representations and warranties of such Debtors made in this Debenture for the benefit of the Collateral Agent and the other Secured Parties shall survive the issuance of this Debenture and shall continue in full force and effect until the Obligations are fully and finally paid. The Collateral Agent shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Collateral Agent at any time.

ARTICLE 5
REMEDIES

5.1 Acceleration

Without derogation from Section 2.1, upon the occurrence of an Actionable Default that is continuing, the Collateral Agent may declare all of the principal hereof, accrued and unpaid interest hereon and all other Obligations to be immediately due and payable and the Debtors shall immediately pay to the Collateral Agent all amounts owing or payable in respect of the Obligations. Without restricting anything herein contained, each Debtor agrees and acknowledges that the Obligations for the payment of any money hereunder (including the Principal Amount and interest thereon) are payable by such Debtor on demand by the Collateral Agent whether or not an Actionable Default is continuing.

5.2 Remedies - General

Upon the occurrence and during the continuance of an Actionable Default, the Collateral Agent may, or shall if required pursuant to the Intercreditor Agreement, in accordance with Applicable Law:

(a) exercise such rights and remedies as are provided by the PPSA with respect to the Collateral or any part thereof that constitutes personal property and all other rights and remedies recognized under Applicable laws against the Debtors or in respect of the Collateral or any part thereof for the enforcement of full payment and performance of all the Obligations;

(b) either with or without notice, enter into and upon and take possession of all or any part of the Collateral with full power to exclude each Debtors and additionally shall have full power and authority:

  (i) to carry on, manage and conduct the business operations of each Debtor respecting such Collateral and to borrow money in any Debtor's name or in its own name or advance its own money for the purpose of such business operations, maintenance and preservation of such Collateral or any part thereof and the making of such replacements thereof and additions thereto as it shall deem desirable and the payment of taxes, wages and other charges ranking in priority to the Charge, with all monies so borrowed to be repayable, together with interest thereon calculated and payable at the rate, in the manner and at the times provided in Section 2.1, by the Debtors without requirement of any request or demand therefor, and until repaid shall be secured together with the said interest, by the Charge, in addition to all other sums secured thereby; and

  (ii) to receive the revenues, incomes, issues and profits of such Collateral and to pay therefrom the reasonable costs, charges and expenses of the Collateral Agent in carrying on the said business operations or otherwise, and all taxes, assessments and other charges against such Collateral ranking in priority to the Charge, the payment of which may be necessary to preserve such Collateral, and to apply the remainder of the monies so received in the same manner as if the same arose from a sale or realization of such Collateral;

(c) either after entry as aforesaid or after other entries, or without any entry, sell or dispose of the Collateral, either as a whole or in separate parcels, either upon cash or upon credit, and whether by private contract, at public auction or by public tender, all as the Collateral Agent may direct, it being agreed that any such sale may be made upon such terms and conditions, including terms and conditions as to price and payment as the Collateral Agent may direct;

(d) make any such sale or disposition of the Collateral either for cash or upon credit and upon such reasonable conditions as to upset or reserve bid or price and terms of payment as it may deem proper; to rescind or vary any contract or sale that may have been entered into and re-sell with or under any of the powers conferred herein; to adjourn such sale from time to time; and to execute and deliver to the purchaser or purchasers of the Collateral or any part thereof, good and sufficient deed or deeds for the same, and any such sale or disposition made as aforesaid shall be a perpetual bar at law and in equity against each Debtors and all other Persons claiming the Collateral or any part or parcel thereof, by, from, through, or under any Debtor (it being agreed that the Collateral Agent or any other Secured Party may become a purchaser at any sale of the Collateral or any part thereof);

(e) with or without entry or sale as aforesaid, proceed to protect and enforce its rights under this Debenture by sale under judgment order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Debenture or in aid of the execution of any power granted in this Debenture or in aid of the execution of this Debenture or for the filing of such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claim of the Collateral Agent lodged in any bankruptcy, winding-up or other judicial proceeding, or for the enforcement of any other legal or equitable remedy as the Collateral Agent shall deem most effective to protect and enforce any of the rights or duties of the Collateral Agent or any other Secured Party; or

(f) in lieu of appointing a Receiver as provided in Section 5.8, apply to any court or courts of competent jurisdiction for the appointment of one or more Receivers of the Collateral or any part thereof, with such powers as the court or courts making such appointment or appointments shall confer including all or any of the powers set forth above in paragraphs (a) through (e) inclusive of this Section 5.2.

5.3 Possession

Each Debtor shall on demand by the Collateral Agent or any Receiver yield up possession of the Collateral or any part thereof as demanded by the Collateral Agent whenever the Collateral Agent shall have a right to exercise any rights or remedies under Section 5.2 and put no obstacle in the way of, but facilitate by all legal means, the actions of the Collateral Agent or any Receiver hereunder and not interfere with the carrying out of the powers hereby granted to the Collateral Agent or any Receiver. Nothing done by the Collateral Agent, any other Secured Party or any Receiver or Receivers in possession of the Collateral shall render it a mortgagee in possession or responsible as such, or any way limit or curtail the remedies of it as a mortgagee or creditor under any Applicable Law.

5.4 Judgment

Each Debtor covenants and agrees with the Collateral Agent that, in the case of any judicial or other proceeding to enforce the Charge or any part thereof, judgment may be rendered against such Debtor in favour of the Collateral Agent for any amount remaining due under this Debenture or for which such Debtor may be liable hereunder, after the application to the payment thereof of the proceeds of any sale of the Collateral or any part thereof. The covenant of the Debtors to pay interest at the rate provided in this Debenture shall not merge in any such judgment and such judgment shall bear interest at the rate set forth in this Debenture until such judgment and all interest thereon has been paid in full.

5.5 Delivery of Collateral

If the Collateral Agent or any Receiver exercises its rights herein to take possession of the Collateral, each Debtor will upon request from the Collateral Agent or any such Receiver, assemble and deliver possession of the Collateral at such place or places as directed by the Collateral Agent or any such Receiver.

5.6 Account Debtors; Securities Intermediaries

Without limiting the generality of the foregoing provisions of this Article 5:

(a) All Persons being a debtor on an intangible or chattel paper, an obligor on an instrument or any other Person being obligated to pay any account receivable or other debt due, owing or accruing due to any Debtor, including operators or managers under any operating agreement, management agreement, lease, or otherwise, are entitled at all times after the occurrence and during the continuance of an Actionable Default to treat and regard the Collateral Agent as the assignee and transferee from such Debtor, entitled in the place and stead of such Debtor to receive accounts and other debts. After the occurrence and during the continuance of an Actionable Default, the Collateral Agent may give notice to all or any of such Persons of the Charge and may give notice to such Persons to remit all such accounts and other debts directly to the Collateral Agent, whether or not such Debtor was making collections on such Collateral prior to notification by the Collateral Agent; and all such Persons shall be fully protected in so treating and regarding the Collateral Agent and shall be under no obligation to see to the application in any particular manner by the Collateral Agent of any such accounts and other debts received by it. Each Debtor will at the request of the Collateral Agent and at its own expense, furnish the Collateral Agent with the names of all Persons being indebted or obligated to such Debtor.

(b) All securities intermediaries (as defined in the PPSA) that are required to act upon entitlement orders of any Debtor are entitled to treat and regard the Collateral Agent as the entitlement holder, entitled in the place and stead of such Debtor to give entitlement orders in each case, after the occurrence of an Actionable Default that is continuing. After the occurrence of an Actionable Default that is continuing, the Collateral Agent may give notice to each securities intermediary with whom any Debtor maintains a securities account and require each such securities intermediary to act in accordance with entitlement orders of the Collateral Agent in relation to the investment property held in such securities account; and all such securities intermediaries shall be fully protected in treating and regarding the Collateral Agent as the entitlement holder and will be under no obligation to see to the application in any particular manner by the Collateral Agent of any investment property of any Debtor held by any securities intermediary. Each Debtor will, at the request of the Collateral Agent, furnish the Collateral Agent with a list of all securities intermediaries with whom such Debtor maintains accounts together with all relevant account information.

(c) Any money collected or received by the Collateral Agent pursuant to paragraphs (a) or (b) above shall be applied in the manner set out in Section 5.11. The Collateral Agent shall not be liable or accountable to any Debtor for its failure to collect, realize, sell or obtain payment of accounts, chattel paper, instruments, intangibles, choses in action, investment property or rights to payment or any part thereof and, except as otherwise provided in the Intercreditor Agreement, shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any right to payment of the Collateral Agent, the Debtors or any other Person in respect thereof.

(d) All money collected or received by any Debtor in respect of accounts, chattel paper, instruments, documents of title, intangibles, choses in action, investment property, rights to payment or the proceeds of any sale of other interests of such Debtor described herein shall, after the occurrence and during the continuance of an Actionable Default, be held by such Debtor in trust for the absolute use and benefit of the Collateral Agent and the other Secured Parties and shall be paid or delivered over to the Collateral Agent upon demand in the identical form received and until demand shall be held by such Debtor separate and apart from any funds belonging to such Debtor or any other funds over which it has possession or control.

5.7 License

Upon the Charge becoming enforceable in accordance with this Debenture and for the sole purpose of enabling the Collateral Agent to exercise rights and remedies hereunder, and for no other purposes, each Debtor hereby grants to the Collateral Agent an irrevocable, non-exclusive license, (exercisable without payments of royalty or other compensation to any Debtor) to use, assign, license or sub-license any of such Debtor's Collateral consisting of trade-marks, copyrights, patents, licenses and other intellectual property in which such Debtor now has or hereafter acquires rights, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

5.8 Receiver

Upon the occurrence and during the continuance of an Actionable Default, the Collateral Agent may, and shall if required pursuant to the Intercreditor Agreement, appoint one or more Receivers of the Collateral or any part thereof and upon any such appointment by the Collateral Agent the following provisions shall apply:

(a) such appointment shall be made in writing signed by the Collateral Agent and such writing shall be conclusive evidence for all purposes of such appointment; the Collateral Agent may from time to time in the same manner remove any Receiver so appointed and appoint another in its stead; in making any such appointment the Collateral Agent shall be deemed to be acting as the attorney for the Debtors and each Debtor hereby consents to the appointment of a Receiver;

(b) any such appointment may be limited to any part or parts of the Collateral or may extend to the whole thereof;

(c) every Receiver may, at the direction of the Collateral Agent, be vested with all or any of the powers, rights, benefits, discretions, protection and relief of the Collateral Agent hereunder and shall be vested with all of the powers and protections afforded to a Receiver under Applicable Law;

(d) the Collateral Agent may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof, in priority to the other Obligations, out of the Collateral, the income therefrom or the proceeds thereof;

(e) the Collateral Agent may from time to time require any Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but the Collateral Agent shall not be bound to require such security;

(f) every such Receiver may, with the consent in writing of the Collateral Agent, borrow money for the purpose of carrying on the business of the Debtors in respect of any part of the Collateral or for the maintenance, protection or preservation of the Collateral or any part thereof, and any Receiver may issue certificates (in this Section 5.8 called "**Receiver's Certificates**") for such sums as will in the opinion of the Requisite Secured Parties be sufficient for carrying out the foregoing, and such Receiver's Certificates may be payable either to order or bearer and may be payable at such time or times as the

Collateral Agent may consider expedient, and shall bear such interest at the Default Rate and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Collateral Agent may consider advisable and may pay such commission on the sale thereof as the Collateral Agent may consider reasonable, and the amounts from time to time payable by virtue of such Receiver's Certificates shall at the direction of the Collateral Agent form a charge upon the Collateral in priority to this Debenture;

(g) every Receiver shall, regarding its acts or omissions, be deemed the agent of the Debtors and in no event the agent of the Collateral Agent, and the Collateral Agent shall not, in making or consenting to such appointment, incur any liability to any Receiver for its remuneration or otherwise howsoever;

(h) except as may be otherwise directed by the Collateral Agent, all monies from time to time received by any Receiver shall be paid over to the Collateral Agent at the place where this Debenture is payable; and

(i) the Collateral Agent may pay over to any Receiver any monies constituting part of the Collateral to the extent that the same may be applied for the purposes hereof by such Receiver and the Collateral Agent may from time to time determine what funds any Receiver shall be at liberty to keep on hand with a view to the performance of its duties as such Receiver.

5.9 Remedies Not Exclusive

No right, power or remedy herein conferred upon or reserved to the Collateral Agent, any other Secured Party or any Receiver is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by Applicable Law, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. Subject to the Intercreditor Agreement, the Collateral Agent shall have the power to waive any default, provided no such waiver shall be effective unless made in writing and shall not constitute a waiver of any other or subsequent default. No delay or omission of the Collateral Agent or any other Secured Party in the exercise of any right, power or remedy accruing upon any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein. Every right, power and remedy given to the Collateral Agent, any other Secured Party or to a Receiver by this Debenture or under Applicable Law may be exercised from time to time and as often as may be deemed expedient by the Collateral Agent, such Secured Party or such Receiver, as applicable. In case the Collateral Agent shall have proceeded to enforce any right under this Debenture and the proceedings for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case such Debtor and the Collateral Agent shall, without any further action hereunder, to the fullest extent permitted by Applicable Law, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Collateral Agent shall continue as though no such proceeding had been taken.

5.10 Dealing with Security

(a) The Collateral Agent may grant renewals, extensions of time and other indulgences, take, release and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release the Collateral to third parties and otherwise deal or fail to deal with a Debtor, debtors of such Debtor, guarantors, sureties and others and with the Collateral and other securities as the Collateral Agent may in accordance with the Intercreditor Agreement direct, all without prejudice to the liability of the Debtors to the Collateral Agent and the other Secured Parties or the Collateral Agent's rights and powers under this Debenture.

(b) Nothing in this Debenture shall be construed as requiring the Collateral Agent to exercise all or any of its possession or realization rights hereunder in respect of all or any particular part of any Debtor's property, and the Collateral Agent shall not be required to take possession or control over, or appoint a Receiver in respect of, any such assets while exercising any or all remedies available to it in respect of any other Collateral. Without limiting the generality of the foregoing, the Collateral Agent may exercise its possession and realization rights against any Debtor's personal property and not its real property, or any particular portion of such real property, without prejudice to its ability to subsequently assert such rights. The Collateral Agent may (subject to the Intercreditor Agreement) also release or discharge from the Charge any Collateral to any Debtor, and such Debtor covenants to accept such release and execute any acknowledgments as the Collateral Agent may require in respect thereof.

5.11 **Application of Proceeds**

Except as herein otherwise expressly provided, the monies arising from any enforcement in whole or in part of the Charge, or from any sale or realization of the whole or any part of the Collateral, whether under sale by the Collateral Agent or by judicial process or otherwise, and all incomes, rents and profits of the Collateral, and all proceeds of insurance, together with any other monies then in the hands of the Collateral Agent or any Receiver available for such purpose, shall be applied against the Secured Obligations in the manner set out in the Intercreditor Agreement.

5.12 **Merger**

Neither the granting of this Debenture nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Collateral Agent, nor any judgment obtained in such proceedings, shall operate as a merger of the Obligations or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Collateral Agent (or any of the other Secured Parties) may hold in connection with the Obligations or any securities which may be taken by the Collateral Agent (or any of the other Secured Parties) in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Obligations or a part thereof, or be deemed a payment or satisfaction of the Obligations or any part thereof or merge therein, or affect the Collateral Agent's right to interest at the rate and times for said period, and any right reserved to the Collateral Agent (or any of the Secured Parties) under any document or under any Applicable Law may be exercised concurrently or consecutively with or to any other rights reserved to it.

5.13 **Power of Attorney**

Each Debtor hereby irrevocably constitutes and appoints the Collateral Agent its true and lawful attorney and agent, with full power and authority in such Debtor's name, place and stead from time to time to do all acts and things and execute and deliver (at such Debtor’s expense) all certificates, proxies, resolutions, consents, assignments, transfers, conveyances and agreements, in such form as the Collateral Agent considers necessary or desirable, which such Debtor is required to sign, execute and do hereunder if such Debtor has failed to sign, execute or do the same and generally to use the name of such Debtor, as applicable, in the exercise of all or any of the powers hereby conferred on the Collateral Agent, with full powers of substitution and revocation; provided that this power of attorney may not be exercised by the Collateral Agent until an Actionable Default shall have occurred and is continuing. Such appointment and power of attorney is hereby declared by the Debtors to be an irrevocable power coupled with an interest in favour of the Collateral Agent and shall remain in full force and effect in respect of each Debtor until discharged in accordance with the Intercreditor Agreement.

ARTICLE 6
LIABILITIES, WAIVERS AND EXPENSES

6.1 Liability of Collateral Agent

Neither the Collateral Agent nor any other Secured Party or Receiver shall: (i) be responsible or liable for any debts contracted by it, for damages to Persons or property, for salaries or for non-fulfilment of contracts during any period when the Collateral Agent or any Receiver shall manage or be in possession of the Collateral; (ii) be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable; (iii) be bound to do, observe or perform or to see to the observance or performance by any Debtor of any obligations or covenants imposed upon any Debtor; or (iv) in the case of any chattel paper, security or instrument, be obligated to preserve rights against any other Persons. Each Debtor hereby waives any provision of Applicable Law permitted to be waived by it which imposes higher or greater obligations upon the Collateral Agent, any other Secured Party or any Receiver than aforesaid.

6.2 Mandatory Provisions of Applicable Law

Subject to Section 6.3, all rights, remedies, and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any mandatory provision of Applicable Law and all the provisions of this Debenture are intended to be subject to all mandatory provisions of Applicable Law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Debenture invalid, unenforceable or not entitled to be recorded, registered or filed under any mandatory provisions of Applicable Law. Subject to Section 6.3, if any mandatory provision of Applicable Law shall provide for different or additional requirements than or to those specified herein as prerequisites to or incidental to the realization, sale or foreclosure of the Charge or any part thereof, then, to that extent, such laws shall be deemed to have been set forth herein at length, and any conflicting provisions hereof shall be disregarded, and the method of realization, sale or foreclosure of the Charge required by any such laws shall, insofar as may be necessary, be substituted herein as the method of realization, sale or foreclosure in lieu of that set forth above. Any provision hereof contrary to mandatory provisions of Applicable Law shall be deemed to be ineffective and shall be severable from and not invalidate any other provision of this Debenture.

6.3 Waivers of Applicable Law

(a) To the extent not prohibited by Applicable Law, each Debtor hereby waives its rights, if any, under all provisions of Applicable Law that would in any manner limit, restrict or otherwise affect the Collateral Agent's or any other Secured Party’s rights and remedies hereunder or impose any additional obligations on the Collateral Agent or any other Secured Party. Each Debtor waives the right to receive any amount which it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty or otherwise) by reason of the failure of the Collateral Agent to deliver to such Debtor a copy of any financing statement or any verification statement issued by any registry that confirms registration of a financing statement relating to this Debenture and each Debtor waives its right to receive a copy of such financing or verification statements.

(b) Each Debtor hereby authorizes the Collateral Agent and each other Secured Party to provide information to any Person who requests information under the PPSA or similar legislation and neither the Collateral Agent nor any such Secured Party will be required to investigate whether or not the inquiring Person is in fact a Person entitled to request information pursuant to the PPSA or similar legislation.

(c) To the full extent that it may lawfully do so, each Debtor hereby:

(i) waives and disclaims any benefit of and shall not have or assert any right under any statute or rule of law pertaining to the marshalling of assets or any other matter whatever to defeat, reduce or affect the rights of the Collateral Agent under the terms of this Debenture to a sale of the Collateral or any part thereof or for the collection of all amounts secured hereby;

(ii) agrees that it shall not have or assert any right or equity of redemption or any right under any statute or otherwise to redeem the Collateral or any part thereof after the sale hereunder to any Person whether such sale is by the Collateral Agent, any other Secured Party, any Receiver or otherwise, notwithstanding that the Collateral Agent, any other Secured Party or any Receiver may have purchased same;

(iii) except as expressly provided herein, waives presentment of this Debenture for payment, diligence, notice of non-payment, protest and notice of protest;

(iv) agrees that *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action (as defined in such Act) with respect to the Charge, the Intercreditor Agreement, the Secured Creditor Documents or the other Security Documents; and

(v) agrees that *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to:

(A) the Intercreditor Agreement, the Secured Creditor Documents, the other Security Documents or any instrument or agreement in implementation thereof;

(B) any Charge or security for the payment of money made, given or created or contemplated pursuant to this Debenture, the Intercreditor Agreement, any Secured Creditor Document or any other Security Document, or any instrument or agreement in implementation thereof;

(C) any agreement or instrument entered into at any time hereafter by such Debtor renewing or extending or collateral to this Debenture, the Intercreditor Agreement, the Secured Creditor Documents or any other Security Document; or

(D) the rights, powers or remedies of the Collateral Agent, any Secured Party or any Receiver under any of the foregoing agreements or instruments.

6.4 <u>Expenses</u>

If any Debtor fails to pay any amounts required to be paid by it under this Debenture or to observe or perform any of the covenants and obligations set forth in this Debenture to be observed or performed by it, the Collateral Agent and any Receiver may, but shall be under no obligation to, pay such amounts or do such act or things as may be required to ensure such observance and performance, without waiving any of its rights under this Debenture. No such payment, act or thing by the Collateral Agent or any Receiver shall relieve any Debtor from any default under this Debenture or the consequences of such default. The reasonable expenses (including the cost of any insurance and payment of taxes or other charges and legal fees and expenses on a solicitor-and-his-own-client, full indemnity basis) paid by the Collateral Agent, any other Secured Party or any Receiver in respect of the care, custody, preservation, use or operation of the Collateral shall be deemed advanced to the Debtors by the Collateral Agent, such Secured Party or such Receiver, shall become part of the Secured

Obligations, shall be a charge upon the Collateral and shall, from the time they are paid by the Collateral Agent, such Secured Party or such Receiver until repaid by the Debtors, bear interest at the applicable rate hereunder set forth herein. In addition, the Debtors shall (on a joint and several liability basis) pay all reasonable expenses (including reasonable legal fees and expenses on a solicitor-and-his-own-client, full indemnity basis) incurred by the Collateral Agent or any Receiver in connection with the preparation, perfection, execution, protection, enforcement of and advice with respect to this Debenture (including the realization, disposition, retention, protection or collection of the Collateral or any part thereof and the protection and enforcement of the rights of the Collateral Agent, any other Secured Party and any Receiver hereunder together with all remuneration paid to a Receiver and all costs, charges and expenses of or incidental to any receivership) and such expenses shall become part of the Secured Obligations and shall, from the time they are paid by the Collateral Agent, such Secured Party or such Receiver until repaid by the Debtors, bear interest at the applicable rate for overdue interest set forth herein.

6.5 <u>Indemnity</u>

Each Debtor shall be liable (on a joint and several basis) for and does hereby indemnify and save harmless the Collateral Agent, each Secured Party and every Receiver from and against any and all liabilities, actions, claims, judgments, obligations, costs, charges or expenses (other than any liabilities, actions, claims, judgments, obligations, costs, changes or expenses arising from the gross negligence or willful misconduct of the Collateral Agent, any Secured Party or any Receiver), including reasonable legal fees and expenses on a solicitor-and-his-own-client, full indemnity basis, made against or incurred by the Collateral Agent, any Secured Party or any Receiver as a result of taking this Debenture and the Collateral Agent and every Secured Party and Receiver shall have the right to defend against any such liabilities, actions, claims and charges and to claim from such Debtor all reasonable expenses incurred in connection therewith, together with all reasonable legal fees and expenses on a solicitor-and-his-own client, full indemnity basis that may be paid in connection therewith. It is understood and agreed that the covenants and conditions of this Section 6.5 shall remain in full force and effect notwithstanding the payment or release, either partially or wholly, of the Charge or any foreclosure thereof.

ARTICLE 7
REGISTRATION AND DISCHARGE

7.1 <u>Composite Mortgage</u>

This Debenture is a composite mortgage and security agreement covering the Collateral of the Debtors located in various Provinces and Territories of Canada and, as to portions of the Collateral located in such separate jurisdictions, this Debenture shall be a separate mortgage and security agreement enforceable against the Debtors without regard to the application of this Debenture to portions of the Collateral located in other jurisdictions. All provisions hereof shall be applicable separately to the portions of the Collateral located in each separate jurisdiction with the same effect as if a separate mortgage and security agreement with respect thereto had been executed and delivered by each Debtor to the Collateral Agent. Upon the reasonable request of the Collateral Agent, each Debtor shall execute and deliver, at its expense, a separate mortgage and security agreement covering the portion of the Collateral located in any such jurisdiction or jurisdictions, such separate mortgage and security agreement to be substantially in the form hereof except for such modifications as shall be required by the fact that such mortgage and security agreement relates only to the property of such Debtor located in such jurisdiction or jurisdictions or as may be required by the Collateral Agent in connection therewith.

7.2 <u>Further Assurances</u>

Each Debtor hereby covenants and agrees that it will at all times, and at its own expense, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, hypothecs, transfers, assignments and assurances as the Collateral Agent may reasonably require for the better assuring, mortgaging, charging, transferring, assigning, granting, delivering and confirming unto the Collateral Agent the Collateral, or any part thereof, and for the better accomplishing and effectuating the purpose of this Debenture including (i) the execution and delivery of indentures supplemental hereto more particularly describing the Collateral or to correct or amplify the description of the Collateral or to better assure, convey and confirm unto the Collateral Agent any of the Collateral, and (ii) the delivery of a legal description of real property of any Debtor, and each Debtor hereby grants the Collateral Agent the right as its attorney to attach to the Debenture, in the place Schedule "B" hereto a land schedule adding such legal descriptions and ratifies and confirms any and all such actions so taken by the Collateral Agent following an Actionable Default that is continuing. Upon the execution of any supplemental indenture under this Section 7.2, this Debenture shall be modified in accordance therewith, and each such supplemental indenture shall form part of this Debenture for all purposes.

7.3 Registration

Each Debtor will assist the Collateral Agent to cause this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents described in Section 7.1 and 7.2 and all documents, caveats, cautions, memorials, security notices and financing statements in respect thereof, are properly filed and refiled, registered and re-registered and deposited and re-deposited, in such manner, in such offices and places, and at such times and as often as may be required by Applicable Law or as may be necessary or desirable to perfect and preserve the Charge as a first priority mortgage, charge and security interest on the rights conferred or intended to be conferred upon the Collateral Agent by the Charge, as required by the Intercreditor Agreement, and will cause to be furnished promptly (at its own expense) to the Collateral Agent evidence satisfactory to the Collateral Agent of such filing, registering and depositing. The Debtors will (on a joint and several liability basis) forthwith upon demand being made by the Collateral Agent, pay all reasonable fees, costs and expenses incurred by the Collateral Agent or any Secured Party or their respective agents in connection with the filing, re-filing, registering, depositing and re-depositing of this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents. The fees, costs and expenses incurred by the Collateral Agent, any Secured Party or their respective agents shall be secured hereby and shall become part of the Secured Obligations.

7.4 Discharge

Upon the full, final and indefeasible payment and performance of the Secured Obligations and the termination of the Secured Creditor Documents, this Debenture and the rights hereby granted shall, at the request of the Debtors, be terminated and thereupon the Collateral Agent shall at the request and at the reasonable expense of the Debtors cancel and discharge the Charge and execute and deliver to the Debtors such deeds and other instruments as shall be requisite to cancel and discharge the Charge; provided however that this Debenture may be delivered, assigned, pledged, hypothecated or deposited by the Debtors as secured for present and future credits, advances and loans to or for indebtedness or other obligations of each Debtor, and until discharged in writing by the Collateral Agent, this Debenture shall: (i) be considered as outstanding for its full amount; (ii) not be cancelled or redeemed on partial or full payment of such loans or indebtedness or satisfaction of such covenants or obligations; and (iii) not be affected by any such loans, indebtedness, covenants or obligations fluctuating from time to time or the amounts in respect thereof ceasing to be in debit balance. Further, this Debenture shall continue to be effective or be reinstated, as the case may be, if for any reason at any time any payment or performance of the Secured Obligations, or any part thereof, is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or reimbursed by the Collateral Agent.

7.5 Partial Discharge

No postponement or partial release or discharge of the Charge in respect of all or any part of the Collateral shall in any way operate or be construed so as to release and discharge the Charge except as therein specifically provided, or so as to release or discharge the Debtors from its liability to the Collateral Agent and the other Secured Parties to fully pay and satisfy the Obligations.

ARTICLE 8
CERTAIN MATTERS IN RESPECT OF THE DEBENTURE

8.1 <u>Deposit of Debenture as Collateral Security</u>

This Debenture may be issued, pledged, hypothecated or deposited by the Debtors as collateral security for any indebtedness, liabilities or obligations (direct or indirect, present or future, absolute or contingent, matured or not, extended or renewed), and may only be cancelled by the Debtors when physically redelivered by the Collateral Agent to the Debtors upon satisfaction of all such liabilities, indebtedness or obligations, except to the extent otherwise agreed to in writing by the Collateral Agent. While this Debenture is so issued, pledged, hypothecated or deposited it shall not be redeemed by reason of the account of the Debtors having ceased to be in debt, or by reason of the liabilities, indebtedness or obligations in respect of which this Debenture is issued, pledged, hypothecated or deposited being repaid or satisfied from time to time.

8.2 <u>Debenture Outstanding for Full Face Amount</u>

This Debenture shall constitute a secured promise of the Debtors to pay the full face principal sum referred to in Section 2.1 irrespective of whether any liabilities, indebtedness or obligations in respect of which this Debenture may have been issued, pledged, hypothecated or deposited as collateral security are less than such amount. Each Debtor agrees and confirms that no payment by such Debtor to the Collateral Agent, any other Secured Party or any other Person for whom the Collateral Agent acts as agent hereunder on account of any such liabilities, indebtedness or obligations shall reduce the principal sum owing under this Debenture unless such payment is specifically and expressly in writing appropriated by the Debtors to this Debenture.

8.3 <u>Debenture Secures Revolving Line</u>

This Debenture secures, among other things, a revolving line of credit up to the amount of the Principal Sum, and both present and future advances, and accordingly the Collateral Agent shall be entitled to all priorities and advantages conferred pursuant to Section 104 of the *Land Titles Act* (Alberta), Part 3 of the *Land Titles Act* (British Columbia) and Part III of the *Land Titles Act* (Saskatchewan), the PPSAs and pursuant to equivalent sections of Applicable Law in other jurisdictions.

8.4 <u>Deemed Satisfaction</u>

Notwithstanding the stated interest rate per annum in Section 2.1 of this Debenture or any other provision hereof, payment by such Debtor of interest and fees for any period in respect of the Secured Obligations at the rate at which such Secured Obligations bear interest or such fees are determined for such period, will be deemed to be payment in satisfaction of the interest payment on the Principal Sum under this Debenture for the same period. Notwithstanding Sections 2.1, 8.2 or any other provision hereof, the Collateral Agent and, as applicable, any of the other Secured Parties shall only be entitled to collect an amount under this Debenture up to the aggregate amount of the Secured Obligations, until all Secured Obligations have been fully and finally repaid.

ARTICLE 9
MISCELLANEOUS

9.1 <u>Additional Security</u>

Subject to Article 8, nothing in this Debenture contained shall detract from or limit the absolute obligation of such Debtor to make payment of this Debenture and of all monies owing hereunder at the time and in the manner provided in this Debenture and to perform or observe any other act or condition which it is required to perform or observe hereunder whether or not the Charge is operative, and the rights under this Debenture shall be in addition to and not in substitution for any other Security Interests of any and every character now or hereafter held by the Collateral Agent or any other Secured Party for the Obligations.

9.2 Quiet Enjoyment

Upon the occurrence of and during the continuance of an Actionable Default, the Collateral Agent and the other Secured Parties shall, as against the Debtors, be entitled to quiet possession of the Collateral, free from all Liens other than any Liens permitted by the Intercreditor Agreement.

9.3 Third Parties

No Person dealing with the Collateral Agent, the Secured Parties, any Receiver or any of their respective agents shall be concerned to inquire whether the Charge (or any part thereof) has become enforceable, or whether the powers which the Collateral Agent or any Receiver is purporting to exercise have become exercisable, or whether any of the Obligations remain outstanding or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Collateral Agent with the Collateral or any part thereof or to see to the application of any money paid to the Collateral Agent, and, in the absence of fraud on the part of such Person, such dealings shall be deemed, as regards the safety and protection of such Person, to be within the powers hereby conferred upon the Collateral Agent and to be valid and effective accordingly.

9.4 Severability

Any provision of this Debenture which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

9.5 Amendments

No delay or failure by the Collateral Agent or any other Secured Parties in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. None of the terms or provisions of this Debenture may be waived, amended, supplemented or otherwise modified except in accordance with the Intercreditor Agreement. Each waiver made in accordance with this Section 9.5 shall be effective only in the specific instance and for the specific purpose for which it is given.

9.6 Governing Law

This Debenture is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. Each Debtor hereby irrevocably submits and attorns to the jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Debenture, or any of the transactions contemplated hereby, without prejudice to the rights of the Collateral Agent or any Secured Party or Receiver to take proceedings in other jurisdictions in which any Collateral may be situated.

9.7 Acknowledgement of Agency

Computershare Trust Company of Canada has entered into this Debenture and any document delivered in connection herewith in its capacity as Collateral Agent of the Secured Parties (and in such capacity is herein only referred to as the "**Collateral Agent**") and any and all of the representations, undertakings, covenants, indemnities, agreements and other obligations (in this section, collectively "**obligations**") made on the part of the Collateral Agent herein or therein are made and intended not as personal obligations of or by Computershare Trust Company of Canada or for the purpose or with the intention of binding Computershare Trust Company of Canada in its personal capacity, but are made and intended for the purpose of binding only the Collateral Agent in its capacity as agent for the Secured Parties. No property or assets of Computershare Trust Company of Canada, whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the Collateral Agent's obligations hereunder or thereunder. No recourse may be had or taken, directly or indirectly, against Computershare Trust Company of Canada in its personal capacity, or any incorporator, shareholder, officer, director, employee or agent of Computershare Trust Company of Canada or of any predecessor or successor of Computershare Trust Company of Canada, with regard to the Collateral Agent's obligations hereunder.

9.8 Limitation on Duties Regarding Preservation of Collateral

The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of Collateral in its possession or under its control will be to use reasonable care in the custody and preservation of such Collateral. Each Debtor agrees that the Collateral Agent will be deemed to have used reasonable care in the custody and preservation of Collateral if the Collateral Agent deals with such Collateral in the same manner as the Collateral Agent deals with similar property for its own account and, to the extent permitted by Applicable Law, the Collateral Agent need not take any steps to preserve rights against any other Person (including prior parties). None of the Collateral Agent, any other Secured Party or any of their respective directors, officers, employees or agents will be liable for failure to demand, collect or realize upon the Collateral or for any delay in doing so or will be under any obligation to sell or otherwise dispose of any Collateral upon the request of such Debtor or otherwise.

9.9 Time of the Essence

Time shall be of the essence of this Debenture.

9.10 Enurement

This Debenture shall be binding upon the Debtors and their respective successors and permitted assigns and shall enure to the benefit of the Collateral Agent and each of the other Secured Parties and their respective successors and assigns. No Debtor may assign its obligations under this Debenture unless it is permitted to do so pursuant to the Intercreditor Agreement.

9.11 Headings and Table of Contents

The headings and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

9.12 References

Unless something in the subject matter or context is inconsistent herewith, all references to Sections, Articles and Schedules are to Sections and Articles of and Schedules to this Debenture. The words "hereto", "hereof", "hereunder" and similar expressions mean and refer to this Debenture. In this Debenture the singular includes the plural and vice versa; a reference to gender includes the masculine, feminine and neuter; where a term or expression is defined, derivations thereof have a corresponding meaning; references to any statute, act or other legislative enactment shall be to such statute, act or other legislative enactment as amended from time to time or replaced by a statute, act or other legislative enactment dealing with substantially the same subject matter as the statute, act or other legislative enactment so replaced; and references to any agreement, contract, document, licence or other instrument shall mean and refer to such agreement, contract, document, licence or other instrument as amended, modified, replaced, restated, extended, renewed or supplemented from time to time.

9.13 Receipt

Each Debtor hereby acknowledges receipt of an executed copy of this Debenture.

9.14 Notices

All notices, requests, demand and other communications provided for herein shall be given in the manner and subject to the terms of Section 40 of the Intercredtior Agreement; provided that any such notice, request, demand or communication may be addressed to the respective parties as follows:

(a) if to any Debtor, to it c/o Trican Well Service Ltd., Suite 2900, 645 – 7th Avenue SW, Calgary, Alberta, T2P 4G8, Attention: Vice President Finance & Chief Financial Officer (Facsimile No. (403) 237-7716; and

(b) if to the Collateral Agent, to it at Suite 600, 530 – 8 Avenue SW, Calgary, Alberta, T2P 3S8, Attention: Manager, Corporate Trust (Facsimile No. (403) 267-6598.

9.15 Paramountcy

To the extent that there is any inconsistency between the provisions of this Debenture and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will govern to the extent necessary to eliminate such inconsistency or ambiguity.

9.16 Deemed Action by All Debtors

All consents, waivers, notices and other action required, made, given or received by the Debtors under this Debenture will be deemed to be required, made, given or received by all of the Debtors if required, made, given or received by any of the Debtors.

9.17 Debtors Jointly and Severally Liable

Notwithstanding anything else set forth in this Debenture to the contrary, each of the Debtors agrees and confirms to the Collateral Agent and the other Secured Parties that the indebtedness, liabilities and obligations of the Debtors under this Debenture are joint and several as between each Debtor.

9.18 Joinder of Additional Debtors

Additional Persons may from time to time after the date of this Debenture become Debtors hereunder by executing and delivering to the Collateral Agent a supplemental debenture (together with all schedules thereto, a "**Supplemental Debenture**") to this Debenture, in substantially the form attached hereto as Schedule "C". Effective from and after the date of the execution and delivery by any Person to the Collateral Agent of a Supplemental Debenture:

(a) such Person shall be, and shall be deemed for all purposes to be, a Debtor under this Debenture with the same force and effect, and subject to the same agreements, representations, warranties, indemnities, liabilities, obligations and Security Interest, as if such Person had been an original signatory to this Debenture as a Debtor; and

(b) all Collateral of such Person shall be subject to the Security Interest from such Person as security for the due payment and performance of the Principal Sum in accordance with the provisions of this Debenture; and

(c) the Perfection Certificate shall be deemed to be supplemented by the perfection certificate attached to such Supplemental Debenture.

The execution and delivery of a Supplemental Debenture by any additional Person shall not require the consent of any Debtor and all of the Obligations of each Debtor and the Security Interest granted thereby shall remain in full force and effect, notwithstanding the addition of any new Debtor to this Debenture.

9.19 Counterparts

This Debenture may be executed by facsimile of other electronic means in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[*Remainder of page left intentionally blank*]

IN WITNESS WHEREOF each Debtor has issued this Debenture signed by its duly authorized signatory effective as of the date and year first above written.

TRICAN WELL SERVICE LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

TRICAN PARTNERSHIP, by its managing partner TRICAN WELL SERVICE LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

TRICAN COMPLETION SOLUTIONS LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

CANADIAN OILFIELD STIMULATION SERVICES LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

BIRCHWOOD INDUSTRIES LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

NORTHLINE ENERGY SERVICES INC.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

NORTHLINE ENERGY LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

TRICAN GEOLOGICAL SOLUTIONS LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

Acknowledged and agreed as of the date and year first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, as Collateral Agent

Per: ________________________________
Name:
Title:

Per: ________________________________
Name:
Title:

Schedule A
Attached to and forming part of the Demand Debenture

DEFINITIONS

In this Debenture:

"**Addition Agreement**" means an agreement substantially in the form of Schedule "C" attached hereto.

"**Borrowers**" means the Canadian Borrower and the US Borrower.

"**Canadian Borrower**" means Trican Well Service Ltd.

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

"**Charge**" means the mortgages, charges and security interests created by or intended to be created by Section 3.1 of this Debenture.

"**Collateral**" means the whole, or any item or part, of the property, assets, rights and undertaking of such Debtor from time to time subjected or intended to be subjected to the Charge, including the Specifically Mortgaged Property but excluding the Excluded Property.

"**Collateral Agent**" means Computershare Trust Company of Canda, in its capacity as collateral agent for the Secured Parties, any successor thereof appointed pursuant to the Intercreditor Agreement, and any Affiliate or designee of Computershare Trust Company of Canda, that may act as the Collateral Agent under the Intercreditor Agreement.

"**Debenture**" means this Demand Debenture, as amended, restated, amended and restated, modified or supplemented from time to time, in each case to the extent permitted hereunder, including all Schedules hereto.

"**include**", "**includes**" and "**including**" shall be deemed to be followed by the phrase "without limitation".

"**lease**" shall include sublease and any other agreements in the nature of a lease.

"**Intercreditor Agreement**" means the Collateral Trust and Intercreditor Agreement dated November 12, 2015 among, *inter alios*, the Borrowers, the Collateral Agent and the Administrative Agents, as such agreement may be amended, restated, amended and restated, modified, supplemented, substituted or replaced from time to time, in each case to the extent permitted thereunder.

"**Obligations**" means, collectively:

(a) all of the indebtedness, liabilities and obligations, present and future, matured or not, of each Debtor under this Debenture, including payment of the Principal Amount, interest thereon and interest on overdue interest, and payment of all other amounts required to be paid hereunder; and

(b) the Secured Obligations,

provided that, notwithstanding anything herein to the contrary, Obligations shall not include Excluded Swap Obligations.

"**Perfection Certificate**" means that certain perfection certificate of the Canadian Borrower dated as of the date hereof, in respect of the Debtors and certain other parties.

“**Principal Amount**” means the principal amount payable pursuant to Section 2.1 (or, subject to Section 8.2, so much thereof as remains from time to time unpaid).

“**PPSA**” means the *Personal Property Security Act* (Alberta), as amended from time to time; and the terms “proceeds”, “chattel paper”, “intangible”, “instrument”, “document of title” and “account” shall, when used herein, have the same meanings as are ascribed thereto in the PPSA; however, in the event that, by reason of mandatory provisions of law, any or all of the granting, attachment, perfection, opposability, priority, ranking, enforcement or remedies with respect to the security interests on any Collateral is governed by the personal property security legislation as enacted and in effect in a jurisdiction other than the Province of Alberta, the term "**PPSA**" shall mean such personal property security legislation as enacted and in effect in such other jurisdiction solely for the purposes of the provisions thereof relating to such granting, attachment, perfection, opposability, priority, ranking, enforcement or remedies.

“**Receiver**” means any receiver, manager, or receiver and manager of the Collateral or any part thereof or the business and undertaking of each Debtor, or any part thereof, whether appointed by the Collateral Agent under this Debenture or by a court pursuant to Applicable Law and any nominee of the Collateral Agent or any other Person that is appointed by the Collateral Agent to exercise all or any of the powers, rights and benefits of the Collateral Agent under this Debenture.

“**Receiver’s Certificates**” has the meaning set forth in Section 5.8(f) of this Debenture.

“**Specifically Mortgaged Property**” has the meaning set forth in Section 3.1(a) of this Debenture.

“**Unlimited Company**” has the meaning set forth in Section 3.5 of this Debenture.

“**Unlimited Liability Shares**” has the meaning set forth in Section 3.5 of this Debenture.

“**US Borrower**” means Trican Well Service, L.P.

Schedule B
Attached to and forming part of the Demand Debenture

SPECIFICALLY MORTGAGED PROPERTIES

[REDACTED TABLE OF SPECIFICALLY MORTGAGED PROPERTIES, INCLUDING INFORMATION IN RESPECT OF THE OWNER OF EACH PROPERTY, THE PROVINCE IN WHICH EACH PROPERTY IS LOCATED, THE ADDRESS OF EACH PROPERTY AND THE LEGAL DESCRIPTION OF EACH PROPERTY]

Schedule C
Attached to and forming part of the Demand Debenture

FORM OF SUPPLEMENTAL DEBENTURE

SUPPLEMENTAL DEBENTURE

This [____] supplemental debenture (this "**Supplemental Debenture**") dated as of the ____ day of ______________, 20[____] is made by [____] (the "**New Debtor**") in favour of the Collateral Agent for its own benefit and on behalf of the Secured Parties.

RECITALS:

(A) Reference is made to the Demand Debenture (as amended, supplemented or otherwise modified from time to time, the "**Debenture**") dated as of November 12, 2015, entered into by Trican Well Service Ltd. and certain other Debtors in favour of the Collateral Agent.

(B) Capitalized terms used but not otherwise defined in this Supplemental Debenture have the respective meanings given to such terms in the Debenture, including the definitions of terms incorporated in the Debenture by reference to other agreements.

(C) Section 9.18 of the Debenture provides that additional Persons may from time to time after the date of the Debenture become Debtors under the Debenture by executing and delivering to the Collateral Agent a supplemental debenture to the Debenture in the form of this Supplemental Debenture.

(D) The undersigned (the "**New Debtor**") has agreed to become a Debtor under the Debenture by executing and delivering this Supplemental Debenture to the Lender.

AGREEMENT:

The New Debtor agrees with and in favour of the Collateral Agent as follows:

1 New Debtor

The New Debtor has received a copy of, and has reviewed, the Debenture and is executing and delivering this Supplemental Debenture to the Collateral Agent pursuant to Section 9.18 thereof.

2 Promise to Pay

Subject to Article 8 of the Debenture, the New Debtor, for value received, hereby acknowledges itself jointly and severally indebted and promises to pay to the Collateral Agent for and on behalf of the Collateral Agent, for itself and as agent for the other Secured Parties, or any subsequent holder or holders of the Debenture ON DEMAND (or on such earlier date as the principal sum hereof may become payable as provided herein) the Principal Sum and to pay interest on such principal sum at the rate set out in the Debenture from the date hereof until full and final payment and discharge hereof, as well after as before maturity, default and judgment in like money and, to the extent permitted by Applicable Law, to pay interest on overdue and unpaid interest at the same rate as aforesaid.

3 Effectiveness; Charge

Effective from and after the date this Supplemental Debenture is executed and delivered to the Collateral Agent by the New Debtor:

(a) the New Debtor shall be, and shall be deemed for all purposes to be, a Debtor under the Debenture with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and Charge, as if the New Debtor had been, as of the date of this Supplemental Debenture, an original signatory to the Debenture as a Debtor; and

(b) all Collateral of the New Debtor shall be subject to the Charge granted by the New Debtor as security for the due payment and performance of the Principal Sum in accordance with the provisions of the Debenture.

In furtherance of the foregoing, the New Debtor, as general and continuing collateral security for the due payment of the Principal Sum, interest and all other monies payable hereunder or from time to time secured by the Debenture and as security for the performance and observance of the Obligations, hereby grants, assigns, conveys, mortgages and charges to and in favour of the Collateral Agent, for and on behalf of the Secured Parties, the charges, mortgages and security interests set out in Section 3.1 of the Debenture (subject to the terms of the Debenture) over the New Debtor's right, title, estate and interest, whether now or hereafter acquired, in all of the New Debtor's real and personal property, tangible and intangible, in each case, of every nature and kind and wherever situate but excluding the Excluded Property, including, without limitation, accounts, general intangibles, goods (including inventory, equipment and fixtures), chattel paper, investment property, documents of title, instruments, money, cash and cash equivalents, trade-marks, copyrights, patents, licenses and other intellectual property or intangibles and all proceeds thereof.

4 Reference to Debenture

All other provisions of the Debenture are, subject as hereinbefore provided, incorporated herein by reference.

5 Representations and Warranties

The New Debtor represents and warrants to the Collateral Agent and the Secured Parties that each of the representations and warranties made or deemed to have been made by it under the Debenture or Intercreditor Agreement as a Debtor are true and correct on the date of this Supplemental Debenture.

6 Perfection Certificate

Attached to this Supplemental Debenture is a duly completed perfection certificate, supplementing the Perfection Certificate (the "**Supplemental Perfection Certificate**"). The New Debtor represents and warrants that the information contained on the Supplemental Perfection Certificate with respect to such Debtor and its properties and assets is true, complete and accurate as of the date hereof. Such Supplemental Perfection Certificate shall be deemed to be part of the Debenture.

7 Governing Law

This Supplemental Debenture will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without giving effect to the conflict of law principles thereof. Without prejudice to the ability of the Collateral Agent to enforce this Supplemental Debenture in any other proper jurisdiction, the New Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta, or any appellate courts thereof, for the purposes of this Supplemental Debenture.

8 Electronic Signatures

Delivery of an executed signature page to this Supplemental Debenture by the New Debtor by facsimile or other electronic transmission shall be as effective as delivery by the New Debtor of a manually executed copy of this Supplemental Debenture by the New Debtor.

9 Assignment, etc.

This Supplemental Debenture and the Debenture shall be binding upon the New Debtor and its successors. The New Debtor shall not assign its rights and obligations under this Supplemental Debenture or the Debenture, or any of its rights or obligations in this Supplemental Debenture or the Debenture.

THIS SUPPLEMENTAL DEBENTURE executed effective the date first written above.

[NEW DEBTOR]

Per: ______________________________

Name:

Title:

SCHEDULE "H-3"
TO RESTATED CREDIT AGREEMENT

FORM OF CANADIAN OBLIGOR SECURITY AGREEMENT

GENERAL SECURITY AGREEMENT

[Attached]

SCHEDULE "H-3"
TO RESTATED CREDIT AGREEMENT

FORM OF CANADIAN OBLIGOR SECURITY AGREEMENT

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of November 12, 2015

BETWEEN:

EACH OF THE PARTIES LISTED ON THE SIGNATURE PAGES HERETO UNDER THE HEADING "DEBTORS", TOGETHER WITH EACH OTHER PERSON THAT MAY BECOME A PARTY HERETO AS A DEBTOR AS PROVIDED HEREIN (hereinafter collectively referred to as the "**Debtors**" and individually as a "**Debtor**")

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as Collateral Agent.

WHEREAS each Debtor has agreed to grant, as general and continuing security for the payment and performance of the Obligations, the mortgages, charges, assignments and security interests granted herein;

AND WHEREAS pursuant to the Intercreditor Agreement, the Collateral Agent was appointed to act as collateral agent for the Beneficiaries;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

"**Account Control Agreement**" means, with respect to a securities account, a securities account control agreement between a Debtor, the Collateral Agent and the securities intermediary which maintains such securities account on behalf of such Debtor, as the same may be amended, modified, supplemented or restated from time to time.

"**Agreement**" means this general security agreement and share pledge, as amended, restated, supplemented, or otherwise modified from time to time in accordance with the provisions hereof.

"**Beneficiaries**" means, collectively, the Collateral Agent and the other Secured Parties, and "**Beneficiary**" means any one of them.

"**Borrowers**" means the Canadian Borrower and the US Borrower.

"**Canadian Borrower**" means Trican Well Service Ltd.

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

“**Canadian Intellectual Property Security Agreement**” means, collectively, each Canadian Intellectual Property Security Agreement (and addendum thereto delivered in accordance therewith or with this Agreement) delivered by any Debtor pursuant to Section 2.9(a), Section 2.9(c) or as required under any Joinder.

"**Charge**" means the mortgages, charges, assignments and security interests created hereunder and under any Joinder.

"**Collateral**" has the meaning set out in Section 2.1.

“**Collateral Agent**” means Computershare Trust Company of Canada, in its capacity as collateral agent for the Beneficiaries, any successor thereof appointed pursuant to the Intercreditor Agreement, and any Affiliate or designee of Computershare Trust Company of Canada, that may act as the Collateral Agent under the Intercreditor Agreement.

"**Delivery**" and the corresponding term "**Delivered**" when used with respect to Collateral means:

(a) in the case of Collateral constituting certificated securities, transfer thereof to the Collateral Agent or its nominee by physical delivery of the security certificates to the Collateral Agent or its nominee, such Collateral to be endorsed for transfer or accompanied by Transfer Documents, all in form and content satisfactory to the Collateral Agent;

(b) in the case of Collateral constituting uncertificated securities, (i) registration thereof on the books and records of the issuer thereof in the name of the Collateral Agent or its nominee or (ii) the execution and delivery by the issuer thereof of an effective agreement (each, an "**Issuer Control Agreement**"), pursuant to which such issuer agrees that it will comply with instructions originated by the Collateral Agent or its nominee without further consent of the applicable Debtor or any other person;

(c) in the case of Collateral constituting security entitlements in respect of financial assets deposited in or credited to a securities account, (i) completion of all actions necessary to constitute the Collateral Agent or its nominee the entitlement holder with respect to each such security entitlement or (ii) the execution and delivery by the relevant securities intermediary of an effective Account Control Agreement pursuant to which such securities intermediary agrees to comply with entitlement orders originated by the Collateral Agent or its nominee without further consent of the applicable Debtor or any other person; and

(d) in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, any Collateral in favour of the Collateral Agent or its nominee.

"**Joinder**" has the meaning set out in Section 7.21.

"**lease**" shall include sublease and any other agreements in the nature of a lease.

“**Intercreditor Agreement**” means the Collateral Trust and Intercreditor Agreement dated November 12, 2015 among, *inter alios*, the Borrowers, the Collateral Agent and the Administrative Agents, as such agreement may be amended, restated, amended and restated, modified, supplemented, substituted or replaced from time to time, in each case to the extent permitted thereunder.

“**Intellectual Property Collateral**” has the meaning set out in Section 2.1(g);

“**Investment Property Collateral**” means any right, title, estate and interest that any Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in the following:

(a) all Stock;

(b) all other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of such Debtor in respect of, in substitution for, in addition to or in exchange for, any of the foregoing; and

(c) all proceeds in respect of the foregoing described in this definition and all rights and interest of such Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by such Debtor in connection with the sale of any of the foregoing (including all proceeds received or receivable in connection with the redemption or purchase for cancellation of any of the Pledged Securities);

"**Obligations**" means the Secured Obligations (as defined in the Intercreditor Agreement); provided that, notwithstanding anything herein to the contrary, Obligations shall not include Excluded Swap Obligations.

“**Perfection Certificate**” means that certain perfection certificate of the Canadian Borrower dated as of the date hereof, in respect of the Debtors and certain other parties.

"**Pledged Securities**" has the meaning set out in paragraph (a) of the definition of "Stock".

"**Receiver**" has the meaning set out in Section 6.1(a)(i).

"**Stock**" means, in the case of each Debtor:

(a) all securities (collectively, the "**Pledged Securities**") owned by such Debtor, all security certificates, if any, and other instruments and documents evidencing or representing such Pledged Securities, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Securities;

(b) all additional or substitute shares of capital stock, partnership interests or other equity interests of any class of any issuer from time to time issued to or otherwise acquired by such Debtor in any manner in respect of Pledged Securities, the security certificates, if any, and other instruments representing such additional or substitute shares, and all dividends, interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of such additional or substitute shares; and

(c) to the extent not otherwise included in the foregoing, all proceeds thereof.

"**Transfer Documents**" means, with respect to the transfer of Pledged Securities or other Stock, stock transfers, powers of attorney or other instruments of transfer, in each case, executed in blank and in form and substance as may be required (from time to time) by the Collateral Agent, acting reasonably.

Unlimited Company” has the meaning set forth in Section 2.5 of this Agreement.

Unlimited Liability Shares” has the meaning set forth in Section 2.5 of this Agreement.

“**US Borrower**” means Trican Well Service, L.P.

1.2 Definitions used in the Intercreditor Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Intercreditor Agreement.

1.3 Personal Property Security Act Definitions

The terms "accessions", "accounts", "chattel paper", "documents of title", "goods", "instruments", "intangibles", "inventory", "investment property", "money" and "proceeds" whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Alberta) (the "**PPSA**"), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

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

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing Persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.6 Calculation of Interest

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

1.7 Schedules

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

1.8 References to Debtor

All references in this Agreement to representations and warranties by, covenants of, actions and steps by, or the performance of the terms and conditions hereof by a “Debtor” that is a partnership shall, as the context requires, be and shall be construed as being by the partners or general partner, as applicable, of such Debtor on behalf of and in respect of such partnership.

ARTICLE 2
GRANT OF SECURITY

2.1 Security

As general and continuing security for the payment and performance of the Obligations, each Debtor hereby pledges, hypothecates, assigns, charges, conveys, sets over and transfers unto the Collateral Agent for the benefit of the Beneficiaries and does hereby grant to the Collateral Agent for the benefit of the Beneficiaries a continuing security interest in and to all of the present and future undertaking, assets and property of such Debtor, both real and personal, including all present and after-acquired personal property of such Debtor, but in all cases excluding Excluded Property (collectively, the "**Collateral**"). Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that each such Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

(a) ***Accounts Receivable***: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to such Debtor (collectively, the "**Receivables**");

(b) ***Inventory***: all inventory of whatever kind and wherever situated, including all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are works in progress, or that are raw materials used or consumed in the business of such Debtor (collectively, the "**Inventory**");

(c) ***Equipment***: all goods, machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory, including the tangible personal property described in any schedule hereto executed by both such Debtor and the Collateral Agent;

(d) ***Chattel Paper***: all chattel paper;

(e) ***Documents of Title***: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(f) ***Investment Property and Instruments****:* all of the following (being collectively referred to herein as the "**Investment Property Collateral**"):

(i) all securities accounts in the name of such Debtor, including any and all assets of whatever type or kind deposited in or credited to such securities accounts, including all financial assets, all security entitlements related to such financial assets, and all security certificates and other certificates and instruments from time to time representing or evidencing the same, and all dividends, whether in shares, money or property, interest, distributions, cash and other property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, capital or otherwise distributed or distributable in respect of or in exchange for any or all of the foregoing;

(ii) all Stock;

(iii) all financial assets;

(iv) all security entitlements;

(v) all other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of such Debtor in respect of, in substitution for, in addition to or in exchange for, any of the foregoing; and

(vi) all proceeds in respect of the foregoing described in this subparagraph (f) and all rights and interest of such Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by such Debtor in connection with the sale of any of the foregoing (including all proceeds received or receivable in connection with the redemption or purchase for cancellation of any of the Pledged Securities);

(g) ***Intellectual Property Collateral****:* all patents, trademarks (excluding only United States intent-to-use trademark applications to the extent that and solely during the period in which the grant, attachment or enforcement of a security interest therein would impair, under applicable federal law, the registrability of such applications or the validity or enforceability of registrations issuing from such applications), copyrights, trade secrets, intellectual property licenses and all other industrial, intangible and intellectual property of any type, including mask works and industrial designs (collectively “**Intellectual Property Collateral**”);

(h) ***Intangibles***: all intangibles not described in the foregoing paragraphs of this Section 2.1;

(i) ***Money***: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(j) ***Books, Records, Etc.***: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (i) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;

(k) ***Substitutions, Etc.***: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to (j) inclusive; and

(l) ***Proceeds***: all proceeds of the property described in Sections 2.1(a) to (k) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

provided that the Charge shall not: (i) extend, include or apply to the last day of the term of any other lease now held or hereafter acquired by such Debtor, but should the Collateral Agent enforce the said Charge, such Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any Person acquiring such term in the course of the enforcement of the said Charge, (ii) render the Collateral Agent liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which such Debtor is a party or by which it is bound or (iii) extend to, and the Collateral shall not include any agreement, right, franchise, licence or permit (the "**Contractual Rights**") to which any Debtor is a party or of which any Debtor has benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of, or permit any person to terminate, the Contractual Rights, but such Debtor shall hold its interest therein in trust for the Collateral Agent and shall assign such Contractual Rights to the Collateral Agent forthwith upon obtaining the consent of all other parties thereto. Each Debtor agrees that it shall, upon the request of the Collateral Agent, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

2.2 Attachment of Security Interest

Each Debtor acknowledges that value has been given and agrees that the security interest granted hereby shall attach when such Debtor signs this Agreement and such Debtor has any rights in the Collateral except for after-acquired Collateral which the security interest granted hereby shall attach when such Debtor has rights in such Collateral.

2.3 Security Interest Absolute

The Charge granted hereby and all rights of the Collateral Agent hereunder and all obligations of each Debtor hereunder are unconditional and absolute and independent and separate from any other security for the Obligations, whether executed by any Debtor or any other person.

2.4 Continuing Liability of Debtor

This Agreement and the Charge granted hereby is granted as collateral security only and will not subject the Collateral Agent or the other Beneficiaries to, or transfer or in any way affect or modify, any obligation or liability of any Debtor with respect to any of the Collateral or any transaction in connection therewith.

2.5 Unlimited Liability Shares

Notwithstanding any other provision in this Agreement, to the extent that any shares (the "**Unlimited Liability Shares**") in an unlimited liability company (an "**Unlimited Company**") constitute Collateral, neither the Collateral Agent nor any other Beneficiary shall become or be deemed to become a member or shareholder, or obtain or have the right to obtain any other indicia of ownership of any Unlimited Company, and no provision in this Agreement (except this Section 2.5) or actions taken by the Collateral Agent or any other Beneficiary pursuant to this Agreement which might provide or be deemed to provide otherwise, in whole or in part, shall, without the express written consent of the Collateral Agent, apply in respect of Unlimited Liability Shares. For the avoidance of doubt, and except as otherwise provided in the last sentence of this Section 2.5, no provision of this Agreement or actions taken by the Collateral Agent pursuant to this Agreement shall apply or be deemed to apply so as to cause the Collateral Agent or any other Beneficiary to be, and neither the Collateral Agent nor any other Beneficiary shall be or be deemed to be, or entitled to:

(a) be registered as a shareholder or member, or apply to be registered as a shareholder or member, of any Unlimited Company;

(b) request or assent to a notation being entered in its favour in the share register in respect of Unlimited Liability Shares;

(c) hold itself out as a shareholder or member of any Unlimited Company; or

(d) act or purport to act as a member of any Unlimited Company, or obtain, exercise or attempt to exercise any rights of a shareholder or member, including the right to attend a meeting of, or to vote any Unlimited Liability Shares or to be entitled to receive any distribution in respect of Unlimited Liability Shares.

The foregoing limitation shall not restrict the Collateral Agent from exercising the rights which it is entitled to exercise hereunder in respect of any Unlimited Liability Shares constituting Collateral at any time that the Collateral Agent shall be entitled to realize on all or any portion of the Collateral.

2.6 Delivery of Investment Property Collateral; Registration in Name of Collateral Agent

All Investment Property Collateral shall be Delivered immediately to the Collateral Agent or its nominee, including all security certificates, instruments or other documents representing or evidencing the Investment Property Collateral, which shall be endorsed for transfer in blank by each applicable Debtor and accompanied by Transfer Documents, all as satisfactory to the Collateral Agent. Subject to the Intercreditor Agreement, the Collateral Agent may, at its option and shall, upon receipt of a Notice of Actionable Default, cause all or any of the Investment Property Collateral to be registered in the name of the Collateral Agent or a nominee of the Collateral Agent.

2.7 Subsequently Acquired Investment Property Collateral

To the extent any Debtor has or acquires, by way of amalgamation or otherwise, any additional Investment Property Collateral at any time or from time to time after the date hereof, such Investment Property Collateral will automatically (and without any further action being required to be taken by the Collateral Agent) be subject to the Charge created hereby. Each Debtor will take, or cause to be taken, as promptly as practicable and, in any event within 10 Business Days after it obtains such additional Investment Property Collateral, in each case, all steps and actions as the Collateral Agent determines necessary to ensure that the additional Investment Property Collateral is Delivered to the Collateral Agent, including delivery to the Collateral Agent of any security certificates comprising such additional Investment Property Collateral, accompanied by Transfer Documents.

2.8 Not Liable on Debtor's Agreements

Subject to Section 7.13, nothing contained in this Agreement shall be construed as rendering the Collateral Agent or any other Beneficiary liable, directly or indirectly, for any obligations of any Debtor under any agreement, instrument, permit, lease, license or other document subject to the lien hereof, or any judgment, decree or order of any governmental authority.

2.9 Intellectual Property

(a) On the date hereof, each Debtor shall duly execute and deliver to the Collateral Agent the Canadian Intellectual Property Security Agreement substantially in the form attached hereto as Schedule “B”, and shall procure that the same is registered with the Canadian Intellectual Property Office in accordance with the terms thereof.

(b) On a continuing basis, each Debtor shall, at its sole cost and expense:

(i) not license the Intellectual Property Collateral in any manner that could materially impair the value of the Intellectual Property Collateral or the security interest in the Intellectual Property Collateral created therein hereby, without the consent of the Collateral Agent;

(ii) diligently keep adequate records respecting its material Intellectual Property Collateral; and

(iii) furnish to the Collateral Agent from time to time upon the Collateral Agent’s reasonable request therefor reasonably detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as the Collateral Agent may from time to time reasonably request.

(c) If any Debtor shall at any time after the date hereof obtain or become entitled to any rights to any additional Intellectual Property Collateral, such Debtor shall promptly (i) provide to the Collateral Agent written notice of any of the foregoing and execute and deliver a supplemental Canadian Intellectual Property Security Agreement in accordance with the Canadian Intellectual Property Security Agreement, (ii) provide the Collateral Agent with an amendment to the applicable Canadian Intellectual Property Security Agreement to include any such additional Intellectual Property Collateral of such Debtor; and (iii) procure that such amendment is registered in accordance with the terms of the applicable Canadian Intellectual Property Security Agreement. Without derogation from the foregoing, each Debtor hereby further authorizes the Collateral Agent to file with the Canadian Intellectual Property Office, the United States Patent and Trademark Office and the United States Copyright Office (and any successor office and any similar office in any United States state or other country) this Agreement, the Intellectual Property Security Agreement, and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder, without the signature of such Grantor where permitted by law, and naming such Grantor as debtor, and the Collateral Agent as secured party.

2.10 Further Assurances

Each Debtor hereby covenants and agrees that it will (subject to the Perfection Exceptions) at all times, and at its own expense, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, hypothecs, transfers, assignments and assurances as the Collateral Agent may reasonably require for the better assuring, mortgaging, charging, transferring, assigning, granting, delivering and confirming unto the Collateral Agent the Collateral, or any part thereof, and for the better accomplishing and effectuating the purpose of this Agreement including (i) the execution and delivery of agreements supplemental hereto more particularly describing the Collateral or to correct or amplify the description of the Collateral or to better assure, convey and confirm unto the Collateral Agent any of the Collateral; and (ii) the filing of any financing statements, continuation statements and other documents under the PPSA (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby, the filing of the Canadian Intellectual Property Security Agreement with the Canadian Intellectual Property Office, United States Patent and Trademark Office and the United States Copyright Office.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTORS

3.1 Representations and Warranties

Each Debtor hereby represents and warrants to the Collateral Agent and the Beneficiaries that (and acknowledges that the Collateral Agent and the Beneficiaries are relying on the same) as of the date hereof:

(a) subject to Section 2.1, such Debtor has the right to charge the Collateral as contemplated by this Agreement;

(b) such Debtor is the legal and beneficial owner of the Collateral pledged or collaterally assigned by such Debtor hereunder free and clear of any Lien, except for Permitted Liens;

(c) the Pledged Securities pledged by such Debtor hereunder have been duly authorized and validly issued and are fully paid and non-assessable, in each case, to the extent such concepts are applicable in the jurisdiction of organization of the respective issuer;

(d) this Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Beneficiaries, legal, valid and enforceable Security Interests in the

Collateral subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally, and general equitable principles;

(e) the Security Interests granted pursuant to this Agreement will constitute valid Security Interests in the Collateral in favor of the Collateral Agent, for the benefit of the Beneficiaries;

(f) such Debtor's legal name is indicated in Section 1 of the Perfection Certificate;

(g) such Debtor's jurisdiction of incorporation is indicated in Section 2 of the Perfection Certificate;

(h) the address of such Debtor's chief executive office (as such term is utilized in the PPSA) is indicated next to its name in Section 3(a) of the Perfection Certificate;

(i) the addresses of all offices where such Debtor keeps maintains any books or records relating to Collateral consisting of accounts, instruments, chattel paper, intangibles or goods are indicated in Section 3(c) of the Perfection Certificate;

(j) all locations at which any of the collateral consisting of inventory or equipment of such Debtor is located are indicated in Section 3(e) of the Perfection Certificate;

(k) all property of such Debtor which constitutes "serial number goods" (as defined in the PPSA) are indicated in Section 14 of the Perfection Certificate;

(l) all patents, patent applications, patent licenses, trademarks, trademark applications and trademark licences registered with the Canadian Intellectual Property Office, the United States Patent and Trademark Office or any similar office in any other jurisdiction, including the name of the registered owner and the registration number of each of the foregoing, are set out in Section 4(a) of the Perfection Certificate;

(m) no Investment Property Collateral is in the possession or control of any person asserting a claim thereto or Lien therein, except that the Collateral Agent or its nominee or a securities intermediary acting on its behalf may have possession or control of the Investment Property Collateral or otherwise as permitted by the Intercreditor Agreement; and

(n) all of the tangible property and assets of such Debtor, real or personal, are located in the Provinces of Alberta, British Columbia, Saskatchewan and, Manitoba;

(o) such Debtor has not opened nor maintains any deposit accounts or securities accounts other than the accounts listed in Section 9 of the Perfection Certificate; and

(p) no effective financing statement or other instrument similar in effect covering all or any part of the Collateral and made, consented to or known by such Debtor is on file in any recording office, except such as may have been filed in favour of the Collateral Agent relating to this Agreement or the other Security Documents or except such as has been agreed to in writing by the Beneficiaries.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 7.8 hereof.

3.3 Covenants

Each Debtor covenants with the Collateral Agent that such Debtor shall:

(a) not change its name or its chief executive office or the location of the offices where it keeps its records respecting accounts, instruments, chattel paper, intangibles and other goods without giving at least 15 days' prior written notice thereof to the Collateral Agent by providing a supplement to the Perfection Certificate in respect thereof; and thereafter, the Perfection Certificate shall be deemed to be amended thereby;

(b) not allow any of its tangible personal property to be stored or otherwise located in any jurisdiction other than as identified in Section 3.1(n) without giving at least 15 days' prior written notice thereof to the Collateral Agent by providing a supplement to the Perfection Certificate in respect thereof; and thereafter, the Perfection Certificate shall be deemed to be amended thereby;

(c) from time to time forthwith at the request of the Collateral Agent execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Collateral Agent to effectively carry out the full intent and meaning of this Agreement, including to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Actionable Default that is continuing, each Debtor hereby irrevocably constitutes and appoints the Collateral Agent, or any receiver or receiver and manager appointed by the court or the Collateral Agent, the true and lawful attorney of such Debtor, with full power of substitution, to do any of the foregoing in the name of such Debtor whenever and wherever the Collateral Agent or any such Receiver may consider it to be necessary or expedient, and such appointment of the Collateral Agent as each Debtor's attorney is coupled with an interest and is irrevocable;

(d) pay to the Collateral Agent forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Collateral Agent in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder;

(e) promptly after request by the Collateral Agent from time to time, provide a replacement to Section 14 of the Perfection Certificate, identifying all "serial number goods" (as defined in the PPSA) owned by it; and thereafter, Section 14 of the Perfection Certificate shall be deemed to be amended thereby;

(f) promptly notify the Collateral Agent if it opens or maintains any deposit accounts or securities accounts other than the accounts listed in Section 9 of the Perfection Certificate by providing an addendum to such Section 9; and thereafter, Section 9 of the Perfection Certificate shall be deemed to be amended thereby;

(g) not grant "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any Person other than the Collateral Agent; and

(h) provide to the Collateral Agent, promptly upon request, all information and evidence the Collateral Agent may reasonably request concerning the Collateral to enable the Collateral Agent to enforce the provisions hereof.

ARTICLE 4
ACCOUNT DEBTORS

4.1 Notification of Account Debtors

Following an Actionable Default that is continuing, the Collateral Agent may give notice of this Agreement and the Charge granted hereby to any account debtors of each Debtor or to any other Person liable to any such Debtor and may give notice to any such account debtors or other Person to make all further payments to the Collateral Agent, and, after the occurrence and during the continuance of an Actionable Default, any payment or other proceeds of Collateral received by any such Debtor from account debtors or from any other Person liable to such Debtor whether before or after any notice is given by the Collateral Agent shall be held by each Debtor in trust for the Collateral Agent and forthwith paid over to the Collateral Agent on request.

ARTICLE 5
DEALINGS WITH INVESTMENT PROPERTY COLLATERAL

5.1 Rights and Duties of Collateral Agent

(a) The Collateral Agent may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(b) In the holding of the Investment Property Collateral, the Collateral Agent and any nominee on its behalf is only bound to exercise the same degree of care as the Collateral Agent would exercise with respect to similar property of its own of similar value held in the same place. The Collateral Agent and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Investment Property Collateral if it takes such action for that purpose as the applicable Debtor reasonably requests in writing, but failure of the Collateral Agent or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

(c) The powers conferred on the Collateral Agent hereunder with respect to Investment Property Collateral are solely to protect its interest in the Investment Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Investment Property Collateral in it, its nominees' or its agents' possession and the accounting for moneys actually received by it, its nominees or its agents' thereunder, the Collateral Agent shall have no duty as to any Investment Property Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Investment Property Collateral and no such duties shall be implied as arising hereunder.

5.2 Voting and Other Rights

(a) Unless an Actionable Default has occurred which is continuing, each Debtor is entitled to exercise, either directly or, if the Investment Property Collateral is registered in the name of the Collateral Agent or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Investment Property Collateral including the voting rights from time to time exercisable in respect of the Investment Property Collateral and to give proxies, consents, ratifications and waivers in respect thereof. If the Investment Property Collateral has been registered in the name of the Collateral Agent or its nominee, the Collateral Agent will execute and deliver (or cause to be executed and delivered) to each Debtor such proxies, directions and other instruments as such Debtor may request for the purpose of giving effect to the foregoing. No such action may be taken by any Debtor if it would be materially prejudicial to the interests of any of the Beneficiaries or would violate or be inconsistent with this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Creditor Document or Security Document or would have the effect of reducing the value of the Investment Property Collateral as security for the Obligations or would have the effect of imposing any restriction on the transferability of any of the Investment Property Collateral.

(b) Upon the occurrence of an Actionable Default which is continuing, the Collateral Agent may give each Debtor a notice prohibiting such Debtor from exercising the rights and powers of a holder of the Investment Property Collateral, including the voting rights in respect of the Investment Property Collateral, at which time all such rights of each Debtor will cease immediately and the Collateral Agent will have the right to exercise the rights and powers related to such Investment Property Collateral, including the right to vote.

5.3 Distributions

(a) Unless an Actionable Default has occurred which is continuing:

(i) each Debtor is entitled to receive all dividends, distributions, interest payments or other payments in respect of the Investment Property Collateral; and

(ii) if the Investment Property Collateral has been registered in the name of the Collateral Agent or its nominee, the Collateral Agent will execute and deliver (or cause to be executed and delivered) to each Debtor all directions and other instruments as such Debtor may request for the purpose of enabling such Debtor to receive the dividends, distributions, interest payments or other payments that such Debtor is authorized to receive pursuant to Section 5.3(a)(i) above.

(b) Upon the occurrence of an Actionable Default which is continuing, all rights of each Debtor pursuant to Section 5.3(a) will cease and the Collateral Agent will have the sole and exclusive right and authority to receive and retain all payments that each Debtor would otherwise be authorized to retain pursuant to Section 5.3(a). All money and other property received by the Collateral Agent pursuant to the provisions of this Section 5.3(b) may be applied on account of the Obligations or may be retained by the Collateral Agent as additional Collateral hereunder and be applied in accordance with the provisions of the Collateral Agent and Intercreditor Agreement. All payments which are received by any Debtor contrary to the provisions of this Section 5.3(b) will be held by such Debtor in trust for the benefit of the Collateral Agent and the other Beneficiaries, will be segregated from other property or funds of such Debtor and will be forthwith paid or Delivered, as applicable, to the Collateral Agent or its nominee to be applied on account of the Obligations or to hold as Collateral, as the Collateral Agent may see fit, in each case subject to the Intercreditor Agreement.

ARTICLE 6
REMEDIES

6.1 Remedies

(a) Upon the occurrence and during the continuance of any Actionable Default any or all security granted hereby shall, in accordance with the Intercreditor Agreement, become immediately enforceable and, in addition to any right or remedy provided by Applicable Law, the Collateral Agent will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Collateral Agent may have:

(i) the Collateral Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 6.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Collateral Agent" when used in this Section 6.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Collateral Agent shall not be in any way responsible for any misconduct or negligence of any such Receiver;

(ii) the Collateral Agent may take possession of the Collateral and require each Debtor to assemble the Collateral and deliver or make the Collateral available to the Collateral Agent at such place or places as may be specified by the Collateral Agent;

(iii) the Collateral Agent may transfer any part of the Investment Property Collateral into the name of the Collateral Agent or its nominee if it has not already done so in accordance with Section 2.6 or 2.7;

(iv) the Collateral Agent may exercise any voting rights attaching to any of the Investment Property Collateral (whether or not registered in the name of the Collateral Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof;

(v) the Collateral Agent may exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Investment Property Collateral, including the right to exchange any of the Investment Property Collateral upon the amalgamation, arrangement, merger, consolidation or other reorganization of the issuer of the Investment Property Collateral, all without liability except to account for property actually received by the Collateral Agent;

(vi) the Collateral Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(vii) the Collateral Agent may carry on or concur in the carrying on of all or any part of the business of each Debtor;

(viii) the Collateral Agent may enforce any rights of each Debtor in respect of the Collateral by any manner permitted by Applicable Law;

(ix) the Collateral Agent may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Collateral Agent may determine and without notice to each Debtor unless required by Applicable Law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Collateral Agent being hereby constituted the irrevocable attorney of each Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against each Debtor and all other Persons claiming all or any part of the Collateral by, from, through or under each Debtor; and for such purposes, each requirement relating thereto and prescribed by Applicable Law or otherwise is hereby waived by each Debtor to the extent permitted by Applicable Law and in any offer or sale of any of the Collateral by the Collateral Agent is authorized to comply with any limitation or restriction in connection with such offer or sale as the Collateral Agent may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchase by any Governmental Authority; such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Collateral Agent be liable or accountable to any Debtor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;

(x) subject to Applicable Law, the Collateral Agent may purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise;

(xi) subject to Applicable Law, the Collateral Agent may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the applicable Debtor of its intention to do so;

(xii) the Collateral Agent may borrow money on the security of the Collateral for the purpose of the carrying on of the business of each Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;

(xiii) the Collateral Agent may enter upon, occupy and use all or any of the Collateral occupied by each Debtor and use all or any of the Collateral for such time as the Collateral Agent requires to facilitate the realization of the Collateral, free of charge, and the Collateral Agent and the Beneficiaries will not be liable to any Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;

(xiv) the Collateral Agent may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum equal to the highest rate of interest per annum then payable on such costs, charges and expenses pursuant to the terms of the applicable Secured Creditor Documents, shall be added to and form part of the Obligations hereby secured; and

(xv) the Collateral Agent may discharge any claim, Lien, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.

(b) The Collateral Agent and the Beneficiaries may:

(i) grant extensions of time,

(ii) take and perfect or abstain from taking and perfecting security,

(iii) give up securities,

(iv) accept compositions or compromises,

(v) grant releases and discharges, and

(vi) release any part of the Collateral or otherwise deal with the Debtors, debtors and creditors of the Debtors, sureties and others and with the Collateral and other security as the Collateral Agent sees fit,

in each case without prejudice to the liability of the Debtors to the Collateral Agent and the Beneficiaries or the Beneficiaries' rights hereunder.

(c) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Collateral Agent, any Debtor or any other Person, in respect of the Collateral.

(d) The Collateral Agent shall apply any proceeds of realization of the Collateral to payment of reasonable expenses in connection with the preservation and realization of the Collateral as above described and the Collateral Agent shall apply any balance of such proceeds to payment of the Obligations in accordance with the Intercreditor Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, each Debtor will be liable to pay any deficiency to the Collateral Agent and the Beneficiaries forthwith on demand. Subject to the requirements of Applicable Law, any surplus realized in excess of the Obligations shall be paid over to the Debtors.

(e) Any Receiver shall be entitled to exercise all rights and powers of the Collateral Agent hereunder. To the extent permitted by Applicable Law, any Receiver shall for all purposes be deemed to be the agent of each Debtor and not of the Collateral Agent and the Debtors shall be solely responsible for the Receiver's acts or defaults and remuneration.

6.2 Account Debtors; Securities Intermediaries

Without limiting the generality of the foregoing provisions of this Article 6:

(a) All Persons being a debtor on an intangible or chattel paper, an obligor on an instrument or any other Person being obligated to pay any account receivable or other debt due, owing or accruing due to any Debtor, including operators or managers under any operating agreement, management agreement, lease, or otherwise, are entitled at all times after the occurrence of an Actionable Default that is continuing to treat and regard the Collateral Agent as the assignee and transferee from such Debtor, entitled in the place and stead of such Debtor to receive accounts and other debts. After the occurrence and during the continuance of an Actionable Default, the Collateral Agent may give notice to all or any of such Persons of the Charge and may give notice to such Persons to remit all such accounts and other debts directly to the Collateral Agent, whether or not such Debtor was making collections on such Collateral prior to notification by the Collateral Agent; and all such Persons shall be fully protected in so treating and regarding the Collateral Agent and shall be under no obligation to see to the application in any particular manner by the Collateral Agent of any such accounts and other debts received by it. Each Debtor will at the request of the Collateral Agent and at its own expense, furnish the Collateral Agent with the names of all Persons being indebted or obligated to such Debtor.

(b) All securities intermediaries (as defined in the PPSA) that are required to act upon entitlement orders of any Debtor are entitled to treat and regard the Collateral Agent as the entitlement holder, entitled in the place and stead of such Debtor to give entitlement orders. The Collateral Agent may give notice to each securities intermediary with whom any Debtor maintains a securities account and require each such securities intermediary to act in accordance with entitlement orders of the Collateral Agent in relation to the investment property held in such securities account; and all such securities intermediaries shall be fully protected in treating and regarding the Collateral Agent as the entitlement holder and will be under no obligation to see to the application in any particular manner by the Collateral Agent of any investment property of any Debtor held by any securities intermediary. Each Debtor will, at the request of the Collateral Agent , furnish the Collateral Agent with a list of all securities intermediaries with whom such Debtor maintains accounts together with all relevant account information.

(c) Any money collected or received by the Collateral Agent pursuant to paragraphs (a) or (b) above shall be applied in the manner set out in Section 6.5. The Collateral Agent shall not be liable or accountable to any Debtor for its failure to collect, realize, sell or obtain payment of accounts, chattel paper, instruments, intangibles, choses in action, investment property or rights to payment or any part thereof and, except as otherwise provided in the Intercreditor Agreement, shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any right to payment of the Collateral Agent, the Debtors or any other Person in respect thereof.

(d) All money collected or received by any Debtor in respect of accounts, chattel paper, instruments, documents of title, intangibles, choses in action, investment property, rights to payment or the proceeds of any sale of other interests of such Debtor described herein shall, after the occurrence and during the continuance of an Actionable Default, be held by such Debtor in trust for the absolute use and benefit of the Collateral Agent and the other Beneficiaries and shall be paid or delivered over to the Collateral Agent upon demand in the identical form received and until demand shall be held by such Debtor separate and apart from any funds belonging to such Debtor or any other funds over which it has possession or control.

6.3 License

Upon the Charge becoming enforceable in accordance with this Agreement, and for the sole purpose of enabling the Collateral Agent to exercise rights and remedies hereunder, and for no other purposes, each Debtor hereby grants to the Collateral Agent an irrevocable, non-exclusive license, (exercisable without payments of royalty or other compensation to any Debtor) to use, assign, license or sub-license any of such Debtor's Collateral consisting of trade-marks, copyrights, patents, licenses and other intellectual property in which such Debtor now has or hereafter acquires rights, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

6.4 Remedies Not Exclusive

No right, power or remedy herein conferred upon or reserved to the Collateral Agent, any other Beneficiary or any Receiver is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by Applicable Law, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. Subject to the Intercreditor Agreement, the Collateral Agent shall have the power to waive any default, provided no such waiver shall be effective unless made in writing and shall not constitute a waiver of any other or subsequent default. No delay or omission of the Collateral Agent or any other Beneficiary in the exercise of any right, power or remedy accruing upon any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein. Every right, power and remedy given to the Collateral Agent, any other Beneficiary or to a Receiver by this Agreement or under Applicable Law may be exercised from time to time and as often as may be deemed expedient by the Collateral Agent, such Beneficiary or such Receiver, as applicable. In case the Collateral Agent shall have proceeded to enforce any right under this Agreement and the proceedings for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case such Debtor and the Collateral Agent shall, without any further action hereunder, to the fullest extent permitted by Applicable Law, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Collateral Agent shall continue as though no such proceeding had been taken.

6.5 Application of Proceeds

Except as herein otherwise expressly provided, the monies arising from any enforcement in whole or in part of the Charge, or from any sale or realization of the whole or any part of the Collateral, whether under sale by the Collateral Agent or by judicial process or otherwise, and all incomes, rents and profits of the Collateral, and all proceeds of insurance, together with any other monies then in the hands of the Collateral Agent or any Receiver available for such purpose, shall be applied against the Secured Obligations in the manner set out in the Intercreditor Agreement.

6.6 Power of Attorney

Each Debtor hereby irrevocably constitutes and appoints the Collateral Agent its true and lawful attorney and agent, with full power and authority in such Debtor's name, place and stead from time to time to do all acts and things and execute and deliver (at such Debtor's expense) all certificates, proxies, resolutions, consents, assignments, transfers, conveyances and agreements, in such form as the Collateral Agent considers necessary or desirable, which such Debtor is required to sign, execute and do hereunder if such Debtor has failed to sign, execute or do the same and generally to use the name of such Debtor, as applicable, in the exercise of all or any of the powers hereby conferred on the Collateral Agent, with full powers of substitution and revocation; provided that this power of attorney may not be exercised by the Collateral Agent until an Actionable Default shall have occurred and is continuing. Such appointment and power of attorney is hereby declared by each Debtor to be an irrevocable power coupled with an interest in favour of the Collateral Agent and shall remain in full force and effect in respect of each Debtor until discharged in accordance with the Intercreditor Agreement.

ARTICLE 7
GENERAL

7.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtors and shall benefit the successors and permitted assigns of the Collateral Agent and other Beneficiaries.

7.2 Conflict of Terms; Entire Agreement

This Agreement has been entered into as collateral security for the Obligations and is subject to all the terms and conditions of the Intercreditor Agreement and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Intercreditor Agreement, the rights and obligations of each Debtor, the Collateral Agent and the other Beneficiaries shall be governed by the provisions of the Intercreditor Agreement (unless such terms of this Agreement are necessary to comply with Applicable Law, in which case such terms govern to the extent necessary to comply therewith). This Agreement together with the Intercreditor Agreement and all other Secured Creditor Documents and Security Documents constitute the entire agreement between each Debtor and the Collateral Agent with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Beneficiaries and the Debtors except as expressly set forth therein and herein.

7.3 No Waiver

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

7.4 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by Applicable Law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, facsimile or other electronic means, addressed to the recipient as follows:

To any Debtor:

c/o Trican Well Service Ltd.
[ADDRESS REDACTED]

Attention: [TITLE REDACTED]
Facsimile No: [NUMBER REDACTED]

To the Collateral Agent:

Computershare Trust Company of Canada
[ADDRESS REDACTED]

Attention: [TITLE REDACTED]
Facsimile No.: [NUMBER REDACTED]

or such other address, electronic communication number, or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication during normal business hours at the place of receipt on a Business Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Business Day. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Business Day following actual delivery or transmittal, as the case may be. All notices and other communications provided for herein to be sent to any other Person shall be delivered in accordance with Section 40 of the Intercreditor Agreement.

7.6 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by each Debtor and the Collateral Agent. No waiver of any provision of this Agreement by the Collateral Agent shall be effective unless the same is in writing and signed by the Collateral Agent, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Collateral Agent (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Intercreditor Agreement. No Debtor may assign its obligations under this Agreement. Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

7.7 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Collateral Agent or the Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Collateral Agent.

7.8 Discharge

Upon the full, final and indefeasible payment and performance of the Secured Obligations and the termination of the Secured Creditor Documents and satisfaction of the applicable provisions of the Intercreditor Agreement, this Agreement and the rights hereby granted shall, at the request of the Debtors, be terminated and thereupon the Collateral Agent shall at the request and at the reasonable expense of the Debtors cancel and discharge the Charge and execute and deliver to the Debtors such deeds and other instruments as shall be requisite to cancel and discharge the Charge; provided however that until discharged in writing by the Collateral Agent, this Agreement shall not be affected by any such loans, indebtedness, covenants or obligations fluctuating from time to time or the amounts in respect thereof ceasing to be in debit balance. Further, this Agreement shall continue to be effective or be reinstated, as the case may be, if for any reason at any time any payment or performance of the Secured Obligations, or any part thereof, is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or reimbursed by the Collateral Agent.

7.9 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge any Debtor from any of its liabilities to the Beneficiaries.

7.10 No Obligation to Act

Notwithstanding any provision of this Agreement or any other Secured Creditor Document or Security Document, or the operation, application or effect hereof, the Collateral Agent, the other Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

7.11 Admit to Benefit

Subject to Section 7.6, no Person other than the Debtors and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such Person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such Person.

7.12 Acknowledgement of Agency

Computershare Trust Company of Canada has entered into this Agreement and any document delivered in connection herewith in its capacity as Collateral Agent of the Beneficiaries (and in such capacity is herein only referred to as the "Collateral Agent") and any and all of the representations, undertakings, covenants, indemnities, agreements and other obligations (in this section, collectively "obligations") made on the part of the Collateral Agent herein or therein are made and intended not as personal obligations of or by Computershare Trust Company of Canada or for the purpose or with the intention of binding Computershare Trust Company of Canada in its personal capacity, but are made and intended for the purpose of binding only the Collateral Agent in its capacity as agent for the Beneficiaries. No property or assets of Computershare Trust Company of Canada, whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the Collateral Agent's obligations hereunder or thereunder. No recourse may be had or taken, directly or indirectly, against Computershare Trust Company of Canada in its personal capacity, or any incorporator, shareholder, officer, director, employee or agent of Computershare Trust Company of Canada or of any predecessor or successor of Computershare Trust Company of Canada, with regard to the Collateral Agent's obligations hereunder.

7.13 Limitation on Duties Regarding Preservation of Collateral

The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of Collateral in its possession or under its control will be to use reasonable care in the custody and preservation of such Collateral. Each Debtor agrees that the Collateral Agent will be deemed to have used reasonable care in the custody and preservation of Collateral if the Collateral Agent deals with such Collateral in the same manner as the Collateral Agent deals with similar property for its own account and, to the extent permitted by Applicable Law, the Collateral Agent need not take any steps to preserve rights against any other Person (including prior parties). None of the Collateral Agent, any other Beneficiary or any of their respective directors, officers, employees or agents will be liable for failure to demand, collect or realize upon the Collateral or for any delay in doing so or will be under any obligation to sell or otherwise dispose of any Collateral upon the request of such Debtor or otherwise.

7.14 Time of the Essence

Time shall be of the essence with regard to this Agreement.

7.15 Waiver of Financing Statement, etc.

Each Debtor hereby waives the right to receive from the Collateral Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

7.16 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

7.17 Attornment

Each Debtor and each of the Beneficiaries each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtors or any Beneficiary to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

7.18 Saskatchewan Waiver

Each Debtor agrees that:

(a) *The Land Contract (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in that Act, with respect to this Agreement or any agreement renewing, extending or collateral to this Agreement; and

(b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to:

(i) this Agreement;

(ii) any mortgage, charge or other security made, given or created by this Agreement;

(iii) any agreement or instrument renewing or extending or collateral to this Agreement or renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in paragraph (ii) of this Section 7.18(b); or

(iv) the rights, powers, remedies of the Collateral Agent and of the other Beneficiaries under this Agreement or under any mortgage, charge, other security, agreement or instrument referred to or mentioned in paragraph (ii) or paragraph (iii) of this Section 7.18(b).

7.19 Deemed Action by All Debtors

All consents, waivers, notices and other action required, made, given or received by the Debtors (or any of them) under this Agreement will be deemed to be required, made, given or received by all of the Debtors if required, made, given to or received by any of the Debtors.

7.20 Debtors Jointly and Severally Liable

Notwithstanding anything else set forth in this Agreement to the contrary, each of the Debtors agrees and confirms to the Collateral Agent and the other Beneficiaries that the indebtedness, liabilities and obligations of the Debtors under this Agreement are joint and several as between each Debtor.

7.21 Joinder of Additional Debtors

Additional Persons may from time to time after the date of this Agreement become Debtors hereunder by executing and delivering to the Collateral Agent a joinder agreement (together with all schedules thereto, a "**Joinder**") to this Agreement, in substantially the form attached hereto as Schedule “A”. Effective from and after the date of the execution and delivery by any Person to the Collateral Agent of a Joinder:

(a) such Person shall be, and shall be deemed for all purposes to be, a Debtor under this Agreement with the same force and effect, and subject to the same agreements, representations, warranties, indemnities, liabilities, obligations and Charge, as if such Person had been an original signatory to this Agreement as a Debtor;

(b) all Collateral of such Person shall be subject to the Charge from such Person as security for the due payment and performance of the Obligations in accordance with the provisions of this Agreement; and

(c) the Perfection Certificate shall be deemed to be supplemented by the perfection certificate attached to such Joinder.

The execution and delivery of a Joinder by any additional Person shall not require the consent of any Debtor and all of the Obligations of each Debtor and the Charge granted thereby shall remain in full force and effect, notwithstanding the addition of any new Debtor to this Agreement.

7.22 Executed Copy

Each Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

7.23 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF each Debtor has issued this Agreement signed by its duly authorized signatory effective as of the date and year first above written.

DEBTORS

TRICAN WELL SERVICE LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

TRICAN PARTNERSHIP, by its managing partner TRICAN WELL SERVICE LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

TRICAN COMPLETION SOLUTIONS LTD.

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

CANADIAN OILFIELD STIMULATION SERVICES LTD.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

BIRCHWOOD INDUSTRIES LTD.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

NORTHLINE ENERGY SERVICES INC.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

NORTHLINE ENERGY LTD.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

TRICAN GEOLOGICAL SOLUTIONS LTD.

Per: ____________________________________
Name:
Title:

Per: ____________________________________
Name:
Title:

Acknowledged and agreed to as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, as Collateral Agent

Per: ______________________________

Name:

Title:

Schedule A
Attached to and forming part of the General Security Agreement and Share Pledge

FORM OF JOINDER

JOINDER

This [____] joinder agreement (this "**Joinder**") dated as of the ____ day of ______________, 20[____] is made by [____] (the "**New Debtor**") in favour of the Collateral Agent for its own benefit and on behalf of the Beneficiaries.

RECITALS:

(A) Reference is made to the general security agreement and share pledge (as amended, supplemented or otherwise modified from time to time, the "**Agreement**") dated as of November 12, 2015, entered into by Trican Well Service Ltd. and certain other Debtors in favour of the Collateral Agent.

(B) Capitalized terms used but not otherwise defined in this Joinder have the respective meanings given to such terms in the Agreement, including the definitions of terms incorporated in the Agreement by reference to other agreements.

(C) Section 7.21 of the Agreement provides that additional Persons may from time to time after the date of the Agreement become Debtors under the Agreement by executing and delivering to the Collateral Agent a joinder to the Agreement in the form of this Joinder.

(D) The undersigned (the "**New Debtor**") has agreed to become a Debtor under the Agreement by executing and delivering this Joinder to the Lender.

AGREEMENT:

The New Debtor agrees with and in favour of the Collateral Agent as follows:

1 New Debtor

The New Debtor has received a copy of, and has reviewed, the Agreement and is executing and delivering this Joinder to the Collateral Agent pursuant to Section 7.21 thereof.

2 Effectiveness; Charge

Effective from and after the date this Joinder is executed and delivered to the Collateral Agent by the New Debtor:

(a) the New Debtor shall be, and shall be deemed for all purposes to be, a Debtor under the Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and Charge, as if the New Debtor had been, as of the date of this Joinder, an original signatory to the Agreement as a Debtor; and

(b) all Collateral of the New Debtor shall be subject to the Charge granted by the New Debtor as security for the due payment and performance of the Obligations in accordance with the provisions of the Agreement.

In furtherance of the foregoing, the New Debtor, as general and continuing collateral security for the due payment, performance and observance of the Obligations, hereby (a) grants, assigns, conveys, mortgages and charges to and in favour of the Collateral Agent, for and on behalf of the Beneficiaries, the charges, mortgages and security interests set out in Section 2.1 of the Agreement (subject to the terms of the Agreement) over the New Debtor's right, title, estate and interest, whether now or hereafter acquired, in all of the New Debtor's real and personal property, tangible and intangible, in each case, of every nature and kind and wherever situate, including, without limitation, accounts, general intangibles, goods (including inventory, equipment and fixtures), chattel paper, investment property, documents of title, instruments, money, cash and cash equivalents, trade-marks, copyrights, patents, licenses and other intellectual property or intangibles and all proceeds thereof (but excluding, in each case, Excluded Property); and (b) confirms that the foregoing shall be included in the Collateral.

3 Reference to Agreement

All provisions of the Agreement are, subject as hereinbefore provided, incorporated herein by reference.

4 Representations and Warranties

The New Debtor represents and warrants to the Collateral Agent and the Beneficiaries that each of the representations and warranties made or deemed to have been made by it under the Agreement or Intercreditor Agreement as a Debtor are true and correct on the date of this Joinder.

5 Canadian Intellectual Property Security Agreement

On the date hereof, the New Debtor shall duly execute and deliver to the Collateral Agent a Canadian Intellectual Property Security Agreement substantially in the form attached to the Agreement as Schedule B (including a description of all Intellectual Property Security held by the New Debtor), and shall procure that the same is registered with the Canadian Intellectual Property Office in accordance with the terms thereof.

6 Perfection Certificate

7 Attached to this Joinder is a duly completed perfection certificate, supplementing the Perfection Certificate (the "**Supplemental Perfection Certificate**"). The New Debtor represents and warrants that the information contained on the Supplemental Perfection Certificate with respect to such Debtor and its properties and assets is true, complete and accurate as of the date hereof. Such Supplemental Perfection Certificate shall be deemed to be part of the Agreement.

8 Governing Law

This Joinder will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without giving effect to the conflict of law principles thereof. Without prejudice to the ability of the Collateral Agent to enforce this Joinder in any other proper jurisdiction, the New Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta, or any appellate courts thereof, for the purposes of this Joinder.

9 Electronic Signatures

Delivery of an executed signature page to this Joinder by the New Debtor by facsimile or other electronic transmission shall be as effective as delivery by the New Debtor of a manually executed copy of this Joinder by the New Debtor.

10 Assignment, etc.

This Joinder and the Agreement shall be binding upon the New Debtor and its successors. The New Debtor shall not assign its rights and obligations under this Joinder or the Agreement, or any of its rights or obligations in this Joinder or the Agreement.

THIS AGREEMENT executed effective the date first written above.

[NEW DEBTOR]

Per: ______________________________

Name:

Title:

Schedule B

Attached to and forming part of the General Security Agreement and Share Pledge

<u>FORM OF CANADIAN INTELLECTUAL PROPERTY SECURITY AGREEMENT</u>

[THE TERMS AND CONDITIONS SET FORTH IN THE FORM OF CANADIAN INTELLECTUAL PROPERTY SECURITY AGREEMENT, INCLUDING THE SCHEDULES OF PATENTS, PATENT APPLICATIONS, TRADEMARKS AND TRADEMARK APPLICATIONS WERE REDACTED]

SCHEDULE "H-4"
TO RESTATED CREDIT AGREEMENT

FORM OF US OBLIGOR SECURITY AGREEMENT

US SECURITY AGREEMENT

[Attached]

SECURITY AGREEMENT

dated as of November 12, 2015

among

TRICAN WELL SERVICE, L.P.,
as the US Borrower and a Grantor,

the other Grantors party hereto

and

COMPUTERSHARE TRUST COMPANY OF CANADA
as Collateral Agent for the Secured Parties

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SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of November 12, 2015 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**") is made by and among TRICAN WELL SERVICE, L.P., a Delaware limited partnership (the "**US Borrower**") and the guarantors listed on the signature pages hereto (the "**Original Guarantors**") or from time to time party hereto by execution of a Joinder Agreement referred to below (the "**Additional Guarantors**", and together with the Original Guarantors, the "**US Guarantors**"), as grantors, pledgors, assignors and debtors (the US Borrower, together with the US Guarantors, in such capacities and together with any successors in such capacities, the "**Grantors**", and each, a "**Grantor**"), in favor of COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as collateral agent for and representative of the Secured Parties (as defined below) pursuant to the Intercreditor Agreement (as defined below), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities and permitted assigns, the "**Collateral Agent**").

RECITALS

WHEREAS, the US Borrower, Trican Well Service Ltd., a corporation organized under the laws of Alberta (the "**Canadian Borrower**" and, together with the US Borrower, the "**Borrowers**", and each individually, a "**Borrower**"), the lenders party thereto, the Agents (as defined therein) and certain other parties thereto entered into a Restated Credit Agreement dated as of October 18, 2011 (the "**Existing Bank Credit Agreement**"), pursuant to which the lenders party thereto extended to the Borrowers a revolving credit facility having an aggregate total commitment amount of Cdn$575,000,000 (or its equivalent in U.S. Dollars);

WHEREAS, the Canadian Borrower previously entered into the following:

(a) that certain Note Purchase Agreement, dated as of April 28, 2011, between the Canadian Borrower and the purchasers listed on Schedule A thereto, as amended by the applicable Note Amendment (as so amended and as may be further amended, restated, supplemented or otherwise modified from time to time, the "**2011 NPA**"), providing for the issuance and sale by the Canadian Borrower of Cdn$45,000,000 in aggregate principal amount of its 5.22% Series C Senior Guaranteed Notes, Cdn$15,000,000 in aggregate principal amount of its 6.11% Series D Senior Guaranteed Notes, U.S.$65,000,000 in aggregate principal amount of its 4.61% Series E Senior Guaranteed Notes, U.S.$80,000,000 in aggregate principal amount of its 5.29% Series F Senior Guaranteed Notes, and U.S.$105,000,000 in aggregate principal amount of its 5.90% Series G Senior Guaranteed Notes (as amended, restated, supplemented or otherwise modified from time to time and including notes issued in substitution or exchange therefor, collectively, the "**2011 Notes**");

(b) that certain Private Shelf Agreement, dated as of June 1, 2012, between the Canadian Borrower and the purchaser identified therein, as amended by the applicable Note Amendment (as so amended and as may be further amended, restated, supplemented or otherwise modified from time to time, the "**Shelf Agreement**"), providing for the issuance and sale by the Canadian Borrower of Senior Notes in an aggregate principal amount up to U.S.$100,000,000 (or the equivalent in Canadian Dollars) (as amended, restated, supplemented or otherwise modified from time to time and including notes issued in substitution or exchange therefor, collectively, the "**Shelf Notes**");

(c) that certain Note Purchase Agreement, dated as of September 3, 2014, between the Canadian Borrower and the purchasers listed on Schedule A thereto, as amended by the applicable Note Amendment (as so amended and as may be further amended, restated, supplemented or otherwise modified from time to time, the "**2014 NPA**", and together with the 2011 NPA and the Shelf Agreement, the "**Note Agreements**"), providing for the issuance and sale by the Canadian Borrower of Cdn$20,000,000 in aggregate principal amount of its 5.75% Series H Senior Guaranteed Notes (as amended, restated, supplemented or otherwise modified from time to time and including notes issued in substitution or exchange therefor, the "**2014 Notes**", together with the 2011 Notes and the Shelf Notes, the "**Notes**");

WHEREAS, (a) the Borrowers are entering into that certain Restated Credit Agreement, dated as of the date hereof, by and among the Borrowers, the Agents and the Lenders (as defined therein) (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, the "**Bank Credit Agreement**"), pursuant to which the parties have agreed to restate the Existing Bank Credit Agreement upon the terms and conditions set forth therein, and (b) the Canadian Borrower is entering into those certain separate amendments to the Note Agreements, each dated as of the date hereof, by and between the Canadian Borrower and the holders of more than 51% of the outstanding principal amount of the Notes under each of the respective Note Agreements (collectively, the "**Note Amendment**"), pursuant to which the parties have agreed to amend certain terms and provisions of the respective Note Agreements upon the terms and conditions set forth therein;

WHEREAS, each US Guarantor has unconditionally guaranteed the Secured Obligations;

WHEREAS, in connection with the execution of the Bank Credit Agreement and the Note Amendment, the US Borrower and each of the US Guarantors have agreed to grant Security Interests in their respective Property to the Collateral Agent for the benefit and on behalf of the Secured Parties to secure the Secured Obligations on a *pari passu* basis;

WHEREAS, the Secured Parties have agreed to the relative priority of the application of payments and proceeds of Property received pursuant to the terms of this Agreement and the other Security Documents and certain other payments and proceeds of Property with respect to the Secured Obligations pursuant to that certain Collateral Agency and Intercreditor Agreement, dated as of the date hereof, among the Agents, the Collateral Agent and the Secured Parties (as amended, restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**");

WHEREAS, the US Borrower and each US Guarantor will receive substantial direct and indirect benefits from the execution, delivery and performance of the obligations under the Bank Credit Agreement, the Note Amendment and the other Secured Creditor Documents and each is, therefore, willing to enter into this Agreement;

WHEREAS, this Agreement is given by each Grantor in favor of the Collateral Agent for the ratable benefit of the Secured Parties to secure the payment and performance of all of the Secured Obligations; and

WHEREAS, it is a condition to the effectiveness of the Bank Credit Agreement and the Note Amendment that each Grantor execute and deliver this Agreement;

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor and the Collateral Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions.

(a) Capitalized terms used herein without definition shall have the respective meanings set forth in the Intercreditor Agreement. In any event that the Intercreditor Agreement shall be terminated or shall otherwise cease to be in effect, such capitalized terms shall continue to have the respective meanings set forth in the Intercreditor Agreement immediately prior to such termination or cessation. Unless otherwise defined herein or in the Intercreditor Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9 thereof.

(b) The following terms shall have the following meanings:

"**2011 Notes**" has the meaning set forth in the recitals hereof.

"**2011 NPA**" has the meaning set forth in the recitals hereof.

"**2014 Notes**" has the meaning set forth in the recitals hereof.

"**2014 NPA**" has the meaning set forth in the recitals hereof.

"**Additional Guarantors**" has the meaning set forth in the Preamble hereof.

"**Agreement**" has the meaning set forth in the Preamble hereof.

"**Applicable Law**" means:

(a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise);

(b) any judgement, order, writ, injunction, decision, ruling, decree or award;

(c) any regulatory policy, practice, guideline or directive; or

(d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"**Attributable Indebtedness**" on any date, means (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease or other agreement or instrument were accounted for as a Capital Lease Obligation and (c) all Synthetic Debt of such Person.

"**Bankruptcy Code**" means Title 11 of the United States Code or any similar federal or state law for the relief of debtors.

"**Capital Lease Obligations**" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof.

"**Bank Credit Agreement**" has the meaning set forth in the recitals hereof.

"**Borrower**" has the meaning set forth in the recitals hereof.

"**Canadian Borrower**" has the meaning set forth in the recitals hereof.

"**Claims**" means any and all property and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Security Interests and other claims arising by operation of law against, all or any portion of the Pledged Collateral.

"**Collateral Agent**" has the meaning set forth in the Preamble hereof.

"**Collateral Support**" means all Property assigned, hypothecated or otherwise securing any Pledged Collateral and shall include any security agreement or other agreement granting a Security Interest in such Property.

"**Commodity Account Control Agreement**" means a control agreement in form and substance satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Commodity Account.

“**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.

“**Contested Security Interests**” means, collectively, any Security Interests incurred in respect of any Claims to the extent that the amounts owing in respect thereof are not yet delinquent or are being contested in good faith and with proper reserves established with respect thereto in accordance with GAAP and otherwise comply with the provisions of Section 4.12 hereof; *provided, however,* that such Security Interests shall in all respects be subject and subordinate in priority to the Security Interest created by this Agreement, except if and to the extent that the law or regulation creating, permitting or authorizing such Security Interest provides that such Security Interest must be superior to the Security Interest created and evidenced hereby.

“**Contracts**” means, collectively, with respect to each Grantor, the Intellectual Property Licenses, all sale, service, performance, equipment or property lease contracts, agreements and grants and all other contracts, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Grantor and any third party, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

“**Control**” means (i) with respect to any Deposit Account, “control,” within the meaning of Section 9-104 of the UCC, (ii) with respect to any Securities Account, Security Entitlement, Commodity Contract or Commodity Account, “control” within the meaning of Section 9-106 of the UCC, (iii) with respect to any Uncertificated Security, “control” within the meaning of Section 8-106(c) of the UCC, (iv) with respect to any Certificated Security, “control” within the meaning of Section 8-106(a) or (b) of the UCC, (v) with respect to any Electronic Chattel Paper, “control” within the meaning of Section 9-105 of the UCC, (vi) with respect to Letter-of-Credit Rights, “control” within the meaning of Section 9-107 of the UCC and (vii) with respect to any “transferable record” (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction), “control” within the meaning of Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in the jurisdiction relevant to such transferable record.

“**Controlled Deposit Account**” means each deposit account (including all funds on deposit therein) that is the subject of an effective Control Agreement.

“**Control Agreements**” means, collectively, the Deposit Account Control Agreement, the Securities Account Control Agreement and the Commodity Account Control Agreement.

“**Copyrights**” means, collectively, with respect to each Grantor, all copyrights (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) including those listed in Section 4 of the Perfection Certificate hereof, all tangible embodiments of the foregoing and all copyright registrations and applications made by such Grantor, in each case, whether now owned or hereafter created or acquired by or assigned to such Grantor, together with any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such Grantor's use of such copyrights, (ii) reissues, renewals, continuations and extensions thereof and amendments thereto, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

"**Debt**" of any Person at any date, without duplication, means:

(a) all indebtedness of such Person for borrowed money;

(b) all obligations of such Person for the deferred purchase price of Property or services (other than trade payables incurred in the ordinary course of business and not past due for more than 61 days after the date on which each such trade payable or account payable was created);

(c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments;

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property);

(e) all Attributable Indebtedness of such Person;

(f) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person or any warrants, rights or options to acquire such Equity Interests, valued, in the case of redeemable preferred interests, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(g) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit or similar facilities in respect of obligations of the kind referred to in subsections (a) through (f) of this definition;

(h) all Guaranty Obligations of such Person in respect of obligations of the kind referred to in subsections (a) through (g) above;

(i) all obligations of the kind referred to in subsections (a) through (h) above secured by (or which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation; and

(j) all debt of any partnership, unlimited liability company or unincorporated joint venture in which such Person is a general partner, member or a joint venturer, respectively (unless such Debt is expressly made non-recourse to such Person).

"**De Minimis Accounts**" means (a) any Deposit Account, Commodity Account or Securities Account so long as the balance in each such account, individually, does not exceed Cdn. $1,000,000 (or its equivalent) at any time and the aggregate balance of all such Deposit Accounts, Commodity Accounts and Securities Accounts of the Borrowers and the Guarantors does not exceed Cdn. $10,000,000 (or its equivalent) at any time and (b) any other Deposit Accounts exclusively used for trust, payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of any employees of the Grantors or any of their subsidiaries.

"**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 US or other applicable jurisdictions in effect from time to time.

"**Deposit Account Control Agreement**" means an agreement in form and substance satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Deposit Account.

"**Deposit Accounts**" means, collectively, with respect to each Grantor, (i) all "deposit accounts" as such term is defined in the UCC and in any event shall include the Cash Collateral Account (as defined in the Bank Credit Agreement) and all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"**Distributions**" means, collectively, with respect to each Grantor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Grantor in respect of or in exchange for any or all of the Pledged Securities or Pledged Debt.

"**Equity Interests**" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"**Excluded Equity**" means, any voting stock of any direct Subsidiary of any Grantor that is a controlled foreign corporation (as defined in Section 957 of the Internal Revenue Code (a "**CFC**")) in excess of 65% of the total combined voting power of all classes of stock of such

CFC that are entitled to vote (within the meaning of Section 1.956-2(c)(2) of the Treasury Regulations).

"**Excluded Property**" means, collectively:

(i) all Excluded Equity;

(ii) any lease, license or other agreement or Contract or any property subject to a purchase money security interest, Security Interest securing a Capital Lease Obligation or similar arrangement to the extent that a grant of a security interest therein would require a consent not obtained or violate or invalidate such lease, license or agreement or Contract or purchase money arrangement, Capital Lease Obligation or similar arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a Grantor), in each case after giving effect to the applicable anti-assignment provisions of the UCC and other applicable law and other than Proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition;

(iii) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant, attachment or enforcement of a security interest therein would, under applicable federal law, result in the loss of any material rights therein, impair the registrability of such applications or the validity or enforceability of registrations issuing from such applications;

(iv) any assets as to which the Collateral Agent shall determine in its sole discretion, in writing, that the cost of obtaining a Security Interest thereon or perfection thereof are excessive in relation to the benefit to the Secured Parties of the security to be afforded thereby;

(v) any asset or property to the extent that the grant of a security interest is prohibited by applicable law, rule or regulation or requires a consent not obtained of any Governmental Authority pursuant to such applicable law, rule or regulation, in each case after giving effect to the applicable anti-assignment provisions of the UCC and other applicable law and other than Proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition;

provided, however, "Excluded Property" shall not include any Proceeds, products, substitutions or replacements of any Excluded Property (unless such Proceeds, products, substitutions or replacements would otherwise constitute Excluded Property). In addition, to the extent that such property constitutes "Excluded Property" due to the failure of the Grantor to obtain consent as described in clause (ii), such Grantor shall use its commercially reasonable efforts to obtain such consent within 30 days of signing this Agreement or a Joinder Agreement, as applicable, and, upon obtaining such consent, such property shall cease to constitute "Excluded Property".

"**Existing Bank Credit Agreement**" has the meaning set forth in the recitals hereof.

"**First Priority**" means, with respect to any Security Interest purported to be created in any Pledged Collateral pursuant to this Agreement, such Security Interest is the most senior lien to which such Pledged Collateral is subject (subject only to Security Interests permitted under the Secured Creditor Documents).

"**GAAP**" or "generally accepted accounting principles" means the recommendations at the relevant time of the Financial Accounting Standards Board, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided or contemplated herein to be applicable on an unconsolidated basis) as at the date on which such calculation is made or required to be made in accordance with such principles.

"**Grantor**" has the meaning set forth in the Preamble hereof.

"**Guaranty Obligation**" as to any Person, means any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the effect of guaranteeing any Debt or other obligation payable or performable by another Person in any manner, whether directly or indirectly, or (b) Security Interest on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Security Interest).

"**Intellectual Property Collateral**" means, collectively, the Patents, Trademarks (excluding only United States intent-to-use Trademark applications to the extent that and solely during the period in which the grant, attachment or enforcement of a security interest therein would impair, under applicable federal law, the registrability of such applications or the validity or enforceability of registrations issuing from such applications), Copyrights, Trade Secrets, Intellectual Property Licenses and all other industrial, intangible and intellectual property of any type, including mask works and industrial designs.

"**Intellectual Property Licenses**" means, collectively, with respect to each Grantor, all license and distribution agreements with, and covenants not to sue, any other party with respect to any Patent, Trademark, Copyright or Trade Secret or any other patent, trademark, copyright or trade secret, whether such Grantor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, including such agreements listed in Section 4 of the Perfection Certificate, together with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks, Copyrights or Trade Secrets or any other patent, trademark, copyright or trade secret.

"**Intellectual Property Security Agreement**" means an agreement substantially in the form of Exhibit B hereto or other form satisfactory to the Collateral Agent.

“**Intercreditor Agreement**” has the meaning set forth in the recitals hereof.

“**Joinder Agreement**” means an agreement substantially in the form of Exhibit A hereto.

“**Material Adverse Effect**” means any event, circumstance, occurrence or change which materially impairs or has a material adverse effect on, or would reasonably be expected to materially impair or have a material adverse effect on:

(a) the financial condition of the Canadian Borrower and its Subsidiaries on a consolidated basis;

(b) the ability of the Canadian Borrower and its Subsidiaries on a consolidated basis to perform its obligations under the Secured Creditor Documents to which it is a party;

(c) the validity or enforceability of any material portion of this Agreement or of any other Secured Creditor Documents; or

(d) the property, business, operations or liabilities of the Canadian Borrower and its Subsidiaries on a consolidated basis.

“**Motor Vehicles**” means all motor vehicles or other vehicles, trailers, carriers or other items of equipment covered, or required to be covered, by a certificate of title of any state.

“**Note Agreements**” has the meaning set forth in the recitals hereof.

“**Note Amendment**” has the meaning set forth in the recitals hereof.

“**Notes**” has the meaning set forth in the recitals hereof.

“**Organizational Documents**” means the certificate of incorporation and by-laws or any comparable organizational documents of any Person.

“**Original Guarantors**” has the meaning set forth in the Preamble hereof.

“**Patents**” means, collectively, with respect to each Grantor, all patents issued or assigned to, and all patent applications and registrations made by, such Grantor including those listed in Section 4 of the Perfection Certificate (whether issued, established or registered or recorded in the United States or any other country or any political subdivision thereof) and all tangible embodiments of the foregoing, together with any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such Grantor’s use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"**Perfection Certificate**" means that certain perfection certificate dated as of the date hereof, made by the Canadian Borrower and addressed to the Collateral Agent and the Secured Parties, as amended, supplemented or otherwise modified from time to time.

"**Permits**" shall mean, to the extent permitted to be assigned by the terms thereof or by applicable law, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any governmental authority or agency.

"**Pledged Collateral**" has the meaning set forth in Section 2.01.

"**Pledged Debt**" means, with respect to each Grantor, all Debt (including intercompany notes) from time to time owed to such Grantor by any obligor, including the Debt described in Section 7 of the Perfection Certificate and issued by the obligors named therein, and all interest, cash, instruments and other property, assets or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Debt and all certificates, instruments or agreements evidencing such Debt, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"**Pledged Securities**" means, collectively, with respect to each Grantor, (i) all issued and outstanding Equity Interests of each issuer that are owned by such Grantor and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Grantor in any manner, together with all claims, rights, privileges, authority and powers of such Grantor relating to such Equity Interests in each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Equity Interests, including the Equity Interests listed in Section 6 of the Perfection Certificate, (ii) all additional Equity Interests of any issuer from time to time acquired by or issued to such Grantor and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer from time to time acquired by such Grantor in any manner, together with all claims, rights, privileges, authority and powers of such Grantor relating to such Equity Interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Grantor in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests; *provided*, *however*, that Pledged Securities shall not include any Excluded Equity.

"**Receivables**" means all (i) Accounts, (ii) Chattel Paper, (iii) Payment Intangibles, (iv) Instruments and (v) to the extent not otherwise covered above, all other rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, regardless of how classified under the UCC together with all of Grantors' rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Records relating thereto.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its Affiliates.

"**Securities Account Control Agreement**" means an agreement in form and substance satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Securities Account.

"**Securities Collateral**" means, collectively, the Pledged Securities, the Pledged Debt and the Distributions.

"**Shelf Agreement**" has the meaning set forth in the recitals hereof.

"**Shelf Notes**" has the meaning set forth in the recitals hereof.

"**Synthetic Debt**" with respect to any Person as of any date of determination thereof, means all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds (including any minority interest transactions that function primarily as a borrowing) but are not otherwise included in the definition of "Debt" or as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

"**Synthetic Lease Obligation**" means the monetary obligation of a Person under (a) a "synthetic", off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person or any of its Subsidiaries, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"**Trade Secrets**" means, collectively, with respect to each Grantor, all know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, technical, marketing, financial and business data and databases, pricing and cost information, business and marketing plans, customer and supplier lists and information, all other confidential and proprietary information and all tangible embodiments of the foregoing, together with any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such trade secrets, (ii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto including damages and payments for past, present or future misappropriations thereof, (iii) rights corresponding thereto throughout the world and (iv) rights to sue for past, present or future misappropriations thereof.

"**Trademarks**" means, collectively, with respect to each Grantor, all trademarks (including service marks), slogans, logos, symbols, certification marks, collective marks, trade dress, uniform resource locators (URL's), domain names, corporate names and trade names, whether statutory or common law, whether registered or unregistered and whether established or registered in the United States or any other country or any political subdivision thereof, including those listed in Section 4 of the Perfection Certificate, that are owned by or assigned to such

Grantor, all registrations and applications for the foregoing and all tangible embodiments of the foregoing, together with, in each case, the goodwill symbolized thereby and any and all (i) rights and privileges arising under applicable law and international treaties and conventions with respect to such Grantor's use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof and amendments thereto, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided, however*, that if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent's security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"**US Borrower**" has the meaning set forth in the Preamble hereof.

"**US Guarantors**" has the meaning set forth in the Preamble hereof.

Section 1.02 Headings. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

Section 1.03 Numbers. Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

Section 1.04 Interpretation. The rules of interpretation specified in the Bank Credit Agreement shall be applicable to this Agreement. All references in this Agreement to Articles, Sections, and Exhibits are references to Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All references in this Agreement to Sections of the Perfection Certificate shall be deemed to include reference to any and all Exhibits or Schedules referenced in such Sections of the Perfection Certificate.

Section 1.05 Resolution of Drafting Ambiguities. Each Grantor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of this

Agreement, that it and its counsel reviewed and participated in the preparation and negotiation of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against a drafting party shall not be employed in the interpretation of this Agreement.

Section 1.06 Schedules. The Collateral Agent and each Grantor agree that the Perfection Certificate and all Exhibits and Schedules thereto and all descriptions of Pledged Collateral contained therein and all amendments and supplements thereto are and shall at all times remain a part of this Agreement.

Section 1.07 References to Agreements and Enactments. Reference herein to any agreement, instrument, license or other document shall be deemed to include reference to such agreement, instrument, license or other document as the same may from time to time be amended, modified, supplemented or restated in accordance with the provisions of this Agreement; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

Section 1.08 Permitted under the Secured Creditor Documents. For the avoidance of doubt, any action, event or circumstance shall be "permitted" by or under, "in accordance with" or "contemplated by" the Secured Creditor Documents only if it is "permitted" by or under, "in accordance with" or "contemplated by", respectively, both (a) the Credit Documents and (b) the Note Agreements, the Notes and any other documents entered into in connection with the Note Agreements and/or the Notes.

ARTICLE II

GRANT OF SECURITY INTEREST

Section 2.01 Grant of Security Interest. As collateral security for the payment and performance in full of all the Secured Obligations, each Grantor hereby pledges and grants to the Collateral Agent for the ratable benefit of the Secured Parties, a security interest in and to all of the right, title and interest of such Grantor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "**Pledged Collateral**"):

(a) all Accounts;

(b) all Goods, Inventory, Fixtures and Equipment, whether the same constitutes personal property or fixtures, including, but without limiting the generality of the foregoing, all dies, jigs, tools, benches, tables, accretions, component parts thereof and additions thereto, as well as all accessories, motors, engines and auxiliary parts used in connection with or attached to the Equipment;

(c) all Documents, Instruments and Chattel Paper;

(d) all Letters of Credit and Letter-of-Credit Rights;

(e) all Securities Collateral;

(f) all Investment Property;

(g) all Intellectual Property Collateral;

(h) the Commercial Tort Claims described in Section 8 of the Perfection Certificate as supplemented by any written notification given by a Grantor to the Collateral Agent pursuant to Section 3.04(f);

(i) all General Intangibles;

(j) all Money and all Deposit Accounts;

(k) all Supporting Obligations;

(l) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records relating to the Pledged Collateral and any General Intangibles at any time evidencing or relating to any of the foregoing;

(m) all Permits;

(n) all Motor Vehicles; and

(o) to the extent not covered by clauses (a) through (n) of this sentence, all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Grantor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) through (o) above, the security interest created by this Agreement shall not extend to, and the term "Pledged Collateral" shall not include, any Excluded Property, *provided that,* if any Excluded Property would have otherwise constituted Pledged Collateral, when such property shall cease to be Excluded Property, such property shall be deemed at all times from and after the date hereof to constitute Pledged Collateral.

The Grantors shall from time to time at the request of the Collateral Agent give written notice to the Collateral Agent identifying in reasonable detail the Excluded Property (and stating in such notice that such Excluded Property constitutes "Excluded Property") and shall provide to the Collateral Agent such other information regarding the Excluded Property as the Collateral Agent may reasonably request.

From and after the date hereof, no Grantor shall permit to become effective in any lease, license, Contract or other agreement, a provision that would prohibit or require the consent of any Person to the grant of a Security Interest in such lease, license, Contract or other agreement in favor of the Collateral Agent.

Section 2.02 Filings.

(a) Each Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment thereto relating to the Pledged Collateral, including (i) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor, (ii) any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder, without the signature of such Grantor where permitted by law, including the filing of a financing statement describing the Pledged Collateral as "all assets now owned or hereafter acquired by the Grantor or in which the Grantor otherwise has rights" or by any other description which reasonably approximates the description of the Pledged Collateral contained in this Agreement and (iii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Pledged Collateral relates. Each Grantor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon request by the Collateral Agent.

(b) Each Grantor hereby further authorizes the Collateral Agent to file with the United States Patent and Trademark Office and the United States Copyright Office (and any successor office and any similar office in any United States state or other country) this Agreement, the Intellectual Property Security Agreement, and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder, without the signature of such Grantor where permitted by law, and naming such Grantor as debtor, and the Collateral Agent as secured party.

(c) Each Grantor hereby further authorizes the Collateral Agent at any time and from time to time, with respect to Motor Vehicles, to file in any relevant jurisdiction with the registrar of motor vehicles or other appropriate Governmental Authority in such jurisdiction an application or other document requesting the notation or other indication of the security interest created hereunder on such certificate of title, but only to the extent such notation or other indication is required under any Secured Creditor Document.

ARTICLE III

PERFECTION AND FURTHER ASSURANCES

Section 3.01 Perfection of Certificated Securities Collateral. Each Grantor represents and warrants that all certificates or other instruments representing or evidencing the Securities Collateral (other than Pledged Debt (a) owing from the Canadian Borrower or any of its Subsidiaries or (b) otherwise representing amounts in the aggregate for all Grantors of less than $100,000) in existence on the date hereof have been delivered to the Collateral Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that (assuming continuing possession by the Collateral Agent of any such Securities Collateral) the Collateral Agent has a perfected First Priority security interest therein. Each Grantor hereby agrees that all certificates or other instruments representing or evidencing the Securities Collateral (other than Pledged Debt (a) owing from the Canadian Borrower or any of its Subsidiaries or (b) otherwise representing amounts in the aggregate for all Grantors of less than $100,000) acquired by such Grantor after the date hereof, shall immediately upon receipt thereof by such Grantor be held by or on behalf of and delivered to the Collateral Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance sufficient to establish the Control over such certificates, instruments and Securities Collateral in favor of the Collateral Agent.

The Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Collateral Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right to exchange certificates representing or evidencing Pledged Securities for certificates of smaller or larger denominations. Each Grantor that is the issuer of any Securities Collateral agrees to comply with instructions originated by the Collateral Agent regarding such Securities Collateral without further consent from any other Person. Unless an Event of Default is continuing, the Collateral Agent will not issue any instructions to the issuers of any Securities Collateral regarding such Securities Collateral.

Section 3.02 Perfection of Uncertificated Securities Collateral. Each Grantor represents and warrants that the Collateral Agent has a perfected First Priority security interest in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof. Each Grantor hereby agrees that if any Pledged Securities are at any time not evidenced by certificates of ownership, such Grantor will permit the Collateral Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) to (a) mark their books and records with respect thereto to reflect the First Priority security interest of the Collateral Agent in such Pledged Securities obtained pursuant to this Agreement or (b) to agree in an authenticated record with such Grantor and the Collateral Agent that such issuer will comply with instructions with respect to such securities originated by the Collateral Agent without further consent of such Grantor (provided that, unless an Event of Default is continuing, the Collateral Agent will not issue any instructions to the issuers of any Securities Collateral regarding such Securities Collateral), such authenticated record to be in form and substance satisfactory to the Collateral Agent. With respect to any Pledged Securities owned by it, such Grantor will, upon request by the Collateral Agent, cause (a) the issuers of uncertificated Pledged Securities and (b) any securities intermediary which is the holder of any such Pledged Securities, to cause the Collateral Agent to have and retain Control over such Pledged Securities.

Section 3.03 Maintenance of Perfected Security Interest. Each Grantor represents and warrants that as of the date hereof, (i) in the case of any certificated Pledged Securities in existence on the date hereof, all stock, membership or other certificates or instruments representing such Pledged Securities have been delivered to the Collateral Agent, together with duly executed instruments of transfer or assignments in blank and (ii) in the case of all Pledged Collateral in which a security interest may be perfected by the filing of financing statements, such financing statements have been delivered to the Collateral Agent. Each Grantor agrees that at its sole cost and expense, such Grantor will maintain the security interest created by this Agreement in the Pledged Collateral as a perfected First Priority security interest.

Section 3.04 Other Actions for Perfection. To further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Pledged Collateral, each Grantor represents and warrants (as to itself) as follows and agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Pledged Collateral:

(a) **Instruments and Tangible Chattel Paper.** (i) As of the date hereof, no amounts payable to such Grantor under or in connection with any of the Pledged Collateral are evidenced by any Instrument or Tangible Chattel Paper other than Instruments and Tangible Chattel Paper listed on in Section 7 of the Perfection Certificate and (ii) each Instrument and each item of Tangible Chattel Paper listed in Section 7 of the Perfection Certificate has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by instruments of transfer or assignment duly executed in blank. At any time the aggregate amount payable under or in connection with all Pledged Collateral evidenced by any Instruments or Tangible Chattel Paper not previously endorsed, assigned and delivered pursuant to the preceding sentence exceeds $100,000, each Grantor shall promptly endorse, assign and deliver all such Instruments and Tangible Chattel Paper to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

(b) **Deposit Accounts.** (i) As of the date hereof, no Grantor has opened or maintains any Deposit Accounts other than the accounts listed in Section 9 of the Perfection Certificate and (ii) the Collateral Agent has a First Priority security interest in each Deposit Account, other than any De Minimis Account. No Grantor shall hereafter establish and maintain any Deposit Account (other than any De Minimis Accounts) unless the applicable depository bank and such Grantor shall have duly executed and delivered to the Collateral Agent a Deposit Account Control Agreement with respect to such Deposit Account (unless the Collateral Agent in its sole discretion agrees in writing that a Deposit Account Control Agreement is not required). No Grantor shall grant Control of any Deposit Account to any Person other than the Collateral Agent. Notwithstanding the foregoing or the terms of any Control Agreement, unless an Event of Default is continuing the Collateral Agent will not enforce the terms of any Control Agreement to take possession of, or prevent or limit the ability of any Grantor to direct the disposition of, the funds and other asset held in any Deposit Account. No Grantor shall grant Control of any Deposit Account to any Person other than the Collateral Agent

(c) **Investment Property**.

(i) As of the date hereof, no Grantor (1) has any Securities Accounts or Commodity Accounts other than those listed in Section 9 of the Perfection Certificate and the Collateral Agent has a First Priority security interest in such Securities Accounts and Commodity Accounts, (2) holds, owns or has any interest in any certificated securities or uncertificated securities other than those constituting Pledged Securities and those maintained in Securities Accounts or Commodity Accounts listed in Section 9 of the Perfection Certificate. No Grantor shall hereafter establish or maintain any Securities Account or Commodity Account with any

Securities Intermediary or Commodity Intermediary (other than any De Minimis Accounts) unless such Securities Intermediary or Commodity Intermediary, as the case may be, and such Grantor shall have duly executed and delivered a Control Agreement with respect to such Securities Account or Commodity Account, as the case may be (unless the Collateral Agent gives notice in writing that a Control Agreement is not required). The provisions of this Section 3.04(c) shall not apply to any Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary. No Grantor shall grant Control over any Investment Property to any Person other than the Collateral Agent.

(ii) If any Grantor shall at any time hold or acquire any certificated securities constituting Investment Property, such Grantor shall promptly (1) endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank, all in form and substance sufficient to establish Control over such certificated securities in favor of the Collateral Agent or (2) deliver such securities into a Securities Account with respect to which a Securities Account Control Agreement is in effect in favor of the Collateral Agent.

(iii) If any securities now or hereafter acquired by any Grantor constituting Investment Property are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Collateral Agent thereof and pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (1) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Grantor or such nominee, (2) cause a Security Entitlement with respect to such uncertificated security to be held in a Securities Account with respect to which the Collateral Agent has Control or (3) arrange for the Collateral Agent or its nominee to become the registered owner of such securities. Notwithstanding the foregoing or the terms of any Control Agreement, unless an Event of Default is continuing the Collateral Agent will not enforce the terms of any Control Agreement to take possession of, or prevent or limit the ability of any Grantor to direct the disposition of, the funds and other asset held in any Commodity Account or Securities Account.

(d) **Electronic Chattel Paper and Transferable Records.** As of the date hereof, no amount under or in connection with any of the Pledged Collateral is evidenced by any Electronic Chattel Paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such Electronic Chattel Paper and transferable records listed in Section 7 of the Perfection Certificate.

Each Grantor will maintain all (i) Electronic Chattel Paper having a value in excess of $100,000 so that the Collateral Agent has Control of the Electronic Chattel Paper and (ii) all transferable records having a value in excess of $100,000 so that the Collateral Agent has Control of the transferable records.

(e) **Letter-of-Credit Rights.** On the date hereof, no Grantor is the beneficiary of any Letter of Credit, other than as set forth in Section 10 of the Perfection Certificate. If any Grantor is at any time a beneficiary under a Letter of Credit having a value in excess of $100,000 now or hereafter issued in favor of such Grantor, such Grantor shall promptly notify the Collateral Agent thereof and such Grantor shall maintain all Letter-of-Credit Rights assigned to the Collateral Agent so that the Collateral Agent has Control of the Letter-of-Credit Rights.

(f) **Commercial Tort Claims.** On the date hereof, no Grantor holds any Commercial Tort Claim which might reasonably result in awarded damages (less any and all legal and other expenses incurred or reasonably expected to be incurred by such Grantor) in excess of $100,000 that is not listed in Section 8 of the Perfection Certificate. Each Grantor will promptly (and in any event within three Business Days) (a) give notice to the Collateral Agent of any Commercial Tort Claim acquired by it or otherwise arising that is the subject of pending litigation and that could reasonably be expected to result in a judgment or settlement in such Grantor's favor in excess of $100,000 and (b) execute or otherwise authenticate a supplement to this Agreement to subject such Commercial Tort Claim to the First Priority security interest created under this Agreement.

(g) **Landlord's Access Agreements/Bailee Letters.** Each Grantor shall use its commercially reasonable efforts to obtain as soon as practicable, and in any event within 20 days, after request by the Collateral Agent, with respect to any location that such Grantor does not own where such Grantor maintains Pledged Collateral, a bailee letter and/or landlord access agreement, as applicable, and use commercially reasonable efforts to obtain a bailee letter, landlord access agreement and/or landlord's lien waiver, as applicable, from all such bailees and landlords, as applicable, as the Collateral Agent may request, who from time to time have possession of Pledged Collateral in the ordinary course of such Grantor's business and if requested by the Collateral Agent, in each case in form and substance acceptable to the Collateral Agent. A bailee's letter shall not be required if the value of the Pledged Collateral held by such bailee at the relevant location is less than $100,000. A landlord access agreement and/or landlord's lien waiver shall not be required if the value of the Pledged Collateral held at the relevant leased location is less than $100,000.

Section 3.05 Joinder of Additional Grantors. Upon the execution and delivery by any Person of a Joinder Agreement, the supplemental perfection certificate attached to such Joinder Agreement shall be incorporated into and become part of and supplement the Perfection Certificate, and each reference to the Perfection Certificate shall mean and be a reference to such Schedules or the Perfection Certificate as supplemented pursuant to each Joinder Agreement and from time to time. The execution and delivery of such Joinder Agreement shall not require the consent of any other Grantor. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

Section 3.06 Further Assurances.

(a) **Further Assurances.** Each Grantor shall take such further actions, and execute and/or deliver to the Collateral Agent, and authorizes the Collateral Agent to file in any applicable jurisdiction or office, such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, as the Requisite Secured Parties may in their reasonable judgment deem necessary or appropriate to create and/or maintain the validity, perfection or priority of any security interest granted or purported to be granted in the Pledged Collateral as provided herein and the rights and interests granted to the Collateral Agent hereunder, and enable the Collateral Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Pledged Collateral, including the filing of any financing statements, continuation statements and other documents under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby, the filing of the Intellectual Property Security Agreement and supplemental Intellectual Property Security Agreements with the United States Patent and Trademark Office and the United States Copyright Office and the execution and delivery of Control Agreements with respect to Securities Accounts, Commodity Accounts and Deposit Accounts, all in form reasonably satisfactory to the Collateral Agent and in such offices wherever required by law to perfect, continue and maintain the validity, enforceability and priority of the security interest in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to the Collateral Agent hereunder, as against third parties, with respect to the Pledged Collateral. Without limiting the generality of the foregoing, but subject to applicable law, each Grantor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Collateral Agent from time to time upon reasonable request by the Collateral Agent such lists, schedules, descriptions and designations of the Pledged Collateral, statements, copies of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Collateral Agent shall reasonably request. If an Event of Default has occurred and is continuing, the Collateral Agent may institute and maintain, in its own name or in the name of any Grantor, such suits and proceedings as the Collateral Agent may deem necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Grantors.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Grantor represents, warrants and covenants as follows:

Section 4.01 Representations. No Person other than the Collateral Agent has control or possession of all or any part of the Pledged Collateral, except as permitted by the Secured Creditor Documents. None of the Pledged Collateral constitutes, or is the Proceeds of, (i) Farm Products, (ii) As-Extracted Collateral, (iii) Manufactured Homes, (iv) Health-Care-Insurance Receivables, (v) timber to be cut, (vi) aircraft, aircraft engines, satellites, ships or railroad rolling stock.

Section 4.02 Perfected First Priority Security Interest. This Agreement is effective to create in favor of the Collateral Agent for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Pledged Collateral and the Proceeds thereof. In the case of the certificated Pledged Securities, when all stock, membership or other certificates representing such Pledged Securities have been delivered to the Collateral Agent, together with duly executed instruments of transfer or assignments in blank, the Collateral Agent will have a fully perfected First Priority Security Interest in such Pledged Securities and the Proceeds thereof, as security for the Secured Obligations and (ii) in the case of all Pledged Collateral in which a security interest may be perfected by the filing of financing statements, when such financing statements are filed with the secretary of state of the state in which each Grantor is organized, the Collateral Agent will have a fully perfected First Priority Security Interest in all rights, title and interests of the Grantors in such Pledged Collateral as security for the Secured Obligations.

Section 4.03 No Transfer of Pledged Collateral. No Grantor shall sell, offer to sell, dispose of, convey, assign or otherwise transfer, or grant any option with respect to, restrict, or grant, create, permit or suffer to exist any Security Interest in, any of the Pledged Collateral pledged by it hereunder or any interest therein except as permitted by the Secured Creditor Documents.

Section 4.04 Claims Against Pledged Collateral. Each Grantor shall, at its own cost and expense, defend title to the Pledged Collateral and the First Priority security interest and Security Interest granted to the Collateral Agent with respect thereto against all claims and demands of all Persons at any time claiming any interest therein adverse to the Collateral Agent or any other Secured Party other than Security Interests permitted under the Secured Creditor Documents. Except as expressly permitted by the Secured Creditor Documents, there is no agreement, order, judgment or decree, and no Grantor shall enter into any agreement or take any other action restricting the transferability of any of the Pledged Collateral or otherwise impair or conflicting with such Grantors' obligations or the rights of the Collateral Agent hereunder.

Section 4.05 Other Financing Statements. Such Grantor has not executed or filed, nor authorized any third party to file, any financing statement or other instrument similar in effect covering all or any part of the Pledged Collateral or listing such Grantor as debtor in any recording office, except such as have been filed in favor of the Collateral Agent pursuant to this Agreement or as otherwise permitted under the Secured Creditor Documents.

No Grantor shall execute, authorize or permit to be filed in any recording office any financing statement or other instrument similar in effect covering all or any part of the Pledged Collateral or listing such Grantor as debtor with respect to all or any part of the Pledged Collateral, except financing statements and other instruments filed in respect of Security Interests permitted under the Secured Creditor Documents.

Section 4.06 Changes in Name, Jurisdiction of Organization, Etc. On the date hereof, such Grantor's legal name is indicated in Section 1 of the Perfection Certificate. On the date hereof, such Grantor's type of organization, jurisdiction of organization, Federal Taxpayer Identification Number and organizational identification number (if any) are indicated next to its name in Section 2 of the Perfection Certificate. On the date hereof, such Grantor's chief executive office or principal place of business is indicated next to its name in Section 3 of the Perfection Certificate. The respective Sections of the Perfection Certificate also indicate such Grantor's jurisdiction and type or organization, legal names and locations of chief executive office or principal place of business at any time during the four months preceding the date hereof, if different from those referred to in the preceding sentences.

Such Grantor shall not, except upon not less than 30 days' prior written notice to the Collateral Agent:

(a) change its legal name, identity, type of organization or corporate structure;

(b) change the location of its chief executive office or its principal place of business;

(c) change its Federal Taxpayer Identification Number or organizational identification number (if any); or

(d) change its jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, organizing, dissolving, liquidating, reincorporating or incorporating in any other jurisdiction).

Such Grantor shall, prior to any change described in the preceding sentence, execute if applicable, and deliver all documents and take all other actions reasonably directed by the Requisite Secured Parties to maintain the perfection and priority of the security interest of the Collateral Agent for the ratable benefit of the Secured Parties in the Pledged Collateral intended to be granted hereunder.

Each Grantor agrees to promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in this Section 4.06. Each Grantor also agrees to promptly notify the Collateral Agent of any change in the location of any office in which it maintains books or records relating to Pledged Collateral owned by it or any office or facility at which Pledged Collateral is located (including the establishment of any such new office or facility).

Section 4.07 Location of Inventory and Equipment. On the date hereof, the Inventory and the Equipment of such Grantor are kept at locations listed in Section 3 of the Perfection Certificate. Section 3 of the Perfection Certificate also lists the locations of such Grantor's Inventory and the Equipment (other than mobile goods and goods in transit) for the four months preceding the date hereof, if different from those referred in the preceding sentence.

Each Grantor shall notify the Collateral Agent of the relocation of any Pledged Collateral to a location not previously known to the Collateral Agent at least once each sixty (60) days. In connection with any movement of any Pledged Collateral, each Grantor shall provide such information and documents as may be reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein.

Such Grantor shall, prior to any change described in the preceding sentence, take all actions requested by the Collateral Agent at the reasonable direction of the Requisite Secured Parties to maintain the perfection and priority of the security interest of the Collateral Agent for the ratable benefit of the Secured Parties in the Pledged Collateral intended to be granted hereunder; *provided that*, in no event shall any Equipment or Inventory of any Grantor be moved to any location outside of the continental United States.

Section 4.08 Pledged Securities and Pledged Debt. Section 6 of the Perfection Certificate sets forth a complete and accurate list of all Pledged Securities held by such Grantor as of the date hereof. Section 7 of the Perfection Certificate sets forth a complete and accurate list of all Pledged Debt, other than any Pledged Debt owing from the Canadian Borrower or any of its Subsidiaries, held by such Grantor as of the date hereof. The Pledged Securities pledged by such Grantor hereunder constitute all of the issued and outstanding Equity Interests of each issuer owned by such Grantor. Such Equity Interests represent all of the outstanding Equity Interests of each such issuer which is a Subsidiary except as noted in Section 6 of the Perfection Certificate. All of the Pledged Securities existing on the date hereof have been, and to the extent any Pledged Securities are hereafter issued, such Pledged Securities will be, upon such issuance, duly authorized, validly issued, fully paid and non-assessable. There is no amount or other obligation owing by any Grantor to any issuer of the Pledged Securities in exchange for or in connection with the issuance of the Pledged Securities or any Grantor's status as a partner or a member of any issuer of the Pledged Securities. No Grantor is in default or violation of any provisions of any agreement to which such Grantor is a party relating to the Pledged Securities.

All of the Pledged Debt described on Section 7 of the Perfection Certificate has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof, enforceable in accordance with their respective terms (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law)) and is not in default.

No Securities Collateral pledged by such Grantor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Grantor by any Person with respect thereto, and there are no certificates, instruments, documents or other writings (other than the Organizational Documents and certificates representing such Pledged Securities or Pledged Debt, if any, that have been delivered to the Collateral Agent) which evidence any Pledged Securities or Pledged Debt of such Grantor, other than any Pledged Debt owing from the Canadian Borrower or any of its Subsidiaries.

Each Grantor shall, upon obtaining any Pledged Securities or Pledged Debt (other than any Pledged Debt owing from the Canadian Borrower or any of its Subsidiaries), accept the same in trust for the benefit of the Collateral Agent and promptly (but in any event within two Business Days after receipt thereof) deliver to the Collateral Agent an updated Section 6 or Section 7, as applicable, of the Perfection Certificate, and the certificates and other documents required under Section 3.01 and Section 3.02 hereof in respect of such additional Pledged Securities or Pledged Debt which are to be pledged pursuant to this Agreement, and confirming the Security Interest hereby created on such additional Pledged Securities or Pledged Debt.

Section 4.09 Approvals. In the event that the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and directs that approvals or consents of any Governmental Authority or any other Person are to be obtained therefor, then such Grantor agrees to use its commercially reasonable efforts to assist the Collateral Agent in obtaining as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

Section 4.10 Pledged Collateral Information. All information set forth in the schedules annexed to the Perfection Certificate is accurate and complete in all material respects.

Section 4.11 Insurance. In the event that the proceeds of any insurance claim are paid to any Grantor after the Collateral Agent has exercised its right to foreclose on all or any part of the Pledged Collateral during the existence of an Event of Default, such payment shall be held in trust for the benefit of the Collateral Agent and immediately after receipt thereof shall be paid to the Collateral Agent for application in accordance with the Intercreditor Agreement.

Section 4.12 Compliance With Laws. Each Grantor shall pay promptly when due all Claims upon the Pledged Collateral or incurred in connection with the use or operation of the Pledged Collateral or incurred in connection with this Agreement. All Claims imposed upon or assessed against the Pledged Collateral have been paid and discharged except to the extent such Claims constitute a Security Interest not yet due and payable which is a Contested Security Interest or a Security Interest permitted by the Secured Creditor Documents. In the event any Grantor shall fail to make such payment contemplated in the immediately preceding sentence, the Collateral Agent may (following notice to the Grantor, to the extent practicable) do so for the account of such Grantor and the Grantors shall promptly reimburse and indemnify the Collateral Agent for all costs and expenses, including attorneys' fees, incurred by the Collateral Agent under this Section 4.12 in accordance with Section 9.08. Each Grantor shall comply with all Applicable Law the failure to comply with which could reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

Section 4.13 Intellectual Property. (a) Section 4 to the Perfection Certificate lists all patents and pending applications, registered trademarks and pending applications, registered domain names, registered copyrights and pending applications and material Intellectual Property Licenses owned by such Grantor; (b) all Intellectual Property Collateral is valid, subsisting, unexpired and enforceable and has not been abandoned; (c) such Grantor is the exclusive owner of all right, title and interest in and to, or has the right to use, all such Intellectual Property Collateral; (d) consummation and performance of this Agreement will not result in the invalidity, unenforceability or impairment of any such Intellectual Property Collateral, or in default or termination of any material Intellectual Property License; (e) there are no outstanding holdings, decisions, consents, settlements, decrees, orders, injunctions, rulings or judgments that would limit, cancel or question the validity or enforceability of any such Intellectual Property Collateral or such Grantor's rights therein or use thereof; (f) to such Grantor's knowledge, the operation of such Grantor's business and such Grantor's use of Intellectual Property Collateral in connection therewith, does not infringe or misappropriate the intellectual property rights of any other Person; (g) no action or proceeding is pending or, to such Grantor's knowledge, threatened (i) seeking to limit, cancel or question the validity of any Intellectual Property Collateral or such Grantor's ownership interest or rights therein, (ii) which, if adversely determined, could have a Material Adverse Effect on the value of any such Intellectual Property Collateral or (iii) alleging that any such Intellectual Property Collateral, or such Grantor's use thereof in the operation of its business, infringes or misappropriates the intellectual property rights of any Person and (h) to such Grantor's knowledge, there has been no Material Adverse Effect on such Grantor's rights in its material Trade Secrets as a result of any unauthorized use, disclosure or appropriation by or to any Person, including such Grantor's current and former employees, contractors and agents.

Section 4.14 Grantors Remain Liable Under Contracts. Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Contracts to observe and perform all of the conditions and obligations to be observed and performed by them thereunder, all in accordance with and pursuant to the terms and provisions of each Contract. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Contract by reason of or arising out of this Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating to such Contract pursuant hereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

ARTICLE V

SECURITIES COLLATERAL

Section 5.01 Existing Voting Rights and Distributions.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof; *provided, however*, that no Grantor shall in any event exercise such rights in any manner which could reasonably be expected to have a Material Adverse Effect.

(ii) Each Grantor shall be entitled to receive and retain, and to utilize free and clear of the Security Interest hereof, any and all Distributions, if and to the extent made in accordance with the provisions of the Secured Creditor Documents; *provided, however*, that any and all such Distributions consisting of rights or interests in the form of securities shall be immediately delivered to the Collateral Agent to hold as Pledged Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Grantor and be promptly (but in any event within three Business Days after receipt thereof) delivered to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(b) The Collateral Agent shall be deemed without further action to have granted to each Grantor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Grantor and at the sole cost and expense of such Grantor, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request to permit such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 5.01(a)(i) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 5.01(a)(ii) hereof.

(c) Upon the occurrence and during the continuance of any Event of Default:

(i) All rights of each Grantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 5.01(a)(i) hereof shall immediately cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole right to exercise such voting and other consensual rights.

(ii) All rights of each Grantor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 5.01(a)(ii) hereof shall immediately cease and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole right to receive and hold such Distributions as Pledged Collateral.

(d) Each Grantor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Collateral Agent may request to permit the Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 5.01(c)(i) hereof and to receive all Distributions which it may be entitled to receive under Section 5.01(c)(ii) hereof.

(e) All Distributions which are received by any Grantor contrary to the provisions of Section 5.01(a)(ii) or Section 5.01(c) hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Grantor and shall promptly (but in any event within three Business Days after receipt thereof by such Grantor) be paid over to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

Section 5.02 Certain Agreements of Grantors.

(a) In the case of each Grantor which is an issuer of Securities Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(b) In the case of each Grantor which is a partner, shareholder or member, as the case may be, in a partnership, limited liability company or other entity, such Grantor hereby (i) consents to the extent required by the applicable Organizational Document to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner, shareholder or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, limited partner, shareholder or member, as the case may be and (ii) irrevocably waives any and all provisions of the applicable Organizational Documents that conflict with the terms of this Agreement or prohibit, restrict, condition or otherwise affect the grant hereunder of any Security Interest in any of the Pledged Collateral or any enforcement action which may be taken in respect of any such Security Interest.

ARTICLE VI

INTELLECTUAL PROPERTY COLLATERAL

Section 6.01 Intellectual Property License. For the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under

ARTICLE VIII hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Collateral Agent, to the extent of such Grantor's rights and effective only during the continuance of an Event of Default, an irrevocable, non-exclusive license, subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of such Trademarks, to use and sublicense any of the Intellectual Property Collateral then owned by or licensed to such Grantor. Such license shall include access to all devices, products and media in which any of the Intellectual Property Collateral is embodied, embedded, recorded or stored and to all computer programs used for the compilation or printout thereof.

Section 6.02 Dealing With Intellectual Property. On a continuing basis, each Grantor shall, at its sole cost and expense:

(a) promptly following its becoming aware thereof, notify the Collateral Agent of any adverse determination in any proceeding or the institution of any proceeding in any federal, state or local court or administrative body or in the United States Patent and Trademark Office or the United States Copyright Office regarding such Grantor's claim of ownership in or right to use any of the material Intellectual Property Collateral, such Grantor's right to register such Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect;

(b) not permit to lapse or become abandoned any material Intellectual Property Collateral as used and operated and as contemplated by the Secured Creditor Documents, and not settle or compromise any pending or future litigation or administrative proceeding with respect to such Intellectual Property Collateral, in each case except as shall be consistent with commercially reasonable business judgment;

(c) upon such Grantor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event which may be reasonably expected to materially and adversely affect the value or utility of any of the material Intellectual Property Collateral or the rights and remedies of the Collateral Agent in relation thereto including a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof;

(d) not license the Intellectual Property Collateral in any manner that could materially impair the value of the Intellectual Property Collateral or the security interest in the Intellectual Property Collateral created therein hereby, without the consent of the Collateral Agent;

(e) diligently keep adequate records respecting its material Intellectual Property Collateral; and

(f) furnish to the Collateral Agent from time to time upon the Collateral Agent's reasonable request therefor reasonably detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as the Collateral Agent may from time to time reasonably request.

Section 6.03 Additional Intellectual Property. If any Grantor shall at any time after the date hereof obtain or become entitled to any rights to any additional Intellectual Property Collateral, such Grantor shall promptly (i) provide to the Collateral Agent written notice of any of the foregoing and (ii) upon the Collateral Agent's request, execute and deliver a supplemental Intellectual Property Security Agreement in accordance with Section 3.06 hereof. Further, each Grantor authorizes the Collateral Agent to modify this Agreement by amending Section 4 of the Perfection Certificate hereof to include any such Intellectual Property Collateral of such Grantor.

Section 6.04 Intellectual Property Litigation. Unless there shall occur and be continuing any Event of Default and the Borrower receives written notice from the Collateral Agent of its intent to exercise remedies hereunder, each Grantor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Grantors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, misappropriation, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Grantor, the Collateral Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Grantor shall, at the reasonable request of the Collateral Agent, do any and all lawful acts and execute any and all documents reasonably requested by the Collateral Agent in aid of such enforcement and the Grantors shall promptly reimburse and indemnify the Collateral Agent for all reasonable costs and expenses, including attorneys' fees, incurred by the Collateral Agent in the exercise of its rights under this Section 6.04 in accordance with Section 9.08. In the event that the Collateral Agent shall elect not to bring suit to enforce the Intellectual Property Collateral as permitted by this Section 6.04 and an Event of Default has occurred and is continuing, each Grantor agrees, at the reasonable request of the Collateral Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, misappropriation, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

ARTICLE VII

RECEIVABLES

Section 7.01 Dealing With Receivables. Each Grantor shall keep and maintain at its own cost and expense complete records of each Receivable, including records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Grantor shall, at such Grantor's sole cost and expense, upon the Collateral Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver copies of all tangible evidence of Receivables, including copies of all documents evidencing Receivables and any books and records relating thereto to the Collateral Agent or to its representatives. Each Grantor shall legend, at the request of the Collateral Agent made at any time after the occurrence and during the continuance of an Event of Default, and in such form and such manner as directed by the Collateral Agent, the Receivables and the other books, records and documents of such Grantor evidencing or pertaining to the Receivables with an appropriate reference to the fact that the Receivables have been assigned to the Collateral Agent for the ratable benefit of the Secured Parties and that the Collateral Agent has a security interest therein. Such Grantor will deliver to the Collateral Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

Section 7.02 Modification of Receivables. Other than in the ordinary course of business consistent with its past practice, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

ARTICLE VIII

REMEDIES

Section 8.01 Remedies.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise, without any other notice to or demand upon any Grantor, in addition to the other rights and remedies provided for herein or in any other Secured Creditor Document, Security Document, or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Pledged Collateral) and also may:

(i) direct that any Grantor, and upon receipt of such direction such Grantor shall, at such Grantor's expense, cause all payments on account of the Accounts and Contracts to be made directly to the Collateral Agent and directly notify the Obligors with respect to any Accounts and/or under any Contracts to make payments with respect thereto directly to the Collateral Agent;

(ii) remove from any premises where same may be located any and all documents, instruments, files and records, and any receptacles or cabinets containing same, relating to the Accounts, or the Agent may use, at the expense of the Obligors, such of each Obligor's personnel, supplies or space at each Obligor's places of business or otherwise as may be necessary to properly administer and control the Accounts or the handling of collections and realizations thereon;

(iii) bring suit in the name of any Obligor, all Obligors or the Secured Parties and generally shall have all other rights respecting said Accounts, including, without limitation, the right to: enforce collection, accelerate or extend the time of payment, settle, compromise, release in whole or in part any amounts owing on any Accounts and issue credits in the name of each Obligor or the Secured Parties;

(iv) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Collateral Agent immediately, assemble the Pledged Collateral or any part thereof, as directed by the Collateral Agent and make it available to the Collateral Agent at a place and time to be designated by the Collateral Agent;

(v) without notice except as specified below, sell, resell, assign and deliver or grant a license to use or otherwise dispose of the Pledged Collateral or any part thereof, in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable;

(vi) occupy any premises owned or leased by any of the Grantors where the Pledged Collateral or any part thereof is assembled or located for a reasonable period to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation; and

(vii) exercise any and all rights and remedies of any of the Grantors under or in connection with the Pledged Collateral, or otherwise in respect of the Pledged Collateral, including without limitation, (A) any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Contracts, the Receivables, and the other Pledged Collateral, (B) withdraw, or cause or direct the withdrawal, of all funds with respect to the Deposit Accounts, (C) exercise all other rights and remedies with respect to the Receivables, and the other Pledged Collateral, including without limitation, those set forth in Section 9-607 of the UCC and (D) exercise any and all voting, consensual and other rights with respect to any Pledged Collateral.

(b) If any Inventory and Equipment shall require rebuilding, repairing, maintenance or preparation, the Collateral Agent may do such of the aforesaid as is necessary, for the purpose of putting the Inventory and Equipment in such saleable condition as the Collateral Agent may direct. Each Grantor agrees that, unless the Pledged Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. At any sale of the Pledged Collateral, if permitted by applicable law, the Collateral Agent may be the purchaser, licensee, assignee or recipient of the Pledged Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Pledged Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Collateral Agent arising out of the exercise by it of any rights hereunder. Each Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Pledged Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Pledged Collateral and any other security for the Secured Obligations or otherwise. The Collateral Agent shall not be liable for failure to collect or realize upon any or all of the Pledged Collateral or for any delay in so doing nor shall it be under any obligation to take any action with regard thereto. The Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that it would be commercially reasonable for the Collateral Agent to dispose of the Pledged Collateral or any portion thereof by utilizing internet sites that provide for the auction of assets of the type included in the Pledged Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. The Collateral Agent shall not be obligated to clean-up or otherwise prepare the Pledged Collateral for sale.

(c) If any Event of Default shall have occurred and be continuing, all payments received by any Grantor in respect of the Pledged Collateral shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over the Collateral Agent in the same form as so received (with any necessary endorsement).

(d) If any Event of Default shall have occurred and be continuing, the Collateral Agent may, without notice to any Grantor except as required by law and at any time or from time to time, charge, set off and otherwise apply all or part of the Secured Obligations against any funds deposited with it or held by it.

(e) If any Event of Default shall have occurred and be continuing, upon the written demand of the Collateral Agent, each Grantor shall execute and deliver to the Collateral Agent an assignment or assignments of any or all of the Intellectual Property Collateral and such other documents and take such other actions as are necessary or appropriate to carry out the intent and purposes hereof. Within five Business Days of written notice from the Collateral Agent, each Grantor shall make available to the Collateral Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of the Event of Default as the Collateral Agent may reasonably designate to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Grantor under the Intellectual Property Collateral, and such persons shall be available to perform their prior functions on the Collateral Agent's behalf.

(f) If the Collateral Agent shall exercise its right to sell all or any of the Securities Collateral of any Grantor pursuant to this Section 8.01, each Grantor agrees that, upon request of the Collateral Agent, such Grantor will, at its own expense:

(i) provide the Collateral Agent with such information and projections as the Collateral Agent may direct to enable the Collateral Agent to effect the sale of such Securities Collateral;

(ii) cause any registration, qualification under or compliance with any Federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Grantors. Each Grantor will cause such registration to be effected (and be kept effective) and will cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under the Securities Act of 1933, as amended, or under applicable state securities laws (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority; and

(iii) do or cause to be done all such other acts and things as may be necessary to make such sale of such Securities Collateral or any part thereof valid and binding and in compliance with applicable law.

(g) The Collateral Agent is authorized, in connection with any sale of the Securities Collateral pursuant to this Section 8.01, to deliver or otherwise disclose to any prospective purchaser of the Securities Collateral: (i) any registration statement or prospectus, and all supplements and amendments thereto, prepared pursuant to Section 8.01(f); (ii) any information and projections provided to it pursuant to Section 8.01(f), and (iii) any other information in its possession relating to such Securities Collateral.

(h) Each Grantor acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Collateral Agent and the Secured Parties by reason of the failure of such Grantor to perform any of the covenants contained in Section 8.01(f); and consequently, agrees that, if such Grantor shall fail to perform any of such covenants, it will pay, as liquidated damages and not as a penalty, an amount equal to the value of the Securities Collateral on the date the Collateral Agent demands compliance with Section 8.01(f) above.

(i) Notwithstanding the foregoing Section 8.01(f), the Collateral Agent shall be under no obligation register or seek the registration of any Collateral, and each Grantor acknowledges and confirms that Collateral Agent may be unable to effect a public sale of any or all of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers who will be obligated to agree, among other things, to acquire any shares of the Collateral for their own respective accounts for investment and not with a view to distribution or resale thereof. Each Grantor further acknowledges and confirms that any such private sale may result in prices or other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner, and agrees that the Collateral Agent shall be under no obligation to take any steps to permit the Collateral to be sold at a public sale. Collateral Agent shall be under no obligation to delay a sale of any of the Collateral for any period of time necessary to permit any issuer thereof to register such Collateral for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws.

Section 8.02 No Waiver and Cumulative Remedies. The Collateral Agent shall not by any act (except by a written instrument pursuant to Section 9.06), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

Section 8.03 Application of Proceeds. Upon the exercise by the Collateral Agent of its remedies hereunder, any proceeds received by the Collateral Agent in respect of any realization upon any Pledged Collateral shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, in accordance with the Intercreditor Agreement. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Pledged Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Collateral Agent to collect such deficiency.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Concerning Collateral Agent.

(a) **Appointment.** The Collateral Agent has been appointed as collateral agent in the Intercreditor Agreement and shall act in accordance with the terms of the Intercreditor Agreement. The Collateral Agent may exercise or refrain from exercising any rights (including making demands and giving notices) and take or refrain from taking any action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Intercreditor Agreement.

(b) **Conflict.** If any item of Pledged Collateral also constitutes collateral granted to the Collateral Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other document in respect of such collateral, the provisions of this Agreement shall control unless the other deed of trust, mortgage, security agreement, pledge or instrument expressly states otherwise.

Section 9.02 Performance By Collateral Agent. If any Grantor shall fail to perform any covenants contained in this Agreement (including covenants to pay insurance, taxes and claims arising by operation of law in respect of the Pledged Collateral and to pay or perform any Grantor obligations under any Pledged Collateral) or if any representation or warranty on the part of any Grantor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) following notice to such Grantor of such failure to perform and such Grantor's failure to remedy such failure within a commercially reasonable time period, or at any time during the continuance of an Event of Default, do the same or cause it to be done or remedy any such breach, and may make payments for such purpose; *provided, however*, that the Collateral Agent shall in no event be bound to inquire into the validity of any tax, Security Interest, imposition or other obligation which such Grantor fails to pay or perform as and when required hereby and which such Grantor does not contest in accordance with the provisions of the Secured Creditor Documents. Any and all amounts so paid by the Collateral Agent shall be reimbursed by the Grantors in accordance with the provisions of Section 9.08. Neither the provisions of this Section 9.02 nor any action taken by the Collateral Agent pursuant to the provisions of this Section 9.02 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default.

Section 9.03 Power of Attorney. Each Grantor hereby appoints the Collateral Agent its attorney-in-fact, with full power and authority in the place and stead of such Grantor and in the name of such Grantor, or otherwise, from time to time during the existence of an Event of Default in the Collateral Agent's discretion to take any action and to execute any instrument consistent with the terms of the Security Documents or the Secured Creditor Documents which the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof (but the Collateral Agent shall not be obligated to and shall have no liability to such Grantor or any third party for failure to so do or take action). The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 9.04 Continuing Security Interest and Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) be binding upon the Grantors, their respective successors and assigns and (b) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and each of their respective permitted successors, transferees and assigns and their respective officers, directors, employees, affiliates, agents, advisors and controlling Persons; *provided that*, no Grantor shall assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent and any attempted assignment or transfer without such consent shall be null and void.

Section 9.05 Termination and Release.

(a) At such time as all Secured Obligations shall have been paid in full (other than contingent indemnification obligations in which no claim has been made or is reasonably foreseeable) and all Commitments (as defined in the Bank Credit Agreement) have been terminated, and all Letters of Credit have been terminated or cash collateralized in accordance with the provisions of the Bank Credit Agreement, the **P**ledged Collateral shall be released from the Security Interests created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or any further action by any party, and all rights to the Pledged Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Collateral Agent shall deliver to such Grantor any Pledged Collateral held by the Collateral Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Pledged Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Secured Creditor Documents, then the Security Interest created pursuant to this Agreement in such Pledged Collateral shall be released, and the

Collateral Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases and other documents reasonably necessary or advisable for the release of the Security Interests created hereby on such Pledged Collateral; *provided that* the Borrower shall provide to the Collateral Agent evidence of such transaction's compliance with the Secured Creditor Documents as the Collateral Agent shall reasonably request. At the request and sole expense of the Borrower, a Grantor shall be released from its obligations hereunder in the event that all the Equity Interests of such Grantor are sold, transferred or otherwise disposed of in a transaction permitted by the Secured Creditor Documents; *provided that* the Borrower shall have delivered to the Collateral Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Secured Creditor Documents.

Section 9.06 Modification in Writing. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by any Grantor therefrom shall be effective, except by a written instrument signed by the Collateral Agent in accordance with the terms of the Intercreditor Agreement. Any amendment, modification or supplement of any provision hereof, any waiver of any provision hereof and any consent to any departure by any Grantor from the terms of any provision hereof in each case shall be effective only in the specific instance and for the specific purpose for which made or given. This Agreement shall be construed as a separate agreement with respect to each Grantor and may be amended, modified, supplemented, terminated or waived with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

Section 9.07 Notices. Unless otherwise provided herein, any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Intercreditor Agreement, and, as to any Grantor, addressed to it at the address of the Grantor set forth in Section 3(b) of the Perfection Certificate and as to the Collateral Agent, addressed to it at the address set forth in the Intercreditor Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party.

Section 9.08 Indemnity and Expenses.

(a) Each Grantor hereby agrees to indemnify and hold harmless the Collateral Agent (and any sub-agent thereof), each other Secured Party and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") from any losses, damages, liabilities, claims and related expenses (including the fees and expenses of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Canadian Borrower or any of its Subsidiaries) other than such Indemnitee and its Related Parties arising out of, in connection with or resulting from this Agreement (including, without limitation, enforcement of this Agreement) or any failure of any Secured Obligations to be the legal, valid, and binding obligations of the Canadian Borrower or any of its Subsidiaries enforceable against any of them in accordance with their terms, whether brought by a third party or by the Canadian Borrower or any of its Subsidiaries, and regardless of whether any

Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (ii) result from a claim brought by the Canadian Borrower or any of its Subsidiaries against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Secured Creditor Document, if such claimant has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(b) To the fullest extent permitted by applicable law, each Grantor hereby agrees not to assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Security Document, any Secured Creditor Document or any agreement or instrument contemplated hereby or the transactions contemplated hereby or thereby. No Indemnitee shall be liable for any damages arising from the use of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Secured Creditor Documents or the transactions contemplated hereby or thereby by unintended recipients.

(c) Each Grantor agrees to pay or reimburse the Collateral Agent for all its costs and expenses incurred in collecting against such Grantor its Secured Obligations or otherwise protecting, enforcing or preserving any rights or remedies under this Agreement and the other Security Documents and Secured Creditor Documents to which such Grantor is a party, including the fees and other charges of counsel to the Collateral Agent.

(d) All amounts due under this Section shall be payable promptly and shall constitute Secured Obligations.

(e) Without prejudice to the survival of any other agreement of any Grantor under this Agreement or any other Security Document or any Secured Creditor Documents, the agreements and obligations of each Grantor contained in this Section shall survive termination of the Security Documents and Secured Creditor Documents and payment in full of the Obligations and all other amounts payable under this Agreement.

Section 9.09 Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 9.10 Submission to Jurisdiction. Each party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind whatsoever, whether in law or equity, or whether in contract or tort or otherwise, against the Collateral Agent or any Secured Party, or any of their respective Related Parties in any way relating to this Agreement or the transactions contemplated hereby or thereby, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that any such action, litigation or proceeding may be brought in any such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing herein shall affect any right that the Collateral Agent or any Secured Party may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or Grantor or their properties in the courts of any jurisdiction.

Section 9.11 Waiver of Venue. Each party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any such court referred to in this Section 9.11. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 9.12 Service of Process. Each party irrevocably consents to the service of process in the manner provided for notices in Section 9.07 and agrees that nothing herein will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

Section 9.13 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT, ANY OTHER SECURITY DOCUMENT OR ANY SECURED CREDITOR DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY. EACH PARTY HERETO (A) CERTIFIES THAT NO AGENT, ATTORNEY, REPRESENTATIVE OR ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF LITIGATION, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER SECURITY DOCUMENTS AND SECURED CREDITOR DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.14 Severability of Provisions. Any provision hereof which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

Section 9.15 Counterparts; Integration; Effectiveness. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. This Agreement and the other Security

Documents and Secured Creditor Documents, and any separate letter agreements with respect to fees payable to the Collateral Agent, constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. This Agreement shall become effective when it shall have been executed by the Collateral Agent and when the Collateral Agent shall have received counterparts hereof signed by each of the other parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.16 No Release. Nothing set forth in this Agreement or any other Security Documents or Secured Creditor Document, nor the exercise by the Collateral Agent of any of the rights or remedies hereunder, shall relieve any Grantor from the performance of any term, covenant, condition or agreement on such Grantor's part to be performed or observed in respect of any of the Pledged Collateral or from any liability to any Person in respect of any of the Pledged Collateral or shall impose any obligation on the Collateral Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Grantor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Secured Party for any act or omission on the part of such Grantor relating thereto or for any breach of any representation or warranty on the part of such Grantor contained in this Agreement or the other Secured Creditor Documents, or in respect of the Pledged Collateral or made in connection herewith or therewith. Anything herein to the contrary notwithstanding, neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any contracts, agreements and other documents included in the Pledged Collateral by reason of this Agreement, nor shall the Collateral Agent or any other Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Pledged Collateral. The obligations of each Grantor contained in this Section 9.16 shall survive the termination hereof and the discharge of such Grantor's other obligations under this Agreement and the other Secured Creditor Documents.

[*Signature page follows.*]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

TRICAN WELL SERVICE, L.P., by its general partner TRILIB MANAGEMENT, LLC

By______________________

Name: Brian T. Harrison
Title: Secretary and Assistant Treasurer

TRICAN DELAWARE INC.

By______________________

Name: Brian T. Harrison
Title: Vice President

TRICAN COMPLETION SOLUTIONS, LLC, by its sole member TRICAN DELAWARE INC.

By______________________

Name: Brian T. Harrison
Title: Vice President

TRILIB MANAGEMENT, LLC

By______________________

Name: Brian T. Harrison
Title: Secretary and Assistant Treasurer

TRICAN, LLC

By______________________

Name: Brian T. Harrison
Title: Secretary and Assistant Treasurer

COMPUTERSHARE TRUST
COMPANY OF CANADA,
as Collateral Agent

By______________________

Name:
Title:

EXHIBIT A

FORM OF JOINDER AGREEMENT

THIS JOINDER AGREEMENT (the "**Joinder Agreement**"), dated as of [DATE] is made by [JOINING GRANTOR], a [STATE OF ORGANIZATION] [ENTITY TYPE] (the "**Joining Grantor**"), and delivered to [NAME OF COLLATERAL AGENT], in its capacity as collateral agent (in such capacity and together with any successors in such capacity, the "**Collateral Agent**") under that certain Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of November 12, 2015 made by and among TRICAN WELL SERVICE, L.P., a Delaware limited partnership, and the other Grantors party thereto, in favor of the Collateral Agent.

WHEREAS, the Joining Grantor is required by the terms of one or more Secured Creditor Documents to be joined as a party to the Security Agreement as a Grantor; and

WHEREAS, this Joinder Agreement supplements the Security Agreement and is delivered by the Joining Grantor pursuant to **Section 3.05** of the Security Agreement; and

WHEREAS, the Joining Grantor will materially benefit directly and indirectly from the extensions of credit made available or to be made available to TRICAN WELL SERVICE LTD. under the Secured Creditor Documents; and

NOW THEREFORE, the Joining Grantor hereby agrees as follows with the Collateral Agent, for the ratable benefit of the Secured Parties:

1. **Joinder.** The Joining Grantor hereby irrevocably, absolutely and unconditionally becomes a party to the Security Agreement as a Grantor and agrees to be bound by all the terms, conditions, covenants, obligations, liabilities and undertakings of each Grantor or to which each Grantor is subject thereunder, all with the same force and effect as if the Joining Grantor were a signatory to the Security Agreement. Without limiting the generality of the foregoing, the Joining Grantor hereby pledges and grants to the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the payment and performance in full of all the Secured Obligations, a Security Interest in and security interest in and to all of its right, title and interest in, to and under the Pledged Collateral owned by it, wherever located, and whether now existing or hereafter arising or acquired from time to time and expressly assumes all obligations and liabilities of a Grantor thereunder.

2. **Affirmations**. The Joining Grantor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Grantors contained in the Security Agreement. The Joining Grantor also represents and warrants to the Collateral Agent and the Secured Parties that (i) it has the [corporate] power and authority, and the legal right, to make, deliver and perform this Joinder Agreement and has taken all necessary [corporate] action to authorize the execution, delivery and performance of this Joinder Agreement; (ii) no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental

Authority or any other Person that has not been obtained, made or completed is required in connection with the execution, delivery and performance, validity or enforceability of this Joinder Agreement; (iii) this Joinder Agreement has been duly executed and delivered on behalf of the Joining Grantor; and (iv) this Joinder Agreement constitutes a legal, valid and binding obligation of the Joining Grantor enforceable against such Joining Grantor in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

3. **Supplemental Perfection Certificate.** Attached to this Joinder Agreement is a duly completed perfection certificate, supplementing the Perfection Certificate (the "**Supplemental Perfection Certificate**"). The Joining Grantor represents and warrants that the information contained on the Supplemental Perfection Certificate with respect to such Joining Grantor and its properties is true, complete and accurate as of the date hereof. Such Supplemental Perfection Certificate shall be deemed to be part of the Security Agreement.

4. **Severability.** The provisions of this Joinder Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Joinder Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

5. **Counterparts.** This Joinder Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Joinder Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Joinder Agreement.

6. **Delivery.** The Joining Grantor hereby irrevocably waives notice of acceptance of this Joinder Agreement and acknowledges that the Secured Obligations are incurred, and credit extensions under the Secured Creditor Documents are made and maintained, in reliance on this Joinder Agreement and the Joining Grantor's joinder as a party to the Security Agreement as herein provided.

7. **Governing Law; Venue; Waiver of Jury Trial.** This Joinder Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Joinder Agreement and the transactions contemplated hereby and thereby shall be governed by and construed in accordance with the laws of New York. The provisions of Sections 9.09 through 9.13 of the Security Agreement are hereby incorporated by reference as if fully set forth herein.

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have caused this Joinder Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

[NAME OF JOINING GRANTOR]
By:____
Name:______________________________________
Title:_______________________________________
Address for Notices:_________________________

AGREED TO AND ACCEPTED:

[NAME OF COLLATERAL AGENT][, as Collateral Agent]
By:____
Name:______________________________________
Title:_______________________________________
Address for Notices:_________________________

[SCHEDULES TO BE ATTACHED]

EXHIBIT B

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT

[THE TERMS AND CONDITIONS SET FORTH IN THE FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT WERE REDACTED]

SCHEDULE I
TO RESTATED CREDIT AGREEMENT

[INTENTIONALLY LEFT BLANK]

SCHEDULE J
TO RESTATED CREDIT AGREEMENT

ORGANIZATION CHART

[Attached]

[REDACTED]