
CDN.\$270,000,000 AND U.S.\$120,000,000 REVOLVING CREDIT FACILITIES

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

BETWEEN

**CANADIAN ENERGY SERVICES L.P. and
AES DRILLING FLUIDS HOLDINGS, LLC**

as Borrowers

AND

**THE BANK OF NOVA SCOTIA, THE TORONTO-DOMINION BANK,
ATB FINANCIAL, WELLS FARGO BANK, NATIONAL ASSOCIATION, THE BANK OF
NOVA SCOTIA, HOUSTON BRANCH, BANK OF MONTREAL
and such other persons as become parties hereto as lenders as
Lenders**

AND

**THE BANK OF NOVA SCOTIA,
as Agent of the Lenders**

AND

**THE BANK OF NOVA SCOTIA,
as U.S. Agent of the U.S. Syndicated Revolving Facility Lenders**

MADE AS OF SEPTEMBER 1, 2022

**THE BANK OF NOVA SCOTIA
as Lead Arranger and Sole Bookrunner**

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT made as of September 1, 2022,

BETWEEN:

CANADIAN ENERGY SERVICES L.P., a limited partnership existing under the laws of Ontario,

OF THE FIRST PART,

- and -

AES DRILLING FLUIDS HOLDINGS, LLC, a limited liability company existing under the laws of Delaware,

OF THE SECOND PART,

THE BANK OF NOVA SCOTIA, THE BANK OF NOVA SCOTIA, HOUSTON BRANCH, THE TORONTO-DOMINION BANK, ATB FINANCIAL, WELLS FARGO BANK, NATIONAL ASSOCIATION AND BANK OF MONTREAL together with such other persons as become parties hereto as lenders, (hereinafter sometimes collectively referred to as the “**Lenders**” and sometimes individually referred to as a “**Lender**”),

OF THE THIRD PART,

- and -

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, as agent of the Lenders (in such capacity, the “**Agent**”), as the Canadian Operating Facility Lender and as collateral agent hereunder,

OF THE FOURTH PART,

- and -

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, as U.S. agent of the U.S. Syndicated Revolving Facility Lenders (in such capacity, the “**U.S. Agent**”),

OF THE FIFTH PART,

- and -

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the U.S. Operating Facility Lender,

OF THE SIXTH PART,

WHEREAS the Borrowers, the Lenders and the Agent entered into a credit agreement dated as of September 5, 2014, as amended by a first amending agreement made as of June 25, 2015, a second amending agreement made as of September 30, 2015, a third amending agreement made as of March 29, 2016, a fourth amending agreement made as of July 14, 2017, a fifth amending agreement made as of November 8, 2018, as further amended and restated pursuant to an amended and restated credit agreement dated as of August 22, 2019 and as further amended pursuant to a second amended and restated credit agreement dated as of September 1, 2021, as amended by a first amending agreement made as of February 1, 2022 and a consent to exercise of accordion dated as of July 8, 2022 (the “**Original Credit Agreement**”);

AND WHEREAS the Borrowers, the Lenders and the Agent have agreed to amend and restate the Original Credit Agreement in the form hereof and the Lenders have agreed to continue to provide and to provide further amounts of the Credit Facilities to the Borrowers on the amended and restated terms and conditions set forth herein;

AND WHEREAS the Lenders wish the Agent and the U.S. Agent, as applicable, to continue to act on their behalf with regard to certain matters associated with the Credit Facilities;

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

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

“**Accounting Change**” has the meaning set out in Section 1.4.

“**Accounting Change Notice**” has the meaning set out in Section 1.4.

“**Additional Commitments**” has the meaning set out in Section 2.26.

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

“**Adjusted Term SOFR**” means, for purposes of any calculation, the rate per annum equal to:

- (a) **[Redacted – commercially sensitive information];** plus
- (b) **[Redacted – commercially sensitive information];**

provided that if Adjusted Term SOFR as so determined is less than the Floor then Adjusted Term SOFR shall be deemed to be the Floor.

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

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

“AES” means AES Drilling Fluids Holdings, LLC.

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

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

“Affiliate” means any person which, directly or indirectly, controls, is controlled by or is under common control with another person; and, for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” or “under common control with”) means the power to direct or cause the direction of the management and policies of any person, whether through the ownership of shares or by contract or otherwise.

“Agency Fee Agreement” means the agency fee agreement dated as of even date herewith between the Borrowers, the Agent and the U.S. Agent with respect to the payment of certain fees and other amounts to the Agent and the U.S. Agent, as applicable, for its own account.

“Agent’s Accounts” means the following accounts maintained by the Agent or the U.S. Agent to which payments and transfers to the Agent or the U.S. Agent, as applicable, under this Agreement are to be effected:

- (a) to the Agent for Canadian Dollars in respect of the Canadian Syndicated Facility and the Canadian Operating Facility:

[Redacted – commercially sensitive information]

- (b) to the Agent for United States Dollars in respect of the Canadian Syndicated Facility and the Canadian Operating Facility:

[Redacted – commercially sensitive information]

- (c) to the U.S. Agent in respect of the U.S. Syndicated Revolving Facility:

[Redacted – commercially sensitive information]

or such other account or accounts as the Agent, the U.S. Agent or the U.S. Operating Facility Lender, as applicable, may from time to time designate by notice to the applicable Borrower and the Lenders.

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

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to CES Energy Solutions, its Subsidiaries and their Affiliates from time to time concerning or relating to bribery or

corruption, including without limitation the *Criminal Code* (Canada), *Corruption of Foreign Public Officials Acts* (Canada), the *U.S. Foreign Corrupt Practices Act*, and the *U.K. Bribery Act 2010*.

“Anti-Money Laundering Laws” means the USA PATRIOT Act, the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department and any other enabling legislation or executive order relating thereto; the US Money Laundering Control Act of 1986 and the regulations and rules promulgated thereunder, as amended from time to time and any other federal or state laws relating to “know your customer” rules and regulations; the US Bank Secrecy Act and the regulations and rules promulgated thereunder, as amended from time to time; the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” Applicable Laws, whether within Canada or elsewhere, including any regulations, guidelines or orders thereunder; and corresponding laws of (a) the European Union (and, following a withdrawal of the United Kingdom from the European Union, the United Kingdom) designed to combat money laundering and terrorist financing and (b) jurisdictions in which the Borrowers operate or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived.

“Applicable Gross Receivables” means an amount equal to 75% of the aggregate value of all accounts receivable of CES Energy Solutions and its Subsidiaries in respect of which the Agent holds a security interest pursuant to the Security, and from which shall be excluded all accounts receivable from Affiliates, agents, employees, officers and directors of CES Energy Solutions or any of its Subsidiaries, as determined by the Agent and the Lenders from their review of the most recent financial statements delivered by CES pursuant to Section 10.1(e).

“Applicable Inventory” means an amount equal to 50% of the aggregate value of all inventory owned by CES Energy Solutions and its Subsidiaries, based on the lower of the cost to CES Energy Solutions and its Subsidiaries and the fair market value of such inventory, over or in respect of which the Agent holds a security interest pursuant to the Security, as determined by the Agent and the Lenders from their review of the most recent financial statements delivered by CES pursuant to Section 10.1(e); in all cases provided that such inventory is in good condition, merchantable, meets all standards imposed by any Governmental Authority having regulatory authority over it or its use or sale and is not obsolete and is usable and saleable in the normal course of business of CES Energy Solutions and its Subsidiaries.

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

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

“Applicable Pricing Rate”, as regards any Loan or the standby fees payable in accordance with Section 5.7, means, in respect of each Credit Facility, when the Net Senior Debt to EBITDA Ratio (calculated as at the Quarter End for the most recently completed calendar quarter) is one of the following, the percentage rate per annum set forth opposite such ratio in the column applicable to the type of Loan in question or such standby fee:

Pricing Level	Net Senior Debt to EBITDA Ratio	Margin on Canadian Prime Rate Loans, U.S. Base Rate Loans and U.S. Prime Rate Loans	Margin on SOFR Loans, Acceptance Fees for Bankers' Acceptances and Issuance Fees for Letters of Credit	Standby Fee on each such Credit Facility
I	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]
II	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]
III	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]
IV	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]
V	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]

provided that:

- (a) the above rates per annum applicable to SOFR Loans are expressed on the basis of a year of 360 days;
- (b) the above rates per annum applicable to all other Loans are expressed on the basis of a year of 365 days;
- (c) issuance fees for Letters of Credit which are not “direct credit substitutes” (as determined by the Agent, acting reasonably) within the meaning of the Capital Adequacy Requirements shall be 66²/₃% of the rate specified above;
- (d) changes in Applicable Pricing shall be effective in accordance with Section 8.8; and
- (e) during the continuance of an Event of Default, the above rates per annum applicable to all Loans shall each increase (as applicable) by 2.00% per annum if and for so long as the Event of Default is continuing and has not been cured or waived in accordance with this Agreement.

As at the Effective Date, the Applicable Pricing Rate is as set out in Pricing Level III above.

“**Approved Securities**” means obligations maturing within one year from their date of purchase or other acquisition by a Borrower, CES Energy Solutions or a Subsidiary and which are, directly or indirectly (including through a money market fund administered by the Agent or the U.S. Agent, as applicable):

- (a) issued by the Government of Canada or the United States of America or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the Government of Canada or the United States of America;
- (b) issued by a province of Canada or a state of the United States of America, or an instrumentality or agency thereof, which has a long term debt rating of at least A by S&P, A2 by Moody's, or A by DBRS; or
- (c) term deposits, guaranteed investment certificates, certificates of deposit, bankers' acceptances or bearer deposit notes, in each case, of any Canadian chartered bank or other Canadian financial institution or any bank or other financial institution incorporated under the laws of the United States of America or any state thereof which has a long term debt rating of at least A+ by S&P, A1 by Moody's, or A (high) by DBRS.

"Assigned Interests" has the meaning set out in Section 2.21.

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

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

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (4) of Section 2.27.

"BA Discount Rate" means:

- (a) in relation to a Bankers' Acceptance accepted by a Schedule I Lender, the CDOR Rate;
- (b) in relation to a Bankers' Acceptance accepted by a Schedule II Lender or Schedule III Lender, the lesser of:
 - (i) the Discount Rate then applicable to bankers' acceptances accepted by such Schedule II Lender or Schedule III Lender; and

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

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

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

“Bail-In Legislation” means:

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

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

“Banking Day” means, in respect of a SOFR Loan, a day on which the Agent is open for normal banking business at its executive offices in Calgary, Alberta and Toronto, Ontario, and its principal offices in New York, New York and London, England, provided that, in the case of a SOFR Loan, a “Banking Day” shall exclude any day that is not a U.S. Government Securities Business Day, and, for all other purposes, shall mean a day on which banks are open for business in Calgary, Alberta, Toronto, Ontario and New York, New York, but does not in any event include a Saturday or a Sunday.

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

“Bank Product Obligations” means any obligations arising under or in connection with Bank Products.

“Bank Products” means any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer, cash pooling and other cash management arrangements and commercial credit card and merchant card services provided to the Borrowers, CES Energy Solutions or their respective Subsidiaries by the Lenders or their Affiliates.

“Bankruptcy Code” means title 11 of the United States Code, in effect from time to time.

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (1) of Section 2.27.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Agent or the U.S. Agent, as applicable, for the applicable Benchmark Replacement Date:

- (a) the sum of (i) Daily Simple SOFR and (ii) 0.10%; and
- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Agent or the U.S. Agent, as applicable, and the Borrowers giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and any other Documents.

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

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

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

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

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

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

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

“**Benchmark Unavailability Period**” means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Document in accordance with Section 2.27 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Document in accordance with Section 2.27.

“**Borrowers**” means, collectively, CES and AES and each of their successors and assigns and “**Borrower**”, means either one of them, provided that, “**Borrower**”, in the context of provision hereunder relating to:

- (a) the Canadian Syndicated Facility and the Canadian Operating Facility and Loans thereunder shall mean CES and its successors and assigns; and

- (b) the U.S. Syndicated Revolving Facility and the U.S. Operating Facility and Loans thereunder shall mean AES and its successors and assigns.

“Canadian Credit Facilities” means, collectively, the Canadian Operating Facility and the Canadian Syndicated Facility, and **“Canadian Credit Facility”** means either such Credit Facility.

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

“Canadian Lenders” means, collectively, the Canadian Operating Facility Lender and the Canadian Syndicated Facility Lenders.

“Canadian Operating Facility” means the credit facility in the maximum principal amount of up to Cdn.\$20,000,000 (or the Equivalent Amount in United States Dollars) to be made available to CES by the Canadian Operating Facility Lender, subject to any reduction in accordance with the provisions hereof.

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

“Canadian Operating Facility Extension Request” has the meaning set out in Section 2.23.

“Canadian Operating Facility Lender” means The Bank of Nova Scotia.

“Canadian Operating Facility Maturity Date” means September 28, 2024, or such later date as may be elected in accordance with Section 2.23.

“Canadian Operating Facility Notice of Non-Extension” has the meaning set out in Section 2.23.

“Canadian Overdraft Loans” has the meaning set out in Section 2.2(2).

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

- (a) the rate of interest per annum established from time to time by the Agent as the reference rate of interest for the determination of interest rates that the Agent will charge to customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Canada; and
- (b) the rate of interest per annum equal to the average annual yield rate for one month Canadian Dollar bankers’ acceptances (expressed for such purpose as a yearly rate per annum in accordance with Section 5.4) which rate is shown on the display referred to as the “CDOR Page” (or any display substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) at 10:00 a.m. (Toronto time) on such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, **[Redacted – commercially sensitive information]** per annum;

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

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

“Canadian Syndicated Facility” means the revolving term credit facility in the maximum principal amount of up to Cdn.\$250,000,000 (or the Equivalent Amount in United States Dollars) to be made available to CES by the Canadian Syndicated Facility Lenders, subject to any increase in accordance with Section 2.26 and any reduction in accordance with the provisions hereof.

“Canadian Syndicated Facility Commitment” means the commitment by each Canadian Syndicated Facility Lender under the Canadian Syndicated Facility to provide up to the amount of Canadian Dollars (or the Equivalent Amount thereof) set forth opposite its name in Schedule A annexed hereto in the appropriate column, subject to any increase in accordance with Section 2.26 and any reduction in accordance with the applicable provision hereof.

“Canadian Syndicated Facility Extending Lender” has the meaning set out in Section 2.22.

“Canadian Syndicated Facility Extension Request” has the meaning set out in Section 2.22.

“Canadian Syndicated Facility Lender” means each Lender identified as such on Schedule A annexed hereto.

“Canadian Syndicated Facility Maturity Date” means September 28, 2024, or such later date as may be elected in accordance with Section 2.22.

“Canadian Syndicated Facility Non-Extending Lender” has the meaning set out in Section 2.22.

“Canadian Syndicated Facility Notice of Non-Extension” has the meaning set out in Section 2.22.

“Canadian Syndicated Facility Requested Lenders” has the meaning set out in Section 2.22.

“Capital Adequacy Requirements” means Guideline A, dated January 2011, “Capital Adequacy Requirements (CAR) – Simpler Approaches” or Guideline A-1, dated January 2011, entitled “Capital Adequacy Requirements (CAR)”, as applicable to any Lender from time to time, issued by the Office of the Superintendent of Financial Institutions Canada and all other guidelines or requirements relating to capital adequacy issued by the Office of the Superintendent of Financial Institutions or any other governmental agency or regulatory authority in Canada regulating or having jurisdiction with respect to any Lender, as amended, modified, supplemented, reissued or replaced from time to time.

“Captive Insurer” means CES (Barbados) Indemnity Corp., a wholly owned Subsidiary of CES Energy Solutions incorporated in Barbados and licensed under the Exempt Insurance Act Chapter 308A of Barbados.

“Cash and Cash Equivalents” means, at any time:

- (a) cash in hand or at bank and (in the latter case) credited to an account domiciled in Canada or the United States of America maintained with the Agent or a Lender, so long as:
 - (i) such cash is repayable on demand and is freely and immediately available;

- (ii) repayment of such cash is not contingent on the prior discharge of any other indebtedness of any person or on the satisfaction of any other condition; and
 - (iii) there is no Security Interest over such cash (except for the Security or any other Permitted Encumbrance constituted by a netting or set-off arrangement entered into in the ordinary course of any banking arrangements);
- (b) Approved Securities; and
- (c) marketable securities which are issued by any person which has a long term debt rating of at least BBB- by S&P, Baa3 by Moody's, or BBB low by DBRS,

provided that the aggregate amount of all such cash, Approved Securities and marketable securities is at least Cdn.\$5,000,000 (or the Equivalent Amount thereof).

"Cash Collateral" has the meaning set out in Section 2.17.

"Cash Collateral Account" has the meaning set out in Section 2.17.

"CDOR Rate" means, on any date which Bankers' Acceptances are to be issued pursuant hereto, an annual rate of interest equal to the Canadian Dollar Offered Rate, which is the rate determined as being the arithmetic average of the annual yield rates applicable to Canadian Dollar bankers' acceptances having identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by CES, quoted by Refinitiv Benchmark Services (UK) Limited (or any successor thereto or Affiliate thereof) for the applicable period as at approximately 10:20 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 10:20 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided, however, if such a Canadian Dollar Offered Rate is not quoted by Refinitiv Benchmark Services (UK) Limited, 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 CES on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day. For greater certainty, if the CDOR Rate determined as hereinabove contemplated is less than zero (0), it shall be deemed to be zero (0).

"CDOR Scheduled Unavailability Date" has the meaning set out in Section 2.28.

"CDOR Successor Rate" has the meaning set out in Section 2.28.

"CEA" means the U.S. Commodity Exchange Act, as amended.

"CES" means Canadian Energy Services L.P.

"CES Energy Solutions" means CES Energy Solutions Corp., formerly known as Canadian Energy Services & Technology Corp.

"CES Oman" means CES Operations SPC.

"CFTC" means the U.S. Commodity Futures Trading Commission.

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

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

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

“**Collateral Investment**” has the meaning set out in Section 2.17.

“**Commitment**” means a Canadian Syndicated Facility Commitment, Canadian Operating Facility Commitment, a U.S. Syndicated Revolving Facility Commitment or a U.S. Operating Facility Commitment.

“**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, forward, derivative or option transaction or other similar agreements or arrangements, or any combination thereof, entered into by a Borrower, CES Energy Solutions or a Subsidiary, where the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

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

“**Conforming Changes**” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate”, the definition of “Banking Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.27 and other technical, administrative or operational matters) that the Agent or the U.S. Agent, as applicable, decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent or the U.S. Agent, as applicable, in a manner substantially consistent with market practice (or, if the Agent or the U.S. Agent, as applicable, decides that adoption of any portion of such market practice is not administratively feasible or if the Agent or the U.S. Agent, as applicable, determines that no market practice for the administration of any such rate exists, in such other

manner of administration as the Agent or the U.S. Agent, as applicable, decides is reasonably necessary in connection with the administration of this Agreement and the other Documents).

“Controlled Accounts” means the deposit accounts listed in Schedule 10.2(o) which are subject to control arrangements satisfactory to the Agent.

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

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

“Conversion Notice” means a notice substantially in the form annexed hereto as Schedule D to be given to the Agent or, if applicable, to the U.S. Agent in respect of the U.S. Syndicated Revolving Facility or to the U.S. Operating Facility Lender in respect of the U.S. Operating Facility, by the applicable Borrower pursuant hereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Facilities” means, collectively, the Canadian Syndicated Facility, the Canadian Operating Facility, the U.S. Syndicated Revolving Facility and the U.S. Operating Facility, and **“Credit Facility”** means any one of such credit facilities.

“Currency Excess” has the meaning set out in Section 2.18.

“Currency Excess Deficiency” has the meaning set out in Section 2.18.

“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 a Borrower, CES Energy Solutions or a Subsidiary where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Agent or the U.S. Agent, as applicable, in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that if the Agent or the U.S. Agent, as applicable, decides that any such convention is not administratively feasible for the Agent or the U.S. Agent, as applicable, then the Agent or the U.S. Agent may establish another convention in its reasonable discretion..

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

“DBRS” means DBRS Limited and any successors thereto.

“Declining Lender” has the meaning set out in Section 2.20.

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

“Defaulting Lender” means any Lender, as reasonably determined by the Agent:

- (a) that has failed to fund any payment or its portion of any Loans required to be made by it hereunder or to purchase or fund any participation required to be purchased or funded by it hereunder in each case within one (1) Banking Day after the date that such funding was required hereunder;
- (b) that has notified CES, the Agent, the U.S 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, the U.S. Agent or CES, as applicable, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans;
- (d) that has otherwise failed to pay over to the Agent, the U.S. Agent, the Fronting Lender, the U.S. Fronting Lender or any other Lender any other amount required to be paid by it hereunder within 3 Banking Days of the date when due, unless the subject of a good faith dispute;
- (e) in respect of which a Lender Insolvency Event or a Lender Distress Event has occurred in respect of such Lender or its Lender Parent;
- (f) that is, or any Person controlling such Lender is, subject to (i) a bankruptcy, insolvency or similar proceeding or a Bail-In Action or (ii) to the appointment of the Federal Deposit Insurance Corporation or other receiver, custodian, conservator, trustee or similar official with respect to such Lenders or such Person's business or properties; provided that, for the avoidance of doubt, a Lender shall not be a Defaulting Lender under this clause (f)(ii) solely by virtue of the ownership or acquisition of any equity interest in or control of such Lender or any Person controlling such Lender by a Governmental Authority or an instrumentality thereof so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within Canada or the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender;
- (g) that is generally in default of its obligations under other existing credit or loan documentation under which it has commitments to extend credit; or
- (h) with respect to which the Agent or the U.S. Agent, as applicable, has concluded, acting reasonably, and has advised the Lenders in writing, that it is of the view that there is a

reasonable chance that such Lender shall become a Defaulting Lender pursuant to subparagraphs (a) to (f), inclusive, of this definition.

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

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

“Designated Material Subsidiary” means a Subsidiary which is designated as a Material Subsidiary pursuant to Section 11.1 and which would not otherwise fall within subparagraph (a) of the definition of **“Material Subsidiary”**.

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

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

“Dissenting Lender” has the meaning set out in Section 2.21.

“Distribution” means:

- (a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any shares in the capital of CES Energy Solutions (including any return of capital);
- (b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any shares in the capital of CES Energy Solutions or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital thereof, including, without limitation, options, warrants, conversion or exchange privileges and similar rights;
- (c) the making of any loan or advance or any other provision of credit or Financial Assistance by a Borrower, CES Energy Solutions or any Subsidiary to any Related Party other than to a Borrower, CES Energy Solutions or a Subsidiary which has provided Security;
- (d) the payment of any principal, interest, fees or other amounts on or in respect of any loans, advances or other Total Net Debt owing at any time by a Borrower, CES Energy Solutions or any Subsidiary to any Related Party, other than to a Borrower, CES Energy Solutions or a Subsidiary which has provided Security; or
- (e) (i) the payment of any amount, (ii) the sale, transfer, lease or other disposition of any property or assets, or (iii) any granting or creation of any rights or interests, at any time, by a Borrower, CES Energy Solutions or any Subsidiary to or in favour of any Related Party, other than, in each case, to or in favour of a Borrower, CES Energy Solutions or a Subsidiary which has provided Security,

and whether any of the foregoing is made, paid or satisfied in or for cash, property or any combination thereof and provided that, in each case, any premiums, insurance premiums, annuities or other amounts paid, credited or made, whether in one aggregate amount or in fixed or other installments from time to time, by CES Energy Solutions or any of its Subsidiaries to the Captive Insurer in connection with the provision of Self-Insurance by it to CES Energy Solutions or any of its Subsidiaries shall not constitute a Distribution hereunder.

“Documents” means this Agreement, the Security, the Agency Fee Agreement, (if applicable) the Promissory Note and all certificates, notices, instruments and other documents delivered or to be delivered to the Agent or the Lenders, or both, in relation to the Credit Facilities pursuant hereto or thereto and, when used in relation to any person, the term “Documents” shall mean and refer to the Documents executed and delivered by such person.

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

“Drawdown” means:

- (a) an Advance of a Canadian Prime Rate Loan, U.S. Base Rate Loan, U.S. Prime Rate Loan or SOFR Loan;
- (b) the issue of Bankers’ Acceptances (or the making of a BA Equivalent Advance in lieu thereof) other than as a result of Conversions or Rollovers; or
- (c) the issue of Letters of Credit.

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

“Drawdown Notice” means a notice substantially in the form annexed hereto as Schedule E to be given to the Agent or, if applicable, to the U.S. Agent in respect of the U.S. Syndicated Revolving Facility or to the U.S. Operating Facility Lender in respect of the U.S. Operating Facility, by a Borrower pursuant hereto.

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

- (a) Interest Expense, to the extent deducted in determining Net Income;
- (b) all amounts deducted in the calculation of Net Income in respect of the provision for current and future income taxes (in accordance with generally accepted accounting principles);
- (c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including depletion, depreciation, amortization, impairment, future taxes and non-cash losses resulting from marking-to-market the outstanding Financial Instruments of the Borrowers, CES Energy Solutions and their respective Subsidiaries (in accordance with generally accepted accounting principles);
- (d) unrealized foreign exchange losses;
- (e) losses attributable to minority interests and extraordinary and non-recurring losses, costs and expenses of CES Energy Solutions (including all one time costs incurred in connection

with the disposition of assets or shares and restructuring costs), in each case, to the extent deducted in the calculation of Net Income;

- (f) all amounts which would otherwise constitute EBITDA which are attributable to (i) assets acquired in such period or (ii) shares or other ownership interests in a person which becomes a Subsidiary of CES Energy Solutions acquired in such period (as if such assets or shares were acquired at the beginning of such period); and
- (g) non-cash stock based compensation,

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

- (h) earnings attributable to minority interests and extraordinary and non-recurring earnings and gains of CES Energy Solutions, in each case, to the extent included in the calculation of Net Income;
- (i) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period;
- (j) EBITDA attributable to (i) assets sold, transferred or otherwise disposed of in such period or (ii) shares or other ownership interests in a Subsidiary of CES Energy Solutions sold, transferred or otherwise disposed of in such period (as if such assets or shares were sold, transferred or otherwise disposed of at the beginning of such period);
- (k) all amounts added back in the calculation of Net Income in respect of non-cash gains resulting from marking-to-market the outstanding Financial Instruments of the Borrowers, CES Energy Solutions and their respective Subsidiaries (in accordance with generally accepted accounting principles); and
- (l) unrealized foreign exchange gains,

provided, however, (a) that EBITDA (as defined above and without duplication) of any Subsidiary whose jurisdiction of incorporation, formation or organization is a jurisdiction other than Canada, Luxembourg, Hungary, the United States of America or Uruguay or any other country approved by a Majority of the Lenders, acting reasonably (or any province, territory, state, district or federal subject thereof); (b) that EBITDA (as defined above and without duplication) derived from the operations of a Borrower, CES Energy Solutions or any Subsidiary in a jurisdiction other than Canada, Luxembourg, Hungary, the United States of America or Uruguay and (c) the amount of EBITDA (as defined above and without duplication) of CES Oman that exceeds 5% of the amount of total consolidated EBITDA of CES Energy Solutions (on a consolidated basis), shall, in each case, be excluded from the above calculation of EBITDA for all purposes of this Agreement.

“EBITDA to Interest Expense Ratio” means, as at a Quarter End, the ratio of (a) EBITDA for the 12 months ending at such Quarter End to (b) Interest Expense for the 12 months ending at such Quarter End.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

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

“Effective Date” means the date upon which all of the conditions precedent to the effectiveness of the amendment and restatement of the Original Credit Agreement in the form of this Agreement and the availability of the further Drawdowns under this Agreement are satisfied or waived in writing by all of the Lenders.

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

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

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

“Equity Hedging Agreement” means any agreement in connection with equity securities of CES Energy Solutions, any equity securities plan hedging agreement, floor, cap or collar agreement or equity security plan future or option or other similar agreement or arrangement, or any combination thereof, entered into by a Borrower, CES Energy Solutions or a Subsidiary, where the price, value or amount payable thereunder is dependent or based upon the price of any shares of CES Energy Solutions or fluctuations in the price of any shares of CES Energy Solutions from time to time.

“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 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 the close of business on the immediately preceding Banking Day or, if such date of determination is not a Banking Day, on the Banking Day immediately preceding such date of determination.

“ERISA” means the *Employee Retirement Income Security Act of 1974* (United States).

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with a Borrower, CES Energy Solutions or any of their respective Subsidiaries within the meaning of Section

414(b) or (c) of the U.S. Internal Revenue Code of 1986 (the “**U.S. Code**”) (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the U.S. Code).

“**ERISA Event**” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by a Borrower, CES Energy Solutions, any of their respective Subsidiaries or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Borrower, CES Energy Solutions, any of their respective Subsidiaries or any ERISA Affiliate or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvency; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Borrower, CES Energy Solutions, any of their respective Subsidiaries or any ERISA Affiliate.

“**Erroneous Payment**” has the meaning assigned to it in Section 15.15(1).

“**Erroneous Payment Deficiency Assignment**” has the meaning assigned to it in Section 15.15(4).

“**Erroneous Payment Impacted Class**” has the meaning assigned to it in Section 15.15(4).

“**Erroneous Payment Return Deficiency**” has the meaning assigned to it in Section 15.15(4).

“**Erroneous Payment Subrogation Rights**” has the meaning assigned to it in Section 15.15(4).

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

“**Excluded Financial Instrument Obligations**” means, with respect to any of the Borrowers, CES Energy Solutions or any of the Subsidiaries, any Financial Instrument Obligation if, and only to the extent that, all or a portion of the guarantee of such person executed and delivered to the Agent of, or the grant by such person of a Security Interest to and in favour of the Agent to secure, such Financial Instrument Obligation (or any Guarantee thereof) is or becomes illegal under the CEA or any rule, regulation or order of the CFTC (or the application or official interpretation of any thereof), including by virtue of such person’s failure for any reason to constitute an “eligible contract participant” as defined in the CEA and the regulations thereunder at the time such guarantee of such person or the grant of such Security Interest becomes effective with respect to such Financial Instrument Obligation. If a Financial Instrument Obligation arises under a master agreement governing more than one Financial Instrument, such exclusion shall apply only to the portion of such Financial Instrument Obligation that is attributable to Financial Instruments for which such guarantee or Security Interest is or becomes illegal.

“**Existing Notes**” means the 6.375% senior unsecured notes due October, 2024 issued by CES Energy Solutions in a total principal amount of \$300,000,000.

“**FATCA**” means the U.S. Foreign Account Tax Compliance Act, as amended.

“**Federal Funds Rate**” means, for any day, the greater of (a) the rate of interest per annum equal to (i) the weighted average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the annual rates of interest on overnight Federal funds transactions with members of the Federal Reserve Board

of the United States of America (or any successor thereof) arranged by Federal funds brokers on such day, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York (or any successor thereto) or, (ii) if such day is not a Banking Day, such weighted average for the immediately preceding Banking Day for which the same is published or, (iii) if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent and (b) the Floor.

“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.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

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

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

expressly including any equity or capital contribution, investment or other form of direct or indirect financial assistance or support provided by CES Energy Solutions or any of its Subsidiaries to the Captive Insurer from time to time (including any such equity or capital contribution or other financial assistance provided in connection with the establishment and initial creation of the Captive Insurer, but excluding, for the avoidance of doubt, any premiums, insurance premiums, annuities or other amounts paid, credited or made, whether in one aggregate amount or in fixed or other installments from time to time, by CES Energy Solutions or any of its Subsidiaries to the Captive Insurer in accordance with Section 10.1(p)(iii)(B)), but shall not include endorsements of bills of exchange for collection or deposit in the ordinary course of the business of CES, CES Energy Solutions or their respective Subsidiaries, or, for greater certainty, any

performance guarantee provided by CES, CES Energy Solutions or any Subsidiary which is not a guarantee of Total Net Debt.

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

“Financial Covenant” has the meaning set out in Section 1.4.

“Financial Instrument” means any Interest Hedging Agreement, Currency Hedging Agreement, Commodity Hedging Agreement or Equity Hedging Agreement.

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

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

“Financing Lender” has the meaning set out in Section 2.20.

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

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

“Fronted LC” means, as the context requires, a Letter of Credit issued by the Fronting Lender for the account of the Canadian Syndicated Facility Lenders.

“Fronting Lender” means, in connection with the Canadian Syndicated Facility, The Bank of Nova Scotia or such other Canadian Syndicated Facility Lender as is selected by the Agent and CES, which assumes in writing with CES, the Canadian Syndicated Facility Lenders and the Agent, the obligation of issuing Letters of Credit for the account of the Canadian Syndicated Facility Lenders.

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

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

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

Guarantee shall be deemed to be the lesser of such determinable amount or the amount of such obligation. For greater certainty, nothing contained in this Agreement shall restrict the ability a Borrower or any Subsidiary to provide performance guarantees not related to or guaranteeing Total Net Debt.

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

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

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

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

“Individual Commitment Amount” means, in respect of a Lender, as at any relevant date of determination, that portion of the Commitments which such Lender has severally agreed to make available to the Borrowers in accordance with the terms and conditions of this Agreement, subject to adjustment pursuant to the terms of this Agreement.

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

“Insolvency Event” means the occurrence of an Event of Default under Sections 12.1(f), 12.1(g) or 12.1(h) which is continuing.

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

- (a) such person is unable to generally pay its debts as such debts become due;
- (b) a decree or order of a court of competent jurisdiction is entered adjudging such person a bankrupt under the *Bankruptcy and Insolvency Act* (Canada) or the Bankruptcy Code, proceedings are commenced in a court of competent jurisdiction in respect of such person under the *Winding-up and Restructuring Act* (Canada), or any proceeding is commenced with respect to such person under the *Companies’ Creditors Arrangement Act* (Canada) or the Bankruptcy Code;
- (c) any case, proceeding or other action shall be instituted in any court of competent jurisdiction against such person, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to such person or of all or any substantial part of its assets, or any other like relief in respect of such person under any bankruptcy or insolvency law and:
 - (i) such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, or

- (ii) such case, proceeding or other action shall continue undismissed, or unstayed and in effect, for any period of 10 consecutive Banking Days; or
- (d) such person makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding.

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

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

- (a) all interest of CES, CES Energy Solutions and their respective Subsidiaries accrued or payable in respect of such period, including interest on the Notes and capitalized interest amounts but excluding the amortization of capitalized deferred financing charges and expenses incurred in connection with the issuance of the Notes that are recorded as interest expense in accordance with generally accepted accounting principles up to a maximum amount of Cdn.\$5,500,000;
- (b) all fees of CES, CES Energy Solutions and their respective Subsidiaries (including standby, commitment and stamping fees and fees payable in respect of letters of credit and letters of guarantee supporting obligations which constitute Total Net Debt) accrued or payable in respect of such period and which relate to any indebtedness or credit agreement, prorated (as required) over such period;
- (c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations of CES, CES Energy Solutions or any Subsidiary issued at a discount, prorated (as required) over such period; and
- (d) all net amounts charged or credited to interest expense under any Interest Hedging Agreements in respect of such period.

"Interest Hedging Agreement" means any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by CES, CES Energy Solutions or a Subsidiary where the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon

the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt).

“Interest Payment Date” means:

- (a) with respect to each Canadian Prime Rate Loan, U.S. Base Rate Loan and U.S. Prime Rate Loan, the first Banking Day of each calendar month; and
- (b) with respect to each SOFR 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,

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

“Interest Period” means:

- (a) with respect to each Canadian Prime Rate Loan, U.S. Base Rate Loan and U.S. Prime Rate Loan the period commencing on the applicable Drawdown Date or Conversion Date, as the case may be, and terminating on the date selected by the applicable Borrower hereunder for the Conversion of such Loan into another type of Loan or for the repayment of such Loan;
- (b) with respect to each Bankers’ Acceptance, the period selected by CES hereunder and being of 1, 2 or 3 months’ duration, subject to market availability, (or, subject to the agreement of the Lenders, a longer or shorter period) commencing on the Drawdown Date, Rollover Date or Conversion Date of such Loan;
- (c) with respect to each SOFR Loan, the period selected by the applicable Borrower and being of 1, 3 or 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, as the case may be; and
- (d) with respect to each Letter of Credit, the period commencing on the date of issuance of such Letter of Credit and terminating on the last day the Letter of Credit is outstanding,

provided that in any case: (i) the last day of each Interest Period shall be also the first day of the next Interest Period whether with respect to the same or another Loan; (ii) the last day of each Interest Period shall be a Banking Day and if the last day of an Interest Period selected by the applicable Borrower is not a Banking Day the applicable 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 applicable Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day immediately preceding the last day of the Interest Period selected by the applicable Borrower; (iii) any Interest Period that commences on the last Banking Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iv) the last day of all Interest Periods for Loans outstanding under a given Credit Facility shall expire on or prior to the Maturity Date applicable to such Credit Facility subject, however, in the case of Letters of Credit to the provisions of Section 7.2.

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

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

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

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

“Lead Arranger” means The Bank of Nova Scotia, in its capacity as sole lead arranger in respect of the Credit Facilities.

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

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

“Lender Financial Instrument” means a Financial Instrument entered into between a Lender or a Hedging Affiliate and CES, CES Energy Solutions or a Subsidiary.

“Lender Financial Instrument Obligations” means, collectively, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, mature or not) of CES, CES Energy Solutions and their respective Subsidiaries under, pursuant or relating to any and all Lender Financial Instruments, other than Excluded Financial Instrument Obligations.

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

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent, is deemed insolvent by applicable law or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) (i) institutes, or has instituted against it by a regulator, supervisor or any similar Governmental Authority with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, (A) a proceeding pursuant to which such Governmental Authority takes

control of such Lender's or Lender Parent's assets, (B) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors' rights, or (C) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar Governmental Authority; or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (i) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial portion of all of its assets;
- (g) has a secured party take possession of all or a substantial portion of all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case, within 15 days thereafter;
- (h) causes or is subject to any event with respect to it which, under the applicable law of any jurisdiction, has an analogous effect to any of the events specified in subparagraphs (a) to (g) above, inclusive; or
- (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing.

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

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

- (a) the Canadian Syndicated Facility and Loans thereunder, means the Canadian Syndicated Facility Lenders;
- (b) the Canadian Operating Facility and Loans thereunder, means the Canadian Operating Facility Lender;
- (c) the U.S. Syndicated Revolving Facility and Loans thereunder, means the U.S. Syndicated Revolving Facility Lenders; and
- (d) the U.S. Operating Facility and Loans thereunder, means the U.S. Operating Facility Lender.

“Lenders’ Counsel” means the firm of Blake, Cassels & Graydon LLP or such other firm of legal counsel as the Agent may from time to time designate.

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

- (a) in the case of LCs issued under the Canadian Syndicated Facility, subject to the provisions of Section 7.11, the Fronting Lender for the account of the Canadian Syndicated Facility Lenders; and
- (b) in the case of LCs issued under the U.S. Syndicated Revolving Facility, subject to Section 7.11, the U.S. Fronting Lender for the account of the U.S. Syndicated Revolving Facility Lenders,

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

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

“Majority of the Lenders” means:

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

provided that, notwithstanding the foregoing, for the purposes of determining the Rateable Portions of the Outstanding Principal under the Credit Facilities during the continuance of a Default or Event of Default, such Rateable Portions shall be determined as if an Acceleration Notice had been delivered by the Agent pursuant to Section 12.2 or an Insolvency Event had occurred, as the case may be, and the purchase of participations and other transactions and adjustments contemplated by Section 12.9(1) had been completed so that the aggregate Outstanding Principal owing to each of the Lenders under the Credit Facilities is in the same proportion as each Lender’s Individual Commitment Amount is to the Total Commitment Amount as at any date of determination.

“Material Acquisition” has the meaning set out in Section 10.2(l).

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

- (a) the financial condition of CES, CES Energy Solutions and their respective Subsidiaries on a consolidated basis and taken as a whole;
- (b) the ability of CES, CES Energy Solutions or any Material Subsidiary to observe or perform its obligations under the Documents to which it is a party or the validity or enforceability of such Documents or any material provision thereof;

- (c) the property, business, operations, liabilities or capitalization of CES, CES Energy Solutions and their respective Subsidiaries on a consolidated basis and taken as a whole; or
- (d) the Security, the priority thereof or any right or remedy of the Agent and the Lenders thereunder.

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

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

“Material Subsidiary” means any Subsidiary of CES Energy Solutions which:

- (a) has assets equal to or greater than 5.0% of the consolidated assets of CES Energy Solutions;
- (b) has EBITDA equal to or greater than 5.0% of CES Energy Solutions’ consolidated EBITDA; or
- (c) is designated as a Designated Material Subsidiary pursuant to Section 11.1;

provided that neither CES Oman nor the Captive Insurer shall in any event constitute a Material Subsidiary whether or not such entity meets or exceeds the above thresholds.

“Maturity Date” means:

- (a) in connection with the Canadian Syndicated Facility, means the Canadian Syndicated Facility Maturity Date;
- (b) in connection with the Canadian Operating Facility, the Canadian Operating Facility Maturity Date;
- (c) in connection with the U.S. Syndicated Revolving Facility, the U.S. Syndicated Revolving Facility Maturity Date; and
- (d) in connection with the U.S. Operating Facility, the U.S. Operating Facility Maturity Date.

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

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Borrower, CES Energy Solutions, any of their respective Subsidiaries or any ERISA

Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including a Borrower, CES Energy Solutions, any of their respective Subsidiaries or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

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

“Net Senior Debt” means Total Net Debt of CES Energy Solutions and its Subsidiaries, minus the aggregate amount of the Notes, any Permitted Vendor Take-Back Debt and all Cash and Cash Equivalents of CES Energy Solutions and its Subsidiaries (excluding any Cash or Cash Equivalents of CES Energy Solutions and its Subsidiaries on deposit or invested with any other person or financial institution other than the Agent, the U.S. Agent or any Lender).

“Net Senior Debt to EBITDA Ratio” means, as at a Quarter End, the ratio of (a) Net Senior Debt of CES Energy Solutions and its Subsidiaries as at such Quarter End to (b) EBITDA for the 12 months ending at such Quarter End.

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

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

“Notes” means Total Net Debt issued by way of unsecured notes (including the Existing Notes); provided that such unsecured notes are on terms and conditions acceptable to the Agent, the U.S. Agent and Lenders (acting reasonably), including but not limited to:

- (a) no Default or Event of Default has occurred and is continuing at the time such notes are issued and after giving effect to the incurrence of Total Net Debt pursuant thereto;
- (b) the obligations under, pursuant or relating to such notes (including guarantees thereof) are unsecured;
- (c) such notes are issued by CES Energy Solutions, a Borrower or a Material Subsidiary and are guaranteed only by such entities;
- (d) such notes shall have a final maturity date not earlier than one year after the Maturity Date in effect on the date hereof;
- (e) there are no scheduled or mandatory principal payments required under such notes prior to one year after the Maturity Date in effect on the date hereof;
- (f) such notes do not provide for financial covenants and the material covenants and events of default applicable thereto, taken as a whole, shall not be materially prejudicial to the interests of the Lenders or more restrictive than the material covenants and Events of Default contained herein, taken as a whole;

- (g) such notes do not provide for cross-default to the Credit Facilities or other Total Net Debt (except in the event of failure to pay any amount thereof when due and payable) but may provide for cross acceleration thereto;
- (h) no material amendment to the notes or the terms and condition thereof shall be made without the prior written consent of the Lenders which consent will not be unreasonably withheld; and
- (i) such notes do not have any material restrictions on:
 - (i) the ability of the Borrowers to amend the terms of this Agreement or the other Documents (subject to limits on the maximum principal amount of the Credit Facilities);
 - (ii) the ability of CES Energy Solutions or any Subsidiary to guarantee the Obligations, the Bank Product Obligations or the Lender Financial Instrument Obligations;
 - (iii) the ability of CES Energy Solutions or any Subsidiary to pledge assets as collateral security for the Obligations, the Bank Product Obligations or the Lender Financial Instrument Obligations (subject to limits on the maximum principal amount of Credit Facilities); or
 - (iv) the ability of CES Energy Solutions, each Borrower or any Subsidiary to incur Total Net Debt under this Agreement (subject to limits on the maximum principal amount of the Credit Facilities),

provided that references in this definition to “notes” shall be deemed to include the trust indenture, note indenture and/or other agreements, instruments and documents which evidence, govern or secure such notes.

“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 CES, CES Energy Solutions and the Material Subsidiaries to the Lenders, the Agent or the U.S. Agent under, pursuant or relating to the Documents, the Credit Facilities or any Bank Products 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 Borrowers under this Agreement.

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

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

“Order” has the meaning set out in Section 7.9(5).

“Outstanding LIBOR Loans” has the meaning set out in Section 1.8(7)(a).

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

“Overdraft Loans” means, collectively, Canadian Overdraft Loans and U.S. Overdraft Loans.

“Payment Recipient” has the meaning set out in Section 15.15(1).

“PBGC” means the U.S. Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any instalment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by a Borrower, CES Energy Solutions any of their respective Subsidiaries or any ERISA Affiliate, or with respect to which a Borrower or ERISA Affiliate has any obligation or liability, contingent or otherwise, and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

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

- (a) the person to which the Tax, claim or Security Interest being contested is relevant (and, in the case of a Subsidiary of CES Energy Solutions, CES Energy Solutions on a consolidated basis) has established reasonable reserves therefor if and to the extent required by generally accepted accounting principles;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of assets of CES, CES Energy Solutions and their respective Subsidiaries.

“Permitted Debt” means the following:

- (a) the Obligations;

- (b) Financial Instrument Obligations under and pursuant to Permitted Hedging;
- (c) any Total Net Debt owing by a Subsidiary of CES Energy Solutions to CES Energy Solutions, CES or a Material Subsidiary or by CES Energy Solutions or CES to each other or to a Material Subsidiary;
- (d) Purchase Money Obligations; provided that the amount of such obligations do not, in the aggregate at any time, exceed Cdn.\$50,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);
- (e) Bank Product Obligations, provided that any Bank Product Obligation financed by way of an overdraft shall not exceed Cdn. \$10,000,000 (or the Equivalent Amount thereof);
- (f) Total Net Debt consisting of Financial Assistance permitted under Section 10.2(g);
- (g) Permitted Vendor Take-Back Debt; and
- (h) Total Net Debt of CES Energy Solutions and its Subsidiaries which is not otherwise Permitted Debt and which is not secured by a Security Interest or any other security arrangement (including any guarantee, indemnity or surety); provided that the principal amount of such obligations (including any obligations under any Notes) do not, in the aggregate at any time, exceed Cdn.\$400,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency),

provided that, to the extent any of the foregoing Permitted Debt is supported by a letter of credit (or similar obligation) issued for the account of CES, CES Energy Solutions or any of their respective Subsidiaries, such Permitted Debt and such letter of credit (or similar obligation) shall be counted only once for purposes of this definition, as one and the same obligations and indebtedness.

“Permitted Disposition” means, in respect of CES, CES Energy Solutions or any of their respective Subsidiaries, any of the following:

- (a) a sale or disposition by CES, CES Energy Solutions or such Subsidiary in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;
- (b) a sale or disposition of any property or assets by a Subsidiary or CES Energy Solutions to CES or a Material Subsidiary or by CES to CES Energy Solutions or a Material Subsidiary;
- (c) a sale or disposition by CES, CES Energy Solutions or any Subsidiary of its interest in machinery, equipment or other tangible personal property for which Purchase Money Obligations were incurred and (i) such Purchase Money Obligations are fully repaid or assumed in full by the relevant purchaser or acquirer concurrently with such sale or disposition and (ii) such sale or disposition is made in the ordinary course of business at fair market value to a person at arm’s length from CES, CES Energy Solutions and their respective Subsidiaries; and
- (d) a sale or disposition by CES, CES Energy Solutions or any Subsidiary of its inventory in the ordinary course of its business.

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

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (c) liens under or pursuant to any judgment rendered, or claim filed, against CES, CES Energy Solutions or a Subsidiary, which CES, CES Energy Solutions or such Subsidiary (as applicable) shall be contesting at the time by a Permitted Contest;
- (d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against CES, CES Energy Solutions or a Subsidiary or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (e) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of CES, CES Energy Solutions and their respective Subsidiaries, taken as a whole;
- (f) any builder's, mechanic's, garageman's, labourer's or materialman's lien or other similar lien arising in the ordinary course of business or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (g) encumbrances incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of CES, CES Energy Solutions and their respective Subsidiaries;
- (h) any claim, encumbrance or other Security Interest from time to time consented to by the Majority of the Lenders;
- (i) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- (j) security given by CES, CES Energy Solutions or a Subsidiary to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of CES, CES Energy

Solutions or such Subsidiary (as applicable), all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of CES, CES Energy Solutions and their respective Subsidiaries, taken as a whole;

- (k) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (l) Security Interests in favour of the Lenders or the Agent on behalf of the Lenders;
- (m) the Security;
- (n) any operating lease entered into in the ordinary course of business (to the extent that such operating lease constitutes a Security Interest);
- (o) leases or other security interests granted in connection with any motor vehicle and in the ordinary course of business;
- (p) pledges of cash or Approved Securities and bankers' liens, rights of set off and other similar liens existing solely with respect to such cash and Approved Securities on deposit in one or more accounts maintained by CES, CES Energy Solutions or any of their respective Subsidiaries, in each case, granted in the ordinary course of business in favour of the Lender or Lenders with which such accounts are maintained, securing amounts owing to such Lender with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements or securing Permitted Hedging with a Lender;
- (q) Security Interests securing a Purchase Money Obligation, provided that such Security Interests shall attach only to the property acquired in connection with which such Purchase Money Obligation was incurred (and proceeds thereof) and provided further that such Purchase Money Obligation is Permitted Debt;
- (r) Security Interests securing the Permitted Debt referenced in subparagraphs (d), (e) and (f) in the definition thereof;
- (s) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of CES, CES Energy Solutions or any Subsidiary;
- (t) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property entered into in the ordinary course of business, in each case, to which CES, CES Energy Solutions or a Subsidiary is a party;
- (u) Security Interests resulting from the deposit of cash or Approved Securities or Security Interests on other assets as security when CES, CES Energy Solutions or a Subsidiary is required to provide such deposits or security so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by Applicable Law; and

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

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

“Permitted Hedging” means Financial Instruments entered into by CES, CES Energy Solutions and their respective Subsidiaries:

- (a) which are entered into in the ordinary course of business and for hedging purposes and not for speculative purposes (determined, where relevant, by reference to generally accepted accounting principles); for certainty, Interest Hedging Agreements having as a subject matter principal amounts (either individually or in the aggregate, but determined on a net basis taking into account transactions or agreements entered into to reverse the position or limit the exposure under an existing Interest Hedging Agreement) greater than the aggregate liability of CES, CES Energy Solutions and their respective Subsidiaries for borrowed money shall be deemed to be for speculative purposes;
- (b) which are consistent with the hedging policies approved from time to time by the boards of directors of the Borrowers;
- (c) which, except for cross currency interest swaps or other financial derivative instruments entered into in connection with the Notes, which are permitted to have a term of 8 years or less, have a term of 3 years or less in respect of any Equity Hedging Agreements or 2 years or less in respect of any Currency Hedging Agreement or any Commodity Hedging Agreements (for certainty, for all purposes relating hereto and to the other Documents, (i) the term of any Financial Instrument shall commence on the date that the Financial Instrument in question is entered into notwithstanding the fact that the effective date of such Financial Instrument, or other date from which payments or deliveries are to be made or determined thereunder, is subsequent to the date such Financial Instrument is entered into and (ii) without limiting the foregoing, and in addition thereto, the term of a swap transaction or other transaction entered into pursuant to or governed by a Master Agreement published by the International Swaps and Derivatives Association, Inc. (including by International Swap Dealers Association, Inc.) or any successor thereto, if applicable, shall commence on the trade date thereof); and
- (d) the aggregate notional amount of which, in respect of any such Financial Instruments comprising Equity Hedging Agreements, do not exceed an amount equal to Cdn.\$40,000,000.

“Permitted Joint Venture Investment” means any Investment by CES, CES Energy Solutions or a Material Subsidiary in a Joint Venture where:

- (a) the Joint Venture is incorporated, or established, and carries on its principal business, in Canada or the United States of America;

- (b) the Joint Venture operates in the same core line of business as CES Energy Solutions and its Subsidiaries;
- (c) no Default or Event of Default is continuing or would exist immediately after the closing of such Investment; and
- (d) in any calendar year, the aggregate amount of all such Investments (including all amounts subscribed for shares in, lent to, contributed to, or invested in all such Joint Ventures and the contingent liabilities under any guarantee given in respect of the liabilities of any such Joint Venture) does not exceed Cdn.\$30,000,000 (or the Equivalent Amount thereof).

“Permitted Replacement” means the replacement of those directors who have died, have been found to be of unsound mind by a court of competent jurisdiction or are otherwise disqualified by reason of age or status pursuant to applicable law.

“Permitted Vendor Take-Back Debt” means vendor take-back debt incurred by CES Energy Solutions, the Borrowers or any of their respective Subsidiaries in connection with an acquisition permitted by Section 10.2(l) hereof, provided such debt is and remains, at all times, unsecured and contractually subordinated in right of payment to the Credit Facilities on terms and conditions satisfactory to the Agent, acting reasonably.

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

“Promissory Note” means the promissory note from AES to the U.S. Operating Facility Lender substantially in the form annexed hereto as Schedule H.

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

“Qualified ECP Guarantor” means, in respect of any Financial Instrument Obligation, each Borrower, CES Energy Solutions or Material Subsidiary, in each case, if it has total assets exceeding U.S.\$10,000,000 (or the Equivalent Amount thereof) at the time the relevant guarantee or grant of the relevant Security Interest under the Security granted by it pursuant hereto becomes effective with respect to such Financial Instrument Obligation or such other person as constitutes an “eligible contract participant” under the CEA or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the CEA.

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

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

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

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

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

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

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

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

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

“Repayment Notice” means a notice substantially in the form annexed hereto as Schedule F to be given to the Agent or, if applicable, to the U.S. Agent in respect of the U.S. Syndicated Revolving Facility or to the U.S. Operating Facility Lender in respect of the U.S. Operating Facility, by the applicable Borrower pursuant hereto.

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

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

“Rollover” means:

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

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

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

“Rollover Notice” means a notice substantially in the form annexed hereto as Schedule G to be given to the Agent or, if applicable, to the U.S. Agent in respect of the U.S. Syndicated Revolving Facility or to the U.S. Operating Facility Lender in respect of the U.S. Operating Facility, by the applicable Borrower pursuant hereto.

“S&P” means the Standard & Poor’s Rating Group (a division of The McGraw Hill Companies, Inc.) and any successors thereto.

“Sanctioned Country” means a country subject to a sanctions program identified on the list maintained by OFAC and currently available at <http://www.treas.gov/offices/enforcement/ofac/programs>, or as otherwise published from time to time, for which the sanctions program extends beyond listed Sanctioned Persons.

“Sanctions Laws” means the laws, regulations, and rules promulgated or administered by OFAC to implement US sanctions programs, including any enabling legislation or Executive Order related thereto, as amended from time to time; the US Comprehensive Iran Sanctions, Accountability, and Divestment Act and the regulations and rules promulgated thereunder (**“CISADA”**), as amended from time to time; the US Iran Threat Reduction and Syria Human Rights Act and the regulations and rules promulgated thereunder (**“ITRA”**), as amended from time to time; the US Iran Freedom and Counter-Proliferation Act and the regulations and rules promulgated thereunder (**“IFCA”**); the sanctions and other restrictive measures applied by the European Union in pursuit of the Common Foreign and Security Policy objectives set out in the Treaty on European Union (and, following a withdrawal of the United Kingdom from the European Union, the analogous sanctions and other restrictive measures applied by the United Kingdom); and any similar sanctions laws as may be enacted from time to time in the future by the United States, the European Union (and its Member States and, following a withdrawal of the United Kingdom from the European Union, the United Kingdom), Canada or the Security Council or any other legislative body of the United Nations; and any corresponding laws of jurisdictions in which the Borrowers operate or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived.

“Sanctioned Person” means any of the following currently or in the future: (i) an entity, vessel, or individual named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC currently available at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> or on the consolidated list of persons, groups, and entities subject to European Union financial sanctions currently available at <http://data.europa.eu/euodp/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>; or (ii) anyone more than 50-percent owned by an entity or individual described in clause (i) above; or (iii) (A) an agency or instrumentality of, or an entity owned or controlled by, the government of a Sanctioned Country, (B) an entity located in a Sanctioned Country, or (C) an individual who is a citizen or resident of, or located in, a Sanctioned Country, to the extent that the agency, instrumentality, entity or individual is subject to a sanctions program administered by OFAC; or (iv) an entity or individual engaged in activities sanctionable under CISADA (as defined under the defined term “Sanctions Laws”), ITRA (as defined under the defined term “Sanctions Laws”), IFCA (as defined under the defined term “Sanctions Laws”) or any other Sanctions Laws as amended from time to time.

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

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

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

“Security” means, collectively, general security agreements, the guarantees and other security agreements executed and delivered, or required to be executed and delivered, by CES, CES Energy Solutions and the Material Subsidiaries under and pursuant to this Agreement and shall include, without limitation, in respect of CES, a general security agreement and a guarantee with such modifications and insertions as may be required by the Agent, in its sole discretion, and, in respect of CES Energy Solutions and each Canadian domiciled Material Subsidiary, a general security agreement and a guarantee with such modifications and insertions as may be required by the Agent, in its sole discretion, in respect of each United States of America domiciled Material Subsidiary (including, for certainty AES), a general security agreement, a guarantee and a pledge and security agreement with such modifications and insertions as may be required by the Agent, in its sole discretion and, in respect of any Material Subsidiary incorporated or domiciled in a jurisdiction other than Canada or the United States of America, such guarantees and security agreements as required by the Agent or the U.S. Agent, as applicable, in its sole discretion.

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

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

“Self-Insurance” means the self-insurance to be provided by the Captive Insurer to CES Energy Solutions and/or its Material Subsidiaries.

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

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

“SOFR Loan” means an Advance in, or Conversion into, United States Dollars made by the Lenders (or any of them) to the applicable Borrower with respect to which the applicable Borrower has specified that interest is to be calculated by reference to the Adjusted Term SOFR Rate, and each Rollover in respect thereof.

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

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

50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

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

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

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

“**Takeover**” has the meaning set out in Section 2.20.

“**Target**” has the meaning set out in Section 2.20.

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

“**Term SOFR**” means:

- (a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable SOFR Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to the first day of such SOFR Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; and
- (b) for any calculation with respect to a US Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**Base Rate Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR

Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day;

provided, further, that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“Term SOFR Adjustment” means, for any calculation with respect to a SOFR Loan, a percentage per annum as set forth below for the Type of such Loan and SOFR Interest Period:

SOFR Loans:

<u>Interest Period</u>	<u>Percentage</u>
One month	[Redacted – commercially sensitive information]
Three months	[Redacted – commercially sensitive information]
Six months	[Redacted – commercially sensitive information]

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

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

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

“Titled Assets” means any vehicles or other assets of CES, CES Energy Solutions and the Material Subsidiaries to which any certificates of title legislation of the United States of America or any state or district thereof applies.

“Total Commitment Amount” means, as at any relevant date of determination, an amount equal to the aggregate Commitments of all Lenders under the Credit Facilities.

“Total Net Debt” means, with respect to any person (“X”), all obligations, liabilities and indebtedness excluding future income tax liabilities and deferred tax credits and office leases and any other leases characterized as an operating lease under generally accepted accounting principles entered into in the ordinary course of business of X and its Subsidiaries which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of X as indebtedness for borrowed money of X and its Subsidiaries and, whether or not so classified, shall include (without duplication):

- (a) indebtedness of X and its Subsidiaries for borrowed money;
- (b) obligations of X and its Subsidiaries arising pursuant or in relation to: (i) bankers’ acceptances (including payment and reimbursement obligations in respect thereof), or (ii) letters of credit and letters of guarantee supporting obligations which would otherwise

constitute Total Net Debt within the meaning of this definition or indemnities issued in connection therewith;

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

and, for clarity, shall exclude (i) deferred tax credits and future income tax liabilities, (ii) accrued interest not yet due and payable, and (iii) unrealized non-cash losses resulting from marking-to-market the outstanding Financial Instruments of X and its Subsidiaries (in accordance with generally accepted accounting principles).

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

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

“Uniform Customs” has the meaning set out in Section 7.9.

“USA PATRIOT Act” means the US Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and the regulations and rules promulgated thereunder, as amended from time to time.

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

- (a) the rate of interest per annum established from time to time by the Agent as the reference rate of interest for the determination of interest rates that the Agent will charge to customers of varying degrees of creditworthiness in Canada for United States Dollar demand loans in Canada;
- (b) the rate of interest per annum for such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, equal to the sum of the Federal Funds Rate (expressed for such purpose as a yearly rate per annum in accordance with Section 5.4), **[Redacted – commercially sensitive information]** per annum; and
- (c) Adjusted Term SOFR for a period of 1 month on such day (or in respect of any day that is not a Banking Day, such Adjusted Term SOFR Rate in effect on the immediately preceding Banking Day), including, for the avoidance of doubt, the applicable Term SOFR Adjustment, **[Redacted – commercially sensitive information]** per annum,

provided that if all such rates are equal or if such Federal Funds Rate and such Adjusted Term SOFR are unavailable for any reason on the date of determination, then the “U.S. Base Rate” shall be the rate specified in (a) above, provided further that, if the U.S. Base Rate as so determined is less than the Floor, then U.S. Base Rate shall be deemed to be the Floor.

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

“U.S. Fronted LC” means, as the context requires, a Letter of Credit issued by the U.S. Fronting Lender for the account of the U.S. Syndicated Revolving Facility Lenders

“U.S. Fronting Lender” means, in connection with the U.S. Syndicated Revolving Facility, The Bank of Nova Scotia, Houston Branch or such other U.S. Syndicated Revolving Facility Lender as is selected by the U.S. Agent and AES, which assumes in writing with AES, the U.S. Syndicated Revolving Facility Lenders and the U.S. Agent, the obligation of issuing Letters of Credit for the account of the U.S. Syndicated Revolving Facility Lenders.

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

“U.S. Operating Facility” means the credit facility in the maximum principal amount of up to U.S. \$10,000,000 to be made available to AES by the U.S. Operating Facility Lender, subject to any reduction in accordance with the provisions hereof.

“U.S. Operating Facility Commitment” means the commitment by the U.S. Operating Facility Lender under the U.S. Operating Facility to provide up to the amount of United States Dollars set forth opposite its

name in Schedule A annexed hereto in the appropriate column, subject to any reduction in accordance with the applicable provision hereof.

“U.S. Operating Facility Extension Request” has the meaning set out in Section 2.25.

“U.S. Operating Facility Lender” means Wells Fargo Bank, National Association.

“U.S. Operating Facility Maturity Date” means September 28, 2024, or such later date as may be elected in accordance with Section 2.25.

“U.S. Operating Facility Notice of Non-Extension” has the meaning set out in Section 2.25.

“U.S. Overdraft Loans” has the meaning set out in Section 2.2(4).

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

- (a) the rate of interest per annum established from time to time by the U.S. Agent as the reference rate of interest for the determination of interest rates that the U.S. Agent will charge to customers of varying degrees of creditworthiness in the United States of America for United States Dollar demand loans in the United States of America and designated by the U.S. Agent as its U.S. prime rate; and
- (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 rate per annum, on the basis of a year of 365 days, in accordance with Section 5.5(2)), **[Redacted – commercially sensitive information]** per annum; and
- (c) Adjusted Term SOFR for a period of 1 month on such day (or in respect of any day that is not a Banking Day, such Adjusted Term SOFR in effect on the immediately preceding Banking Day) **[Redacted – commercially sensitive information]** per annum,

provided that if all such rates are equal or if such Federal Funds Rate is unavailable for any reason on the date of determination, then the **“U.S. Prime Rate”** shall be the rate specified in (a) above.

“U.S. Prime Rate Loan” means an Advance in, or Conversion into, United States Dollars made by the U.S. Syndicated Revolving Facility Lenders or the U.S. Operating Facility Lender (or any of them) to AES with respect to which AES has specified or a provision hereof requires that interest is to be calculated by reference to the U.S. Prime Rate.

“U.S. Syndicated Revolving Facility” means the credit facility in the maximum principal amount of up to U.S.\$110,000,000 to be made available to AES by the U.S. Syndicated Revolving Facility Lenders, subject to any increase in accordance with Section 2.26 and any reduction in accordance with the provisions hereof.

“U.S. Syndicated Revolving Facility Commitment” means the commitment by each U.S. Syndicated Facility Lender under the U.S. Syndicated Facility to provide up to the amount of United States Dollars (or the Equivalent Amount thereof) set forth opposite its name in Schedule A annexed hereto in the appropriate column, subject to any increase in accordance with Section 2.26 and any reduction in accordance with the provisions hereof.

“U.S. Syndicated Revolving Facility Extending Lender” has the meaning set out in Section 2.24.

“U.S. Syndicated Revolving Facility Extension Request” has the meaning set out in Section 2.24.

“U.S. Syndicated Revolving Facility Lender” means each Lender identified as such on Schedule A annexed hereto.

“U.S. Syndicated Revolving Facility Maturity Date” means September 28, 2024, or such later date as may be elected in accordance with Section 2.24.

“U.S. Syndicated Revolving Facility Non-Extending Lender” has the meaning set out in Section 2.24.

“U.S. Syndicated Revolving Facility Notice of Non-Extension” has the meaning set out in Section 2.24.

“U.S. Syndicated Revolving Facility Requested Lenders” has the meaning set out in Section 2.24.

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

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

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

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

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

“Write-Down and Conversion Powers” means:

- (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule; and
- (b) with respect to the United Kingdom, any powers of the applicable UK Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of

any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that UK Financial Institution or any other Person to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability to any of those powers.

1.2 Headings; Articles and Sections

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

1.3 Number; persons; including

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

1.4 Accounting Principles

(1) If there occurs a material change in generally accepted accounting principles, including as a result of a conversion to International Financial Reporting Standards, or CES Energy Solutions, as permitted by generally accepted accounting principles, adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements and any such change would require disclosure under generally accepted accounting principles in the financial statements of CES Energy Solutions and would cause an amount required to be determined for the purposes of a financial covenant under Section 10.3 or any other financial calculation hereunder (a “**Financial Covenant**”) to be materially different than the amount that would be determined without giving effect to such change, CES shall notify the Agent of such change (an “**Accounting Change**”). Such notice (an “**Accounting Change Notice**”) shall describe the nature of the Accounting Change, its effect on the current and immediately prior year’s financial statements in accordance with generally accepted accounting principles and state whether CES desires to revise the method of calculating one or more of the Financial Covenants (including the revision of any of the defined terms used in the determination of such Financial Covenant) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such Financial Covenant will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such Financial Covenant. The Accounting Change Notice shall be delivered to the Agent within 45 days of the end of the fiscal quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in the fourth fiscal quarter or in respect of an entire fiscal year, within 90 days of the end of such period. Promptly after receipt from CES of an Accounting Change Notice, the Agent shall deliver a copy of such notice to each Lender.

(2) If, pursuant to the Accounting Change Notice, CES does not indicate that it desires to revise the method of calculating one or more of the Financial Covenants, a Majority of the Lenders may within 30 days of their receipt of the Accounting Change Notice notify the Agent that they wish to revise the

method of calculating one or more of the Financial Covenants in the manner described above. If a Majority of the Lenders so notify the Agent, the Agent shall promptly notify CES.

(3) If any of CES, the Agent or a Majority of the Lenders so indicate that they wish to revise the method of calculating one or more of the Financial Covenants, CES, the Agent and the Majority of the Lenders shall in good faith attempt to agree on a revised method of calculating the Financial Covenants. If, however, within 30 days of the foregoing notice by CES, the Agent or a Majority of the Lenders of the desire to revise the method of calculating one or more of the Financial Covenants, CES, the Agent and the Majority of the Lenders have not reached agreement in writing on such revised method of calculation, such method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change. For greater certainty, if no notice of a desire to revise the method of calculating the Financial Covenants in respect of an Accounting Change is given by any of CES, the Agent or the Majority of the Lenders within the applicable time period described above, the method of calculating the Financial Covenants shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Financial Covenants shall be determined after giving effect to such Accounting Change.

(4) If a Compliance Certificate is delivered in respect of a fiscal quarter or fiscal year in which an Accounting Change is implemented without giving effect to any revised method of calculating any of the Financial Covenants, and subsequently, as provided above, the method of calculating one or more of the Financial Covenants is revised in response to such Accounting Change, or the amounts to be determined pursuant to any of the Financial Covenants are to be determined without giving effect to such Accounting Change, CES Energy Solutions shall deliver a revised Compliance Certificate. Any Default or Event of Default arising as a result of the Accounting Change and which is cured by this Section 1.4 shall be deemed to be of no effect *ab initio*.

(5) Notwithstanding the terms of this Section 1.4, the accounting treatment of any operating lease or other applicable leasing arrangement of CES and its Subsidiaries may, for the purposes of this Agreement and in calculating any of the Financial Covenants or in the reporting of any financial information, apply generally accepted accounting principles prior to implementation of International Financial Reporting Standards 16, such that any operating leases of CES and its Subsidiaries may continue to be disclosed and recognized by CES and its Subsidiaries on the same basis as historically disclosed, recognized and treated under this Agreement. For the avoidance of doubt, all other generally accepted accounting principles, including as impacted by International Financial Reporting Standards, will be adhered to by CES and its Subsidiaries, both for the purposes of this Agreement and in calculating any of the Financial Covenants or in the reporting of any financial information and otherwise.

1.5 References to Agreements and Enactments

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

1.6 Per Annum Calculations

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

1.7 Schedules

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

Schedule A	-	Lenders and Commitments
Schedule B	-	Assignment Agreement
Schedule C	-	Compliance Certificate
Schedule D	-	Conversion Notice
Schedule E	-	Drawdown Notice
Schedule F	-	Repayment Notice
Schedule G	-	Rollover Notice
Schedule H	-	Promissory Note

1.8 Amendment and Restatement

(1) On the date on which all of the conditions to the effectiveness of the amendment and restatement of the Original Credit Agreement in the form of this Agreement as set forth in Section 3.1 are satisfied (or waived in writing by the Lenders), the Original Credit Agreement shall be and is hereby amended and restated in the form of this Agreement.

(2) Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of CES (or of CES Energy Solutions or any Material Subsidiary, as applicable) under the Original Credit Agreement and all of the claims and causes of action arising against CES (or CES Energy Solutions or any Material Subsidiary) thereunder in respect of all matters, events, circumstances and obligations arising or existing prior to the Effective Date shall continue, survive and shall not be merged in the execution of this Agreement or any other Documents or the provision of any Drawdown hereunder and such covenants, representations and warranties under the Original Credit Agreement shall be deemed for all purposes to be the representations, warranties and covenants of CES, CES Energy Solutions and the Material Subsidiaries, as applicable, hereunder with respect to any time prior to the Effective Date and any such claims or causes of action prior to the Effective Date shall be deemed for all purposes to be claims and causes of action against CES, CES Energy Solutions and the Material Subsidiaries hereunder.

(3) Each of the Documents comprising the Security and all covenants, terms and provisions thereof, except as expressly amended and supplemented by this Agreement, shall be and continue to be in full force and effect and each such Document is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect.

(4) The parties hereto acknowledge and agree that (i) this Agreement and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation or termination of the obligations and liabilities of the Borrowers, CES Energy Solutions or any other Material Subsidiary under the Original Credit Agreement as in effect prior to the date hereof, and (ii) such obligations and liabilities are in all respects continuing (as amended and restated hereby) with only the terms thereof being modified as provided in this Agreement.

(5) References herein to the “date hereof”, the “date of this Agreement” or similar expressions shall be and shall be deemed to be references to the date of this Agreement as first written above.

(6) Notwithstanding the terms of the Original Credit Agreement or this Agreement, Bankers’ Acceptances under the Canadian Syndicated Facility having terms to maturity ending on or after the

Effective Date shall mature on their original maturity date. Any new Loan effecting a Rollover or Conversion of such maturing Bankers' Acceptances will then be shared rateably among the Lenders under this Agreement. With respect to any such outstanding Bankers' Acceptances, the Lenders' thereof will benefit equally and rateably in the Security until all such Bankers' Acceptances have matured and no further Obligors are owing in respect thereof.

(7) Each party to this Agreement acknowledges and agrees that notwithstanding anything in this Agreement to the contrary:

- (a) the Libor Loans (as defined in the Original Credit Agreement) outstanding as of the Effective Date (including, without limitation, such Libor Loans (as defined in the Original Credit Agreement) as set forth in Schedule J hereto and referred to herein collectively as the “**Outstanding LIBOR Loans**”):
 - (i) constitute part of the Obligations of the Borrowers under this Agreement;
 - (ii) shall, unless the applicable Borrower has specified to the contrary pursuant to a Conversion Notice delivered to the Agent or the U.S. Agent, as applicable, within the applicable notice periods, remain unchanged until the maturity date thereof and shall be, and are hereby deemed to be, governed by the provisions governing Libor Loans as set forth in the Original Credit Agreement (for certainty, unamended by this Agreement). From and after the date hereof, any Rollover of any Outstanding LIBOR Loan shall, subject to applicable notice and notice periods, be deemed to be a Conversion into a SOFR Loan under the terms of this Agreement; and
 - (iii) should an Event of Default occur prior to the applicable expiry date of the applicable Outstanding LIBOR Loan, without limiting anything else contained herein, the Borrowers shall immediately pay to the Agent or the U.S. Agent, as applicable, for and on behalf of the Lenders, an amount equal to the aggregate amount of such applicable Outstanding LIBOR Loan as determined by the Agent or the U.S. Agent, as applicable, which such amount shall be held by the Agent or the U.S. Agent, as applicable, for and on behalf of the Lenders in satisfaction of the Obligations to the Lenders in respect of such applicable Outstanding LIBOR Loan.
- (b) all relevant defined terms (or any applicable portions thereof) and all relevant provisions (or any applicable portions thereof) of the Original Credit Agreement applicable to and governing the Outstanding LIBOR Loans, including, without limitation, any applicable notice and notice provisions with respect to Libor Loans, shall continue to apply to and govern the Outstanding LIBOR Loans under this Agreement, mutatis mutandis, until each Outstanding LIBOR Loan is converted to a in accordance with the terms of this Agreement.

1.9 Rates

Neither the Agent nor the U.S. Agent warrants or accepts responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to Canadian Prime Rate, U.S. Base Rate, CDOR Rate, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or

economic equivalence of, or have the same volume or liquidity as, Canadian Prime Rate, U.S. Base Rate, CDOR Rate, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Agent, the U.S. Agent and their Affiliates or other related entities may engage in transactions that affect the calculation of Canadian Prime Rate, U.S. Base Rate, CDOR Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers. The Agent or the U.S. Agent, as applicable, may select information sources or services in its reasonable discretion to ascertain Canadian Prime Rate, U.S. Base Rate, CDOR Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other Person for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 2 THE CREDIT FACILITIES

2.1 The Credit Facilities

Subject to the terms and conditions hereof:

- (a) each of the Canadian Syndicated Facility Lenders shall make available to CES its Rateable Portion of the Canadian Syndicated Facility;
- (b) the Canadian Operating Facility Lender shall make available to CES its Rateable Portion of the Canadian Operating Facility;
- (c) each of the U.S. Syndicated Revolving Facility Lenders shall make available to AES its Rateable Portion of the U.S. Syndicated Revolving Facility; and
- (d) the U.S. Operating Facility Lender shall make available to AES its Rateable Portion of the U.S. Operating Facility.

Subject to Section 2.18, the Outstanding Principal under a given Credit Facility shall not exceed the maximum principal amount of such Credit Facility.

2.2 Types of Availments; Overdraft Loans

(1) CES may, in Canadian Dollars, make Drawdowns, Conversions and Rollovers under the Canadian Syndicated Facility and the Canadian Operating Facility of Canadian Prime Rate Loans and Bankers' Acceptances and may, in United States Dollars, make Drawdowns, Conversions and Rollovers under the Canadian Syndicated Facility and the Canadian Operating Facility of U.S. Base Rate Loans and SOFR Loans. In addition, CES may make Drawdowns and Rollovers under the Canadian Syndicated Facility of Letters of Credit denominated in Canadian Dollars or United States Dollars; provided that, the Outstanding Principal of Letters of Credit outstanding under such Credit Facility shall not exceed Cdn.\$20,000,000.

(2) In addition to the foregoing, overdrafts arising from clearance of cheques or drafts drawn on the Canadian Dollar accounts and United States Dollar accounts of CES maintained with the Canadian

Operating Facility Lender, and designated by the Canadian Operating Facility Lender for such purpose, shall be deemed to be outstanding as Canadian Prime Rate Loans and U.S. Base Rate Loans, respectively, under the Canadian Operating Facility (each, a “**Canadian Overdraft Loan**”) and all references to Canadian Prime Rate Loans and U.S. Base Rate Loans (as applicable) shall include Canadian Overdraft Loans. For certainty, notwithstanding Section 2.7 or 2.15 or any other provision hereof, no Drawdown Notice or Repayment Notice need be delivered by CES in respect of Canadian Overdraft Loans.

(3) AES may, in United States Dollars, make Drawdowns, Conversions and Rollovers under the U.S. Syndicated Revolving Facility and the U.S. Operating Facility of U.S. Prime Rate Loans and SOFR Loans. In addition, AES may make Drawdowns and Rollovers under the U.S. Syndicated Revolving Facility of Letters of Credit denominated in United States Dollars; provided that, the total Outstanding Principal of Letters of Credit outstanding under the U.S. Syndicated Revolving Facility shall not exceed in the aggregate U.S.\$25,000,000.

(4) In addition to the foregoing, overdrafts arising from clearance of cheques or drafts drawn on the United States Dollar accounts of AES maintained with U.S. Operating Facility Lender, and designated by U.S. Operating Facility Lender for such purpose, shall be deemed to be outstanding as U.S. Prime Rate Loans under the U.S. Syndicated Revolving Facility (each, a “**U.S. Overdraft Loan**”) and all references to U.S. Prime Rate Loans shall include U.S. Overdraft Loans. For certainty, notwithstanding Section 2.7 or 2.15 or any other provision hereof, no Drawdown Notice or Repayment Notice need be delivered by AES in respect of U.S. Overdraft Loans.

2.3 Purpose

Subject to Section 10.2(m), each of the Credit Facilities is being made available for the general corporate purposes of the applicable Borrower and its Subsidiaries.

2.4 Availability and Nature of the Credit Facilities

(1) Subject to the terms and conditions hereof, the applicable Borrower may make Drawdowns under the applicable Credit Facility in respect of the Commitments of a given Lender prior to, and only prior to, the Maturity Date applicable to such Lender under such Credit Facility.

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

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

2.5 Minimum Drawdowns

(1) Subject to Section 2.2 with respect to Overdraft Loans, each Drawdown under the Credit Facilities of the following types of Loans shall be in the following amounts indicated:

- (a) Bankers’ Acceptances in minimum aggregate amounts of Cdn.\$1,000,000 at maturity and Drawdowns in excess thereof in integral multiples of Cdn.\$100,000;

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

2.6 SOFR Loan Availability

Drawdowns of, Conversions into and Rollovers of requested SOFR Loans are subject to the Agent making a determination with respect to the matters referred to in Section 2.27.

2.7 Notice Periods for Drawdowns, Conversions and Rollovers

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

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

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

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

- (c) 10:00 a.m. (Calgary time) on the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into Canadian Prime Rate Loans and/or U.S. Base Rate Loans.

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

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

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

- (a) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of SOFR Loans; and
- (b) 10:00 a.m. (Calgary time) on the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into U.S. Prime Rate Loans.

2.8 Conversion Option

Subject to the provisions of this Agreement and except for Letters of Credit, a Borrower may convert the whole or any part of any type of Loan under a Credit Facility into any other type of permitted Loan under the same Credit Facility by giving the Agent (or, in the case of a conversion under the U.S. Syndicated Revolving Facility, the U.S. Agent and in the case of a conversion under the U.S. Operating Facility, the U.S. Operating Facility Lender) a Conversion Notice in accordance herewith; provided that:

- (a) Conversions of SOFR Loans and Bankers' Acceptances may only be made on the last day of the Interest Period applicable thereto;
- (b) a Borrower may not convert a portion only or the whole of an outstanding Loan unless both the unconverted portion and converted portion of such Loan are equal to or exceed, in the relevant currency of each such portion, the minimum amounts required for Drawdowns of Loans of the same type as that portion (as set forth in Section 2.5);

- (c) in respect of Conversions of a Loan denominated in one currency to a Loan denominated in another currency, the applicable Borrower shall at the time of the Conversion repay the Loan or portion thereof being converted in the currency in which it was denominated; and
- (d) a Conversion shall not result in an increase in Outstanding Principal; increases in Outstanding Principal may only be effected by Drawdowns.

2.9 SOFR Loan Rollovers; Selection of SOFR Interest Periods

At or before 10:00 a.m. (Calgary time) three Banking Days prior to the expiration of each Interest Period of each SOFR Loan, the applicable Borrower shall, unless it has delivered a Conversion Notice pursuant to Section 2.7 and/or a Repayment Notice pursuant to Section 2.15 (together with a Rollover Notice if a portion only is to be converted or repaid; provided that a portion of a SOFR Loan may be continued only if the portion which is to remain outstanding is equal to or exceeds the minimum amount required hereunder for Drawdowns of SOFR Loans) with respect to the aggregate amount of such Loan, deliver a Rollover Notice to the Agent or, in the case of a SOFR Loan to be continued under the U.S. Syndicated Revolving Facility, the U.S. Agent, and in the case of a SOFR Loan to be continued under the U.S. Operating Facility, the U.S. Operating Facility Lender, selecting the next Interest Period applicable to the SOFR Loan, which new Interest Period shall commence on and include the last day of such prior Interest Period. If the applicable Borrower fails to deliver a Rollover Notice to the Agent, the U.S. Agent or the U.S. Operating Facility Lender, as applicable, as provided in this Section, such Borrower shall be deemed to have given a Conversion Notice to the Agent, the U.S. Agent or the U.S. Operating Facility Lender, as applicable, electing to convert the entire amount of the maturing SOFR Loan into a U.S. Base Rate Loan, in the case of a SOFR Loan under the Canadian Syndicated Facility or the Canadian Operating Facility, and the entire amount of the maturing SOFR Loan into a U.S. Prime Rate Loan, in the case of the U.S. Syndicated Revolving Facility or the U.S. Operating Facility.

2.10 Rollovers and Conversions not Repayments

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

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

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

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

(1) The applicable Lenders shall, for same day value on the Drawdown Date specified by CES in a Drawdown Notice with respect to a Loan under the Canadian Syndicated Facility or the Canadian Operating Facility, credit CES's account with the Agent specified in the Agent's notice given under Section 2.11 with such Lender's Rateable Portion of each such requested Loan.

(2) The applicable Lenders shall, for same day value on the Drawdown Date specified by AES in a Drawdown Notice with respect to a Loan under the U.S. Syndicated Revolving Facility, credit AES's account with the U.S. Agent specified in the U.S. Agent's notice given under Section 2.11 with such Lender's Rateable Portion of each such requested Loan.

(3) The U.S. Operating Facility Lender shall, for same day value on the Drawdown Date specified by AES in a Drawdown Notice with respect to a Loan under the U.S. Operating Facility, credit AES's account with the U.S. Operating Facility Lender or such other account of AES specified in the Drawdown Notice given by AES to the U.S. Operating Facility Lender under Section 2.7(4), with the U.S. Operating Facility Lender's Rateable Portion of each requested Loan.

2.13 Irrevocability

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

2.14 Optional Cancellation or Reduction of Credit Facilities

CES (on behalf of itself or AES) may, at any time, upon giving at least 5 Banking Days prior written notice (a) to the Agent, cancel in full or, from time to time, permanently reduce in part the unutilized portion of a Canadian Credit Facility and the Commitments thereunder, (b) to the U.S. Agent and the Agent, cancel in full or, from time to time, permanently reduce in part the unutilized portion of the U.S. Syndicated Revolving Facility and the Commitments thereunder and (c) to the U.S. Operating Facility Lender and the Agent, cancel in full or, from time to time, permanently reduce in part the unutilized portion of the U.S. Operating Facility and the Commitments thereunder and, for certainty, may permanently cancel the U.S. Syndicated Revolving Facility and the U.S. Operating Facility, in which event AES shall cease to be a Borrower for all purposes of this Agreement; provided, however, that any such reduction shall be in a minimum amount of \$3,000,000 (in the applicable currency) and reductions in excess thereof shall be in integral multiples of \$1,000,000 (in the applicable currency). If a Credit Facility and the Commitments thereunder are so reduced, the Commitment of each of the Lenders under such Credit Facility shall be reduced *pro rata* in the same proportion that the amount of the reduction in the Credit Facility bears to the amount of such Credit Facility in effect immediately prior to such reduction.

2.15 Optional Repayment of Credit Facilities

A Borrower may at any time and from time to time (a) in the case of the Canadian Credit Facilities, repay, without penalty, to the Agent for the account of the applicable Lenders, (b) in the case of the U.S. Syndicated Revolving Facility, repay, without penalty, to the U.S. Agent for the account of the applicable Lenders, (c) in the case of the U.S. Operating Facility, repay, without penalty, to the U.S. Operating Facility Lender for its own account, or (d) in the case of Letters of Credit, return the same to the applicable Lender

for cancellation, or in each case, provide for the funding of, the whole or any part of any Loan owing by it together with accrued interest thereon to the date of such repayment provided that:

- (a) other than in the case of Overdraft Loans, the applicable Borrower shall give a Repayment Notice (executed in accordance with the definition of Officer's Certificate) to the Agent or the U.S. Agent, as applicable, not later than:
 - (i) 10:00 a.m. (Calgary time) three Banking Days prior to the date of the proposed repayment, for SOFR Loans;
 - (ii) 10:00 a.m. (Calgary time) two Banking Days prior to the date of the proposed repayment, for Letters of Credit and Banker's Acceptances; and
 - (iii) 10:00 a.m. (Calgary time) one Banking Day prior to the date of the proposed repayment, for Canadian Prime Rate Loans, U.S. Base Rate Loans and U.S. Prime Rate Loans;
- (b) repayments pursuant to this Section may only be made on a Banking Day;
- (c) subject to the following provisions and Section 2.17, each such repayment may only be made on the last day of the applicable Interest Period with regard to a SOFR Loan that is being repaid;
- (d) a Bankers' Acceptance may only be repaid on its maturity unless collateralized in accordance with Section 2.17(3);
- (e) unexpired Letters of Credit may only be prepaid by the return thereof to the applicable Lender for cancellation or providing funding therefor in accordance with Section 2.17;
- (f) except in the case of (i) Letters of Credit, (ii) Canadian Prime Rate Loans and U.S. Base Rate Loans under the Canadian Operating Facility and (iii) U.S. Prime Rate Loans under the U.S. Syndicated Revolving Facility or the U.S. Operating Facility, each such repayment shall be in a minimum amount of the lesser of: (A) the minimum amount required pursuant to Section 2.5 for Drawdowns of the type of Loan proposed to be repaid and (B) the Outstanding Principal of all Loans outstanding under the applicable Credit Facility immediately prior to such repayment; any repayment in excess of such amount shall be in integral multiples of the amounts required pursuant to Section 2.5 for multiples in excess of the minimum amounts for Drawdowns; and
- (g) except in the case of (i) Letters of Credit, (ii) Canadian Prime Rate Loans and U.S. Base Rate Loans under the Canadian Operating Facility and (iii) U.S. Prime Rate Loans under the U.S. Syndicated Revolving Facility or the U.S. Operating Facility, a Borrower may not repay a portion only of an outstanding Loan unless the unpaid portion is equal to or exceeds, in the relevant currency, the minimum amount required pursuant to Section 2.5 for Drawdowns of the type of Loan proposed to be repaid.

2.16 Mandatory Repayment and Reduction of Credit Facilities

Subject to Section 12.2 and Article 8, (a) CES shall repay or pay, as the case may be, to the Agent, on behalf of each Canadian Lender, all Loans and other Obligations owing by CES to such Canadian Lender on or before the Maturity Date applicable to such Canadian Lender, (b) AES shall repay or pay, as the case may

be, to the U.S. Agent, on behalf of each U.S. Syndicated Revolving Facility Lender, all Loans and other Obligations owing by AES to such U.S. Syndicated Revolving Facility Lender on or before the U.S. Syndicated Revolving Facility Maturity Date, and (c) AES shall repay or pay, as the case may be, to the U.S. Operating Facility Lender, all Loans and other Obligations owing by AES to the U.S. Operating Facility Lender on or before the U.S. Operating Facility Maturity Date.

2.17 Additional Repayment Terms

(1) If any SOFR Loan is repaid on any day other than the last day of the applicable Interest Period, the applicable Borrower shall, within three Banking Days after notice is given by the Agent, the U.S. Agent or the U.S. Operating Facility Lender, pay to the Agent for the account of the applicable Lenders, in the case of a SOFR Loan outstanding under a Canadian Credit Facility, or pay to the U.S. Agent for the account of the applicable Lenders, in the case of a SOFR Loan outstanding under the U.S. Syndicated Revolving Facility, or pay to the U.S. Operating Facility Lender in the case of SOFR Loan outstanding under the U.S. Operating Facility, all costs, losses, premiums and expenses incurred by such Lenders or the U.S. Operating Facility Lender, as the case may be, by reason of the liquidation or re-deployment of deposits or other funds, or for any other reason whatsoever, resulting in each case from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. Any such Lender or the U.S. Operating Facility Lender, upon becoming entitled to be paid such costs, losses, premiums and expenses, shall deliver to the applicable Borrower and the Agent or the U.S. Agent, as applicable, a certificate of such Lender or the U.S. Operating Facility Lender certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

(2) With respect to the funding of the repayment of unexpired Letters of Credit, it is agreed that the applicable Borrower shall provide for the funding in full of the repayment of unexpired Letters of Credit, in the case of a Letter of Credit issued under the Canadian Syndicated Facility, by paying to and depositing with the Agent cash collateral for each such unexpired Letter of Credit and, in the case of a Letter of Credit issued under the U.S. Syndicated Revolving Facility, by paying to and depositing with the U.S. Agent cash collateral for each such unexpired Letter of Credit, in each case, equal to the maximum undrawn amount thereof in the respective currency which the relevant Letter of Credit is denominated; such cash collateral deposited by such Borrower shall be held by the Agent or the U.S. Agent, as applicable, in an interest bearing cash collateral account with interest to be credited to the applicable Borrower at rates prevailing at the time of deposit for similar accounts with the Agent or the U.S. Agent. Such cash collateral accounts shall be and are hereby assigned to the Agent or the U.S. Agent, as applicable, as security for the obligations of the applicable Borrower in relation to such Letters of Credit and the Security Interest of the Agent or the U.S. Agent thereby created in such cash collateral shall rank in priority to all other Security Interests and adverse claims against such cash collateral. Such cash collateral shall be applied to satisfy the obligations of the applicable for such Letters of Credit as payments are made thereunder and the Agent or the U.S. Agent, as applicable, is hereby irrevocably directed by the applicable Borrower to so apply any such cash collateral. Amounts held in such cash collateral accounts may not be withdrawn by either Borrower without the consent of the Agent or the U.S. Agent, as applicable; however, interest on such deposited amounts shall be for the account of the applicable Borrower and may be withdrawn by the applicable Borrower so long as no Default or Event of Default is then continuing. If after expiry of the Letters of Credit for which such funds are held and application by the Agent or the U.S. Agent, as applicable, of the amounts in such cash collateral accounts to satisfy the obligations of the applicable Borrower hereunder with respect to the Letters of Credit being repaid, any excess remains, such excess shall be promptly paid by the Agent or the U.S. Agent, as the case may be, to the applicable Borrower so long as no Default or Event of Default is then continuing.

In lieu of providing cash collateral as aforesaid, the applicable Borrower may provide to the Agent or the U.S. Agent, as applicable, irrevocable standby letter or letters of credit in an aggregate amount equal to the

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

(3) With respect to the repayment of unmatured Bankers' Acceptances it is agreed that CES shall provide for the funding in full of the unmatured Bankers' Acceptances to be repaid by paying to and depositing with the Agent cash collateral (the "**Cash Collateral**") for each such unmatured Bankers' Acceptance equal to the face amount payable at maturity thereof; such Cash Collateral deposited by CES shall be invested by the Agent in Approved Securities as may be directed in writing by CES from time to time (the "**Collateral Investments**"), provided that CES shall direct said investments so that they mature in amounts sufficient to permit payment of the Obligations for maturing Bankers' Acceptances on the maturity dates thereof, with interest thereon to be credited to CES. In the event that the Agent is not provided with instructions from CES to make Collateral Investments as provided herein, the Agent shall hold such Cash Collateral in an interest bearing cash collateral account (the "**Cash Collateral Account**") at rates prevailing at the time of deposit for similar accounts with the Agent. The (a) Cash Collateral, (b) Cash Collateral Accounts, (c) Collateral Investments, (d) any accounts receivable, claims, instruments or securities evidencing or relating to the foregoing, and (e) any proceeds of any of the foregoing (collectively the "**Outstanding BAs Collateral**") shall be assigned to the Agent as security for the obligations of CES in relation to such Bankers' Acceptances and the Security Interest of the Agent thereby created in such Outstanding BAs Collateral shall rank in priority to all other Security Interests and adverse claims against such Outstanding BAs Collateral. Such Outstanding BAs Collateral shall be and is hereby applied to satisfy the obligations of CES for such Bankers' Acceptances as they mature and the Agent is hereby irrevocably directed by CES to apply any such Outstanding BAs Collateral to such maturing Bankers' Acceptances. The Outstanding BAs Collateral created herein shall not be released to CES without the consent of the applicable Lenders; however, interest on such deposited amounts shall be for the account of CES and may be withdrawn by CES so long as no Default or Event of Default is then continuing. If, after maturity of the Bankers' Acceptances for which such Outstanding BAs Collateral is held and application by the Agent of the Outstanding BAs Collateral to satisfy the obligations of CES hereunder with respect to the Bankers' Acceptances being repaid, any interest or other proceeds of the Outstanding BAs Collateral remains, such interest or other proceeds shall be promptly paid and transferred by the Agent to CES so long as no Default or Event of Default is then continuing.

2.18 Currency Excess

(1) If the Agent shall determine that the aggregate Outstanding Principal of the outstanding Loans under a given Canadian Credit Facility exceeds the maximum amount of such Credit Facility (the amount of such excess is herein called the "**Currency Excess**"), then, upon written request by the Agent (which request shall detail the applicable Currency Excess), CES shall repay an amount of Canadian Prime Rate Loans or U.S. Base Rate Loans under such Credit Facility within (i) if the Currency Excess exceeds Cdn.\$1,000,000, 5 Banking Days, and (ii) in all other cases, 20 Banking Days after receipt of such request, such that, except as otherwise contemplated in Section 2.18(2), the Equivalent Amount in Canadian Dollars of such repayments is, in the aggregate, at least equal to the Currency Excess.

(2) If, in respect of any Currency Excess, the repayments made by CES have not completely removed such Currency Excess (the remainder thereof being herein called the "**Currency Excess**"),

Deficiency”), CES shall within the aforementioned 5 or 20 Banking Days, as the case may be, after receipt of the aforementioned request of the Agent, 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 CES, to be assigned to the Agent on behalf of the applicable Lenders by instrument satisfactory to the Agent and, if applicable, to be applied to maturing Bankers’ Acceptances or SOFR Loans (converted if necessary at the exchange rate for determining the Equivalent Amount on the date of such application). The Agent is hereby irrevocably directed by CES to apply any such sums on deposit to maturing Loans as provided in the preceding sentence. In lieu of providing funds for the Currency Excess Deficiency, as provided in the preceding provisions of this Section, CES may within the said period of 5 or 20 Banking Days, as the case may be, provide to the Agent an irrevocable standby letter of credit in an amount equal to the Currency Excess Deficiency and for a term which expires not sooner than 10 Banking Days after the date of maturity or expiry, as the case may be, of the relevant Bankers’ Acceptances, SOFR Loans or Letters of Credit, as the case may be; such letter of credit for the Currency Excess Deficiency shall be issued by a financial institution, and shall be on terms and conditions, acceptable to the Agent in its sole discretion. The Agent is hereby authorized and directed to draw upon such letter of credit and apply the proceeds of the same to Bankers’ Acceptances or SOFR Loans as they mature. Upon the Currency Excess Deficiency being eliminated as aforesaid or by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no Default or Event of Default is then continuing, such funds on deposit, together with interest thereon, or such letters of credit shall be returned to CES, in the case of funds on deposit, or shall be cancelled or reduced in amount, in the case of letters of credit.

2.19 Hedging with Lenders and Hedging Affiliates

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

2.20 Hostile Acquisitions

(1) In the event a Borrower wishes to utilize proceeds of one or more Loans under any Credit Facility to, or to provide funds to any Subsidiary, Affiliate or other person 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**”) which constitutes a “take over bid” pursuant to applicable corporate or securities legislation (in any case, a “**Takeover**”), then either:

- (a) prior to or concurrently with delivery to the Agent or, in the case of a Drawdown under the U.S. Syndicated Revolving Facility the U.S. Agent, or in case of a Drawdown under the U.S. Operating Facility the U.S. Operating Facility Lender, of any Drawdown Notice pursuant to Section 2.7 requesting one or more Loans under the Credit Facilities, the proceeds of which are to be used to finance such Takeover, the applicable Borrower shall provide to the Agent, the U.S. Agent or the U.S. Operating Facility Lender, as applicable, evidence satisfactory to the Agent, the U.S. Agent or the U.S. Operating Facility Lender (each 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

(b) the following steps shall be followed:

- (i) at least five (5) Banking Days prior to the delivery to the Agent, the U.S. Agent or the U.S. Operating Facility Lender, as applicable, of any Drawdown Notice pursuant to Section 2.7 requesting one or more Loans intended to be used to finance such Takeover, the applicable Borrower shall advise (A) the Agent, who shall promptly advise an appropriate officer of each applicable Lender of the particulars of such Takeover, and/or (B) the U.S. Agent, who shall promptly advise an appropriate officer of each applicable Lender of the particulars of such Takeover, and/or (C) the U.S. Operating Facility Lender, as applicable;
- (ii) within three (3) Banking Days of being so advised, each applicable Lender (other than the U.S. Operating Facility Lender) shall notify the Agent or the U.S. Agent, as applicable, if such Lender has determined that it would have a conflict of interest in respect of financing such Takeover; provided that, in the event such Lender does not so notify the Agent or the U.S. Agent, as applicable, within such three (3) Banking Day period, such Lender shall be deemed to have notified the Agent or the U.S. Agent, as applicable, that it is not willing to finance such Takeover; and
- (iii) the Agent and/or the U.S. Agent and/or the U.S. Operating Facility Lender, as applicable, shall promptly notify the applicable Borrower of each such Lender's determination; provided that, in the event the U.S. Operating Facility Lender does not so notify the Borrower within three (3) Banking Days of being advised of the matters in Section 2.20(1)(b)(i) above, the U.S. Operating Facility Lender shall be deemed to have notified AES that it is not willing to finance such Takeover,

and in the event that any Lender has notified or is deemed to have notified the Agent or the U.S. Agent, as applicable, or in the case of the U.S. Operating Facility, the U.S. Operating Facility Lender has so notified or is deemed to have so notified the applicable Borrower, in each case, that it is not willing to finance such Takeover because of a conflict of interest (each, a “**Declining Lender**”), then the Declining Lenders shall have no obligation to provide Loans to finance such Takeover, notwithstanding any other provision of this Agreement to the contrary; provided, however, that, in the case of the Canadian Syndicated Facility or the U.S. Syndicated Revolving Facility, each other applicable Lender (each, a “**Financing Lender**”) which has advised the Agent or the U.S. Agent, as applicable, it is willing to finance such Takeover shall have an obligation, up to the amount of its Commitment under the relevant Credit Facility, to provide Loans to finance such Takeover, and the Loans to finance such Takeover shall be provided by each Financing Lender in accordance with the ratio, determined prior to the provision of any Loans to finance such Takeover, that the Commitment of such Financing Lender under the Credit Facility in question bears to the aggregate the Commitments of all the Financing Lenders under the Credit Facility in question.

(2) If Loans are used to finance a Takeover and there are Declining Lenders, subsequent Loans under the applicable Credit Facility shall be funded firstly by Declining Lenders having Commitments under such Credit Facility, and subsequent repayments under such Credit Facility shall be applied firstly to Financing Lenders, in each case, until such time as the proportion that the amount of each Lender's Outstanding Principal under such Credit Facility bears to the total Outstanding Principal under such Credit Facility is equal to such proportion which would have been in effect but for the application of this Section 2.20.

2.21 Replacement of Lenders

(1) CES shall have the right, at its option, to (a) replace (by causing a Lender to assign its rights and interests under the relevant Credit Facilities to additional financial institutions or to existing Lenders which have agreed to increase their Commitments under such Credit Facilities) or (b) provided that no Default or Event of Default has occurred and is continuing, repay the Obligations outstanding and cancel the Commitments of such Lender (without corresponding repayment to or cancellation of the Commitments of other Lenders) or (c) do any combination thereof with respect to:

- (a) those Lenders which have not agreed to a consent under, waiver of or proposed amendment to the provisions of the Documents (each, a “**Dissenting Lender**”) requested by CES that requires the consent of all of the Lenders and which has been approved by a Majority of the Lenders;
- (b) those Lenders which are Declining Lenders;
- (c) any Canadian Lender or U.S. Syndicated Revolving Facility Lender that exercises its rights under Section 2.27 or 13.2, but not all Canadian Lenders or U.S. Syndicated Revolving Facility Lenders, as applicable, are so affected;
- (d) those Lenders which have notified a Borrower and the Agent and/or the U.S. Agent of an entitlement to receive Additional Compensation under Section 13.3;
- (e) those Lenders which, pursuant to Section 13.5, have declared their obligations under this Agreement in respect of any Loan to be terminated;
- (f) any Lender who is a Defaulting Lender;
- (g) a Canadian Syndicated Facility Non-Extending Lender, provided the Canadian Syndicated Facility Maturity Date has been extended in accordance with the most recent Canadian Syndicated Facility Extension Request; and
- (h) a U.S. Syndicated Revolving Facility Non-Extending Lender, provided that the U.S. Syndicated Revolving Facility Maturity Date has been extended in accordance with the most recent U.S. Syndicated Revolving Facility Extension Request,

provided that CES shall not be entitled to replace or repay a Declining Lender or a Dissenting Lender, as the case may be, unless it is concurrently repaying or replacing all other Declining Lenders or Dissenting Lenders, as the case may be, and further provided that increases in the Commitments of existing Canadian Lenders or U.S. Syndicated Revolving Facility Lenders, as applicable, and the addition of new financial institutions as Lenders shall require the consent of the Agent, the U.S. Agent, the U.S. Fronting Lender and the Fronting Lender, such consents not to be unreasonably withheld or delayed.

(2) For the purposes of Section 2.21(1), CES may require any such Lender to assign its Commitments, its Rateable Portion of all Loans and other Obligations outstanding under the relevant Credit Facilities and all of its rights, benefits and interests under the Documents relating thereto (collectively, the “**Assigned Interests**”) to (i) any other Lenders which have agreed to increase their applicable Commitments and purchase the Assigned Interests, and (ii) to the extent the Assigned Interests are not transferred to such other Lenders, financial institutions selected by CES and acceptable to the Agent, the U.S. Agent, the U.S. Fronting Lender and the Fronting Lender, each acting reasonably. Such assignments shall be effective upon execution of assignment documentation satisfactory to the relevant Lender, the assignee, CES, the Agent

and the U.S. Agent (each acting reasonably), upon payment to the relevant Lender (in immediately available funds) by the relevant assignee of an amount equal to its Rateable Portion of all Obligations being assigned and all accrued but unpaid interest and fees hereunder in respect of those portions of the Loans and Commitments being assigned, upon payment by the relevant assignee to the Agent or the U.S. Agent, as applicable (for the Agent's or the U.S. Agent's own account, as applicable) of the recording fee contemplated in Section 16.6, and upon provision satisfactory to the relevant Lender (acting reasonably) being made for (i) payment at maturity of outstanding Bankers' Acceptances accepted by it, (ii) indemnity in respect of its share of outstanding Letters of Credit or, with respect to outstanding Fronted LCs, release by the Fronting Lender of its obligations in respect thereof, or with respect to outstanding U.S. Fronted LCs, release by the U.S. Fronting Lender of its obligations in respect thereof, and (iii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of SOFR Loans outstanding hereunder. Upon such assignment and transfer, the relevant Lender shall have no further right, interest, benefit or obligation in respect of the Credit Facilities and the assignee thereof shall succeed to the position of such Lender as if the same was an original party hereto in the place and stead of such Lender and shall be deemed to be a Lender hereunder; for such purpose, to the extent that the assignee is not already a party hereto, the assignee shall execute and deliver an Assignment Agreement and such other documentation as may be reasonably required by the Agent, the U.S. Agent and CES to confirm its agreement to be bound by the provisions hereof and to give effect to the foregoing.

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

2.22 Extension of Canadian Syndicated Facility Maturity Date

(1) In this Section:

"Canadian Syndicated Facility Extension Request" means a written request by CES to the Agent for the Canadian Syndicated Facility Requested Lenders to extend the Canadian Syndicated Facility Maturity Date applicable to such Lender by one or more years (or any portion thereof), which request shall include an Officer's Certificate certifying that no Default or Event of Default has occurred and is continuing; and

"Canadian Syndicated Facility Requested Lenders" means those Canadian Syndicated Facility Lenders which are not then Canadian Syndicated Facility Non-Extending Lenders.

(2) CES may, once in each calendar year, by delivering to the Agent an executed Canadian Syndicated Facility Extension Request, request the Canadian Syndicated Facility Requested Lenders to extend the Canadian Syndicated Facility Maturity Date applicable to such Lenders by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 60

days before the anniversary date of the Effective Date in each calendar year; and (b) the Canadian Syndicated Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than three (3) years after the effectiveness of such extension.

(3) Upon receipt from CES of an executed Canadian Syndicated Facility Extension Request, the Agent shall promptly deliver to each Canadian Syndicated Facility Requested Lender a copy of such request, and each Canadian Syndicated Facility Requested Lender shall, within 30 days after receipt of the Canadian Syndicated Facility Extension Request by the Agent, provide to the Agent and CES either (a) written notice that such Canadian Syndicated Facility Requested Lender (each, a **“Canadian Syndicated Facility Extending Lender”**) agrees, subject to Section 2.22(4) below, to the requested extension of the current Canadian Syndicated Facility Maturity Date applicable to it or (b) written notice (each, a **“Canadian Syndicated Facility Notice of Non-Extension”**) that such Canadian Syndicated Facility Requested Lender (each, a **“Canadian Syndicated Facility Non-Extending Lender”**) does not agree to such requested extension; provided that, if any Canadian Syndicated Facility Requested Lender shall fail to so notify the Agent and CES, then such Canadian Syndicated Facility Requested Lender shall be deemed to have delivered a Canadian Syndicated Facility Notice of Non-Extension and, subject to Section 2.22(6), shall thereafter be deemed to be a Canadian Syndicated Facility Non-Extending Lender. The determination of each Lender whether or not to extend the Canadian Syndicated Facility Maturity Date applicable to it shall be made by each individual Lender in its sole discretion.

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

(5) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the Canadian Syndicated Facility Maturity Date. If, as of the current Canadian Syndicated Facility Maturity Date (before an agreement of the Canadian Syndicated Facility Extending Lenders to the extension thereof in accordance with the foregoing provisions of this Section 2.22), a Default or Event of Default exists, the Canadian Syndicated Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary, for a Canadian Syndicated Facility Extending Lender unless (a) such Canadian Syndicated Facility Extending Lender has waived such Default or Event of Default in writing and (b) Canadian Syndicated Facility Extending Lenders having Canadian Syndicated Facility Commitments which, in aggregate, represent more than $66\frac{2}{3}\%$ of all outstanding Canadian Syndicated Facility Commitments have waived such Default or Event of Default in writing.

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

2.23 Extension of Canadian Operating Facility Maturity Date

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

(2) CES may, once in each calendar year, by delivering to the Agent an executed Canadian Operating Facility Extension Request, request the Canadian Operating Facility Lender to extend the Canadian Operating Facility Maturity Date by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 60 days before the anniversary date of the Effective Date in each calendar year; and (b) the Canadian Operating Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than three (3) years after the effectiveness of such extension.

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

(4) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the Canadian Operating Facility Maturity Date. If, as of the current Canadian Operating Facility Maturity Date (before an agreement of the Canadian Operating Facility Lender to the extension thereof in accordance with the foregoing provisions of this Section 2.23), a Default or Event of Default exists, the Canadian Operating Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary unless the Canadian Operating Facility Lender has waived such Default or Event of Default in writing.

2.24 Extension of U.S. Syndicated Revolving Facility Maturity Date

(1) In this Section:

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

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

(2) AES may, once in each calendar year, by delivering to the U.S. Agent and the Agent an executed U.S. Syndicated Revolving Facility Extension Request, request the U.S. Syndicated Revolving Facility Requested Lenders to extend the U.S. Syndicated Revolving Facility Maturity applicable to such Lenders by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 60 days before the anniversary date of the Effective Date in each calendar year; and (b) the U.S. Syndicated Revolving Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than three (3) years after the effectiveness of such extension.

(3) Upon receipt from AES of an executed U.S. Syndicated Revolving Facility Extension Request, the U.S. Agent shall promptly deliver to each U.S. Syndicated Revolving Facility Requested Lender a copy of such request, and each U.S. Syndicated Revolving Facility Requested Lender shall, within 30 days after receipt of the U.S. Syndicated Revolving Facility Extension Request by the U.S. Agent, provide to the U.S. Agent and AES either (a) written notice that such U.S. Syndicated Revolving Facility Requested Lender (each, an **“U.S. Syndicated Revolving Facility Extending Lender”**) agrees, subject to Section 2.24(4) below, to the requested extension of the current U.S. Syndicated Revolving Facility Maturity Date applicable to it or (b) written notice (each, a **“U.S. Syndicated Revolving Facility Notice of Non-Extension”**) that such U.S. Syndicated Revolving Facility Requested Lender (each, a **“U.S. Syndicated Revolving Facility Non-Extending Lender”**) does not agree to such requested extension; provided that, if any U.S. Syndicated Revolving Facility Requested Lender shall fail to so notify the Agent and AES, then such U.S. Syndicated Revolving Facility Requested Lender shall be deemed to have delivered a U.S. Syndicated Revolving Facility Notice of Non-Extension and, subject to Section 2.24(6), shall thereafter be deemed to be a U.S. Syndicated Revolving Facility Non-Extending Lender. The determination of each Lender whether or not to extend the U.S. Syndicated Facility Maturity Date applicable to it shall be made by each individual Lender in its sole discretion.

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

(5) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the U.S. Syndicated Revolving Facility Maturity Date. If, as of the current U.S. Syndicated Revolving Facility Maturity Date (before an agreement of the U.S. Syndicated Revolving Facility Extending Lender to the extension thereof in accordance with the foregoing provisions of this Section 2.24), a Default or Event of Default exists, the U.S. Syndicated Revolving Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary unless (a) such U.S. Syndicated Revolving Facility Extending Lender has waived such Default or Event of Default in writing and (b) U.S. Syndicated Revolving Facility Extending Lenders having U.S. Syndicated Revolving Facility Commitments which, in aggregate, represent more than $66\frac{2}{3}\%$ of all outstanding U.S. Syndicated Revolving Facility Commitments have waived such Default or Event of Default in writing.

(6) A U.S. Syndicated Revolving Facility Non-Extending Lender may, with the prior written consent of AES, become a U.S. Syndicated Revolving Facility Extending Lender with respect to any prior

extension of the U.S. Syndicated Revolving Facility Maturity Date by providing written notice to the U.S. Agent revoking the U.S. Syndicated Revolving Facility Notice of Non-Extension provided by such Lender; such revocation shall be effective from and after receipt by the Agent of such notice from such Lender together with a copy of AES's consent in relation thereto.

2.25 Extension of U.S. Operating Facility Maturity Date

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

(2) AES may, once in each calendar year, by delivering to the U.S. Operating Facility Lender and the Agent an executed U.S. Operating Facility Extension Request, request the U.S. Operating Facility Lender to extend the U.S. Operating Facility Maturity Date by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 60 days before the anniversary date of the Effective Date in each calendar year; and (b) the U.S. Operating Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than three (3) years after the effectiveness of such extension.

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

(4) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the U.S. Operating Facility Maturity Date. If, as of the current U.S. Operating Facility Maturity Date (before an agreement of the U.S. Operating Facility Lender to the extension thereof in accordance with the foregoing provisions of this Section 2.25), a Default or Event of Default exists, the U.S. Operating Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary unless the U.S. Operating Facility Lender has waived such Default or Event of Default in writing.

2.26 Increase in Canadian Syndicated Facility Commitments and U.S. Syndicated Revolving Facility Commitments

CES may, at any time and from time to time, increase the Canadian Syndicated Facility Commitments and the U.S. Syndicated Revolving Facility Commitments (the "**Additional Commitments**") available under such Credit Facility and the maximum principal amount of such Credit Facility by adding additional financial institutions as Canadian Syndicated Facility Lenders or U.S. Syndicated Revolving Facility Lenders, as the case may be, or by increasing the Canadian Syndicated Facility Commitments of existing Canadian Syndicated Facility Lenders, with the consent of such existing Canadian Syndicated Facility Lenders increasing their Commitments, or increasing the U.S. Syndicated Revolving Facility Commitments of existing U.S. Syndicated Revolving Facility Lenders with the consent of such existing U.S. Syndicated

Revolving Facility Lenders increasing their Commitments, as the case may be, or any combination thereof. The right to increase the maximum principal amount available under the Canadian Syndicated Facility and the U.S. Syndicated Revolving Facility, as the case may be, by the Additional Commitments as aforesaid shall be subject to the following:

- (a) no Default or Event of Default shall have occurred and be continuing and CES shall have delivered to the Agent or the U.S. Agent, as applicable, an Officer's Certificate certifying the same and certifying: (i) its corporate authorization to make such increase, (ii) the truth and accuracy of its representations and warranties under the Documents and (iii) that no consents, approvals or authorizations are required for such increase (except as have been unconditionally obtained and are in full force and effect, unamended), each as at the effective date of such increase;
- (b) the total amount of Additional Commitments shall not, at any time, exceed Cdn. \$75,000,000 (or its equivalent), in the aggregate;
- (c) the Agent and the Fronting Lender under the Canadian Syndicated Facility, if any, shall have consented to increases in the Canadian Syndicated Facility Commitments of a given Lender and any additional financial institution becoming a Lender under such Credit Facility and the U.S. Agent and the U.S. Fronting Lender under the U.S. Syndicated Revolving Facility, if any, shall have consented to increases in the U.S. Syndicated Revolving Facility Commitments of a given Lender and any additional financial institution becoming a Lender under such Credit Facility, as applicable, and, in each case, such consents not to be unreasonably withheld;
- (d) CES and the applicable existing Lenders that are increasing their Canadian Syndicated Facility Commitments or their U.S. Syndicated Revolving Facility Commitments, as the case may be, or the financial institution(s) being added as a Lender, as the case may be, shall execute and deliver such documentation as is required by the Agent or the U.S. Agent, as applicable, acting reasonably, to effect the increase in question (including the partial assignment of Loans or purchase of participations from Lenders to the extent necessary to ensure that, after giving effect to such increase, each applicable Lender holds its Rateable Portion of each outstanding Loan under the Canadian Syndicated Facility or the U.S. Syndicated Revolving Facility, as applicable) and, if applicable, to add any such new financial institution as a Canadian Syndicated Facility Lender or an U.S. Syndicated Revolving Facility Lender, as applicable, under the Documents; and
- (e) for certainty, CES may exercise any increase in the Canadian Syndicated Facilities or the U.S. Syndicated Revolving Facilities as aforesaid from time to time, provided that the maximum principal amount of Additional Commitments set out in paragraph (b) above is not at any time exceeded.

2.27 Term SOFR Fallback

(1) Notwithstanding anything to the contrary herein or in any other Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then current Benchmark, then (i) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Document and (ii) if a Benchmark

Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Document so long as the Agent or the U.S. Agent, as applicable, has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority of the Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis. No Financial Instrument shall be deemed to be a “Document” for purposes of this Section 2.27.

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

(3) The Agent or the U.S. Agent, as applicable, will promptly notify the Borrowers and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent or the U.S. Agent, as applicable, will notify the Borrower of (i) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.27(4) and (ii) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or the U.S. Agent, as applicable, or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.27, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Document, except, in each case, as expressly required pursuant to this Section 2.27.

(4) Notwithstanding anything to the contrary herein or in any other Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent or the U.S. Agent, as applicable, in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Agent or the U.S. Agent, as applicable, may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent or the U.S. Agent, as applicable, may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(5) Upon the Borrowers’ receipt of notice of the commencement of a Benchmark Unavailability Period, the applicable Borrower may revoke any pending request for a SOFR Loan of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the applicable Borrower will be deemed to have converted any such request into a request for an Advance of or conversion to U.S. Base Rate Loans. During a Benchmark

Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

2.28 CDOR Discontinuation

(1) If the Agent determines (which determination shall be conclusive absent manifest error), or CES or the Majority of the Lenders notify the Agent that CES or the Majority of the Lenders (as applicable) have determined that:

- (a) adequate and reasonable means do not exist for ascertaining CDOR Rate, including because the Refinitiv Benchmark Services Limited CDOR page is not available or published on a current basis for the applicable period and such circumstances are unlikely to be temporary;
- (b) the administrator of CDOR Rate or a Governmental Authority having jurisdiction has made a public statement identifying a specific date after which CDOR Rate will permanently or indefinitely cease to be made available or permitted to be used for determining the interest rate of loans;
- (c) a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which CDOR Rate shall no longer be permitted to be used for determining the interest rate of loans (each such specific date in clause (ii) above and in this clause (iii) a “**CDOR Scheduled Unavailability Date**”); or
- (d) syndicated loans currently being executed, or that include language similar to that contained in this Section 2.28, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace CDOR Rate,

then reasonably promptly after such determination by the Agent or receipt by the Agent of such notice, as applicable, the Agent and CES may mutually agree upon a successor rate to CDOR Rate, and the Agent and CES may amend this Agreement to replace CDOR Rate with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Dollars denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a “**CDOR Successor Rate**”), together with any proposed CDOR Successor Rate conforming changes and any such amendment shall become effective at 5:00 p.m. (Toronto time) on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and CES unless, prior to such time, Lenders comprising the Majority of the Lenders have delivered to the Agent written notice that such Majority of the Lenders do not accept such amendment.

(2) If no CDOR Successor Rate has been determined and the circumstances under Section 2.28(1)(a) above exist or a CDOR Scheduled Unavailability Date has occurred (as applicable), the Agent will promptly so notify CES and each Lender. Thereafter, the obligation of the Lenders to make or maintain Bankers’ Acceptance, shall be suspended (to the extent of the affected Bankers’ Acceptance, CDOR Rate or applicable periods). Upon receipt of such notice, CES may revoke any pending request for a conversion to or rollover of a Bankers’ Acceptance (to the extent of the affected Bankers’ Acceptance, CDOR Rate or applicable periods) or, failing that, will be deemed to have converted such request into a request for a Canadian Prime Rate Loan (subject to the foregoing in this clause (b)) in the amount specified therein.

(3) Notwithstanding anything else herein, any definition of the CDOR Successor Rate (exclusive of any margin) shall provide that in no event shall such CDOR Successor Rate be less than the Floor for the purposes of this Agreement. In addition, CDOR Rate shall not be included or referenced in the definition of Canadian Prime Rate.

ARTICLE 3 CONDITIONS PRECEDENT TO DRAWDOWNS

3.1 Conditions for the Restatement of this Agreement

The amendment and restatement of the Original Credit Agreement in the form of this Agreement shall be effective and the obligations of the Lenders to make available further Drawdowns under the Credit Facilities will arise upon the following conditions being satisfied:

- (a) all fees and expenses previously agreed to in writing between the Borrowers, the Agent, the U.S. Agent and Lenders due on or before the Effective Date shall be paid by the Borrowers to the Agent, the U.S. Agent or the Lenders, as applicable, including a new money fee equal to **[Redacted – commercially sensitive information]** per annum of the portion of the Commitments that have been increased pursuant to this Agreement, payable to the Agent or the U.S. Agent, as applicable, for the account of each Lender *pro rata* to their respective Rateable Portions of the total Commitments;
- (b) CES, CES Energy Solutions and each of the Material Subsidiaries shall have delivered to the Agent a current certificate of status, compliance or good standing or partnership declaration, as the case may be, in respect of its jurisdiction of incorporation or formation;
- (c) CES, AES and Proflow Solutions 2022, LLC shall have delivered to the Agent certified copies of its constating documents, by laws, shareholder agreements, partnership agreements, other organizational documents, and the resolutions authorizing this Agreement and a confirmation of the Security that has granted and the transactions hereunder and thereunder, and an Officers' Certificate as to the incumbency of the officers thereof signing such documents;
- (d) Proflow Solutions 2022, LLC shall have delivered to the Agent (i) a guarantee, and (ii) a general security agreement, each in form and substance satisfactory to the Agent;
- (e) CES shall have delivered to the Agent confirmation, in form and substance satisfactory to the Agent, as to the signing authority of the persons authorized to sign and deliver each Compliance Certificate (including the president, chief executive officer, chief financial officer, vice president finance, finance director or treasurer of CES);
- (f) the representations and warranties set forth in Section 9.1 shall be true and accurate in all respects on and as of the Effective Date (subject to Section 9.2(a)), no Default or Event of Default shall have occurred and be continuing and CES shall have delivered to the Agent and the Lenders an Officer's Certificate certifying each of the same to the Agent and the Lenders;
- (g) the Agent shall have received an executed Compliance Certificate, *inter alia*, evidencing compliance with the financial covenants set forth in Section 10.3 after giving effect to the amendment and restatement of the Original Credit Agreement in the form of this Agreement and any further Drawdowns on the Effective Date;

- (h) CES, CES Energy Solutions and each Material Subsidiary shall have executed and delivered to the Agent, on behalf of the Lenders, an agreement confirming the continuing existence and validity of the Security notwithstanding the amendment and restatement of the Original Credit Agreement in the form of this Agreement, in form and substance satisfactory to the Agent, in its sole discretion;
- (i) all registrations, filings and recordings necessary or desirable (as determined by the Lenders' Counsel, acting reasonably) in connection with the Security remain intact and are in place in order to evidence first priority security subject to Permitted Encumbrances, including, without limitation, any necessary or desirable registrations against Proflow Solutions 2022, LLC;
- (j) the Agent and the Lenders shall have received legal opinions from each of (i) legal counsel to CES, AES and Proflow Solutions 2022, LLC and (ii) Lenders' Counsel in form and substance as may be required by the Lenders in their sole discretion;
- (k) no Material Adverse Change shall have occurred;
- (l) all material Governmental Authorizations and material third party consents and approvals necessary for the execution, delivery and performance of this Agreement shall have been unconditionally obtained and shall be in full force and effect, and the Agent shall have received an Officer's Certificate certifying the same to the Agent and the Lenders; and
- (m) the Agent and the Lenders shall have received all such other documentation and information reasonably requested from CES Energy Solutions and its Subsidiaries.

3.2 Conditions for Drawdowns

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

- (a) the Agent or, in the case of the U.S. Syndicated Revolving Facility, the U.S. Agent, or in the case of the U.S. Operating Facility, the U.S. Operating Facility Lender, shall have received a proper and timely Drawdown Notice from the applicable Borrower requesting the Drawdown;
- (b) the representations and warranties set forth in Section 9.1 shall be true and accurate in all respects on and as of the date of the requested Drawdown (subject to Section 9.2(a));
- (c) no Default or Event of Default shall have occurred and be continuing nor shall the Drawdown result in the occurrence of a Default or an Event of Default;
- (d) No Material Adverse Change shall have occurred; and
- (e) after giving effect to the proposed Drawdown, the Outstanding Principal of all Loans outstanding under the relevant Credit Facility shall not exceed the maximum amount of such Credit Facility.

3.3 Waiver

The conditions set forth in Sections 3.2 and 3.1 are inserted for the sole benefit of the applicable Lenders and the Agent and may be waived by the applicable Lenders, in whole or in part (with or without terms or

conditions) without prejudicing the right of the applicable Lenders or the Agent at any time to assert such waived conditions in respect of any subsequent Drawdown.

ARTICLE 4 EVIDENCE OF DRAWDOWNS

4.1 Account of Record

The Agent (or, with respect to the Canadian Operating Facility, the Canadian Operating Facility Lender on behalf of the Agent), with respect to the U.S. Syndicated Revolving Facility, the U.S. Agent, and, with respect to the U.S. Operating Facility, the U.S. Operating Facility Lender, shall open and maintain books of account evidencing all Loans and all other amounts owing by the Borrowers to the Lenders hereunder. The Agent (or, with respect to the Canadian Operating Facility, the Canadian Operating Facility Lender on behalf of the Agent), with respect to the U.S. Syndicated Revolving Facility, the U.S. Agent, or, with respect to the U.S. Operating Facility, the U.S. Operating Facility Lender, shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrowers hereunder. The information entered in the foregoing accounts shall, absent manifest error, constitute *prima facie* evidence of the obligations of the Borrowers to the Lenders hereunder with respect to all Loans and all other amounts owing by the Borrowers to the Lenders hereunder. After a request by the applicable Borrower, the Agent (or, with respect to the Canadian Operating Facility, the Canadian Operating Facility Lender on behalf of the Agent), with respect to the U.S. Syndicated Revolving Facility, the U.S. Agent, or with respect to the U.S. Operating Facility, the U.S. Operating Facility Lender, shall promptly advise the applicable Borrower of such entries made in the Agent's or the U.S. Agent's or the U.S. Operating Facility Lender's books of account, as the case may be.

ARTICLE 5 PAYMENTS OF INTEREST AND FEES

5.1 Interest on Canadian Prime Rate Loans

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

5.2 Interest on U.S. Base Rate Loans

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

Payment Date and shall be calculated on the principal amount of the U.S. Base Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the U.S. Base Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to CES.

5.3 Interest on SOFR Loans

Each Borrower, as applicable, shall pay interest on each SOFR Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum, calculated on the basis of a 360 day year, equal to Adjusted Term SOFR with respect to such Interest Period plus the Applicable Pricing Rate. Each determination by the Agent or, in respect of the U.S. Syndicated Revolving Facility, by the U.S. Agent, or, in respect of the U.S. Operating Facility, by the U.S. Operating Facility Lender, of Adjusted Term SOFR applicable to an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding 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 SOFR Loan outstanding during such period and on the basis of the actual number of days elapsed divided by 360. If (a) any payment of principal of any SOFR Loan is made other than on the Rollover Date, Conversion Date or Interest Payment Date, as the case may be, for any reason, or (b) a Borrower fails to make a principal or interest payment with respect to any SOFR Loan on the date such payment is due and payable, such Borrower shall, within 10 days of any written demand sent by any Lender to the applicable Borrower through the Agent, as applicable, pay to the Agent for the account of such Lender or, in the case of the U.S. Syndicated Revolving Facility, pay to the U.S. Agent for the account of such Lender, or in the case of the U.S. Operating Facility, pay to the U.S. Operating Facility Lender for its own account, any amounts required to compensate such Lender for any additional losses, out-of-pocket costs or expenses which it may reasonably incur as a result of such payment or non-payment, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower and shall be conclusive absent manifest error.

5.4 Interest on U.S. Prime Rate Loans

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

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

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

Interest Act (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

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

5.6 Nominal Rates; No Deemed Reinvestment

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

5.7 Standby Fees

(1) The applicable Borrower shall pay to the Agent, for the account of the applicable Lenders providing a given Credit Facility or, in the case of the U.S. Syndicated Revolving Facility, to the U.S. Agent, for the account of the applicable Lenders, or, in the case of the U.S. Operating Facility, to the U.S. Operating Facility Lender, for its own account, a standby fee in the applicable currency in respect of each such Credit Facility calculated at a rate per annum equal to the Applicable Pricing Rate on the amount, if any, by which the amount of the Outstanding Principal under the Credit Facility in question for each day in the period of determination is less than the maximum amount of such Credit Facility for each such day. Fees determined in accordance with this Section shall accrue daily from and after the date of the Original Credit Agreement and be payable by the applicable Borrower quarterly in arrears and on cancellation in full of a Credit Facility and on the Maturity Date thereof.

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

5.8 Agent's Fees

CES shall pay to each of the Agent and the U.S. Agent, for its own account, until the Credit Facilities have been fully cancelled and all Obligations hereunder have been paid in full, the non-refundable agency fees in the amounts specified in the Agency Fee Agreement.

5.9 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 applicable Borrower shall pay interest on such unpaid amount (including, without limitation, interest on interest), if

and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is received for value at the required place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to (i) in respect of amounts due in Canadian Dollars, the rate of interest then payable on Canadian Prime Rate Loans plus **[Redacted – commercially sensitive information]** per annum or (ii) in respect of amounts due in United States Dollars, the rate of interest then payable on U.S. Base Rate Loans plus **[Redacted – commercially sensitive information]** per annum.

5.10 Waiver

To the extent permitted by applicable law, the covenant of each Borrower to pay interest at the rates provided herein shall not merge in any judgment relating to any obligation of the a 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 Borrowers.

5.11 Maximum Rate Permitted by Law

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by applicable law. In the event that such interest or fee exceeds such maximum rate, such interest or fees shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the maximum rate, such person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

5.12 Rate and Disclosure Calculation Consent

(1) Each of the Borrowers agrees and affirms that, if and to the extent that Section 4 of the *Interest Act* (Canada) (or any other provision of such statute or any other statute relating to disclosure of interest or its calculation under applicable law) applies to the determination or calculation of any annualized interest rate or other annualized rate expressed in this Agreement or in any other Document, in each case, such annualized interest rate or other annualized rate is (i) readily determinable based on the methodology for calculation of annualized rates set out in this Article 5 and (ii) commercially reasonable. The execution of this Agreement by each Borrower conclusively evidences its unconditional and irrevocable acceptance of the foregoing, of the applicable annualized interest rate and of each other annualized rate provided for in, and as calculated under or pursuant to, this Agreement and each other Document.

(2) Each of the Borrowers further covenants and agrees not to contest, repudiate or otherwise deny, by means of any proceeding, action, claim, demand, defence or otherwise, its acceptance of the applicable annualized interest rate or any other applicable annualized rate hereunder or in any other Document or to assert that any such applicable annualized interest rate or other applicable annualized rate is not commercially reasonable and acceptable to it, or that any of the same is not readily determinable and appropriately disclosed to it in accordance with the requirements of the *Interest Act* (Canada) and otherwise pursuant to applicable law. Each of the Borrowers also agree that the provisions of this Section 5.12 are fully compliant with all subsisting requirements for disclosure of annualized interest or other annualized rates under the *Interest Act* (Canada) and otherwise under applicable law.

ARTICLE 6 BANKERS' ACCEPTANCES

6.1 Bankers' Acceptances

CES may give the Agent notice that Bankers' Acceptances will be required under the Canadian Syndicated Facility or the Canadian Operating Facility pursuant to a Drawdown, Rollover or Conversion. References to "Lenders" in this Article are deemed to be the references to the Canadian Syndicated Facility Lenders or the Canadian Operating Facility Lender, as applicable and as the context requires.

6.2 Fees

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

6.3 Form and Execution of Bankers' Acceptances

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

- (a) the face amount at maturity of each draft drawn by CES to be accepted as a Bankers' Acceptance shall be Cdn.\$100,000 and integral multiples thereof;
- (b) the term to maturity of each draft drawn by CES to be accepted as a Bankers' Acceptance shall, subject to market availability as determined by the Lenders, be 1, 2 or 3 months (or such other longer or shorter term as agreed by the Lenders), as selected by CES in the relevant Drawdown, Rollover or Conversion Notice, and each Bankers' Acceptance shall be payable and mature on the last day of the Interest Period selected by CES for such Bankers' Acceptance;
- (c) each draft drawn by CES and presented for acceptance by a Lender shall be drawn on the standard form of such Lender in effect at the time; provided, however, that the Agent may require the 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 6.3(e) below, Bankers' Acceptances shall be signed by duly authorized officers (including for certainty the corporate controller) of CES 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 CES as if they had been manually executed and delivered by such officers on behalf of CES; notwithstanding that any person whose manual or facsimile signature appears on any Bankers' Acceptance may no longer be an authorized signatory for CES 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 CES; and
- (e) in lieu of signing Bankers' Acceptances in accordance with Section 6.3(d) above, CES may provide a Power of Attorney to a Lender; for so long as a Power of Attorney is in force

with respect to a given Lender, such Lender shall execute and deliver Bankers' Acceptances on behalf of CES in accordance with the provisions thereof and, for certainty, all references herein to drafts drawn by CES, Bankers' Acceptances executed by CES or similar expressions shall be deemed to include Bankers' Acceptances executed in accordance with a Power of Attorney, unless the context otherwise requires.

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

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

- (a) to sign for and on behalf and in the name of CES as drawer, drafts in such Lender's standard form which are depository bills as defined in the *Depository Bills and Notes Act* (Canada) (the "**DBNA**"), payable to a "clearing house" (as defined in the DBNA) including, without limitation, The Canadian Depository For Securities Limited or its nominee, CDS & Co. (the "**clearing house**");
- (b) for drafts which are not depository bills, to sign for and on behalf and in the name of CES as drawer and to endorse on its behalf, Bankers' Acceptances drawn on the Lender payable to the order of the undersigned or payable to the order of such Lender;
- (c) to fill in the amount, date and maturity date of such Bankers' Acceptances; and
- (d) to deposit and/or deliver such Bankers' Acceptances which have been accepted by such Lender, provided that such acts in each case are to be undertaken by the Lender in question strictly in accordance with instructions given to such Lender by CES as provided in this Section. For certainty, signatures of any authorized signatory of a Lender may be mechanically reproduced in facsimile on Bankers' Acceptances in accordance herewith and such facsimile signatures shall be binding and effective as if they had been manually executed by such authorized signatory of such Lender.

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

The communication in writing by CES, or on behalf of CES by the Agent, to the Lender of the instructions set out in the Drawdown Notices, Conversion Notices and Rollover Notices referred to above shall constitute (a) the authorization and instruction of CES to the Lender to sign for and on behalf and in the name of CES as drawer the requested Bankers' Acceptances and to complete and/or endorse Bankers' Acceptances in accordance with such information as set out above and (b) the request of CES 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. CES 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 CES 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 facsimile transmission 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 CES.

This Power of Attorney may be revoked by CES 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 CES in respect of any Bankers' Acceptance executed, completed, endorsed, deposited and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.

(2) Unless CES has provided Powers of Attorney to the Lenders, to facilitate Drawdowns, Rollovers or Conversions of Bankers' Acceptances, CES shall, upon execution of this Agreement and thereafter from time to time as required by the Lenders, provide to the Agent for delivery to each Lender drafts drawn in blank by CES (pre-endorsed and otherwise in fully negotiable form, if applicable) in quantities sufficient for each Lender to fulfil its obligations hereunder. Any such pre-signed drafts which are delivered by CES 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 CES to provide such pre signed drafts to the Agent (for delivery to such Lender) on a timely basis.

(3) By 10:00 a.m. (Calgary time) on the applicable Drawdown Date, Conversion Date or Rollover Date, CES shall (a) either deliver to each Lender in Toronto, or, if previously delivered, be deemed to have authorized each Lender to complete and accept, or (b) where CES has previously executed and delivered a Power of Attorney to the Lender, be deemed to have authorized each such Lender to sign on behalf of CES, complete and accept, drafts drawn by CES on such Lender in a principal amount at maturity equal to such Lender's share of the Bankers' Acceptances specified by CES in the relevant Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, as notified to the Lenders by the Agent.

6.5 Mechanics of Issuance

(1) Upon receipt by the Agent of a Drawdown Notice, Conversion Notice or Rollover Notice from CES 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 by such Lender, the date of issue, the Interest Period for such Loan and, whether such Bankers' Acceptances are to be self-marketed by CES or purchased by such Lender for its own account; 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 Commitments of each Lender, provided that, when such apportionment cannot be evenly made, the Agent shall round allocations amongst such Lenders to the nearest \$1,000 or as consistent with the Agent's normal money market practices.

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

- (a) CES shall obtain quotations from prospective purchasers regarding the sale of the Bankers' Acceptances and shall accept such offers in its sole discretion;

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

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

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

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

6.6 Rollover, Conversion or Payment on Maturity

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

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

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

6.7 Restriction on Rollovers and Conversions

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

6.8 Rollovers

In order to satisfy the continuing liability of CES to a Lender for the face amount of maturing Bankers' Acceptances accepted by such Lender, the Lender shall receive and retain for its own account the Discount Proceeds of new Bankers' Acceptances issued on a Rollover, and CES 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 Discount Proceeds from the new Bankers' Acceptances, together with the acceptance fees to which the Lenders are entitled pursuant to Section 6.2.

6.9 Conversion into Bankers' Acceptances

In respect of Conversions into Bankers' Acceptances, in order to satisfy the continuing liability of CES to the Lenders for the amount of the converted Loan, each Lender shall receive and retain for its own account the Discount Proceeds of the Bankers' Acceptances issued upon such Conversion, and CES 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 Discount Proceeds from the Bankers' Acceptances issued on such Conversion, together with the acceptance fees to which the Lenders are entitled pursuant to Section 6.2.

6.10 Conversion from Bankers' Acceptances

In order to satisfy the continuing liability of CES 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 CES to the Lenders as a Loan of the type into which such continuing liability has been converted.

6.11 BA Equivalent Advances

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

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

6.12 Termination of Bankers' Acceptances

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

6.13 CES Acknowledgements

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

ARTICLE 7 LETTERS OF CREDIT

7.1 Availability

Subject to the provisions hereof, the applicable Borrower may require that Letters of Credit be issued under the Canadian Syndicated Facility or the U.S. Syndicated Revolving Facility, as applicable, in accordance with the Drawdown Notices and Rollover Notices of the applicable Borrower; provided that the aggregate Outstanding Principal of all outstanding Letters of Credit under the Canadian Syndicated Facility shall not at any time exceed Cdn.\$20,000,000 and the aggregate Outstanding Principal of all outstanding Letters of Credit under the U.S. Syndicated Revolving Facility shall not at any time exceed U.S.\$25,000,000. The issuance of Letters of Credit shall constitute Drawdowns or Rollovers (as applicable) hereunder and shall reduce the availability of the applicable Credit Facility by the aggregate Outstanding Principal of Letters of Credit under such Credit Facility. References to "Lenders" in this Article are deemed to be the references to the Canadian Syndicated Facility Lenders or the U.S. Syndicated Revolving Facility Lenders, as applicable and as the context requires.

7.2 Currency, Type, Form and Expiry

Letters of Credit issued pursuant hereto shall be denominated in Canadian Dollars or United States Dollars (provided that Letters of Credit issued under the U.S. Syndicated Revolving Facility shall be denominated in United States Dollars only) and amounts payable thereunder shall be paid in the currency in which the Letter of Credit is denominated. Letters of Credit issued under the U.S. Syndicated Revolving Facility shall be issued as a U.S. Fronted LC by the U.S. Fronting Lender and shall be in a form satisfactory to the U.S. Fronting Lender, acting reasonably, and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the U.S. Syndicated Revolving Facility Maturity Date. Letters of Credit issued under the Canadian Syndicated Facility shall be issued as a Fronted LC by the Fronting Lender and shall be in a form satisfactory to the Fronting Lender, acting reasonably, and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the Canadian Syndicated Facility Maturity Date. On the applicable Maturity Date, the applicable Borrower shall provide or cause to be provided to the U.S. Fronting Lender or the Fronting Lender, as applicable, cash collateral or letters of credit (or any combination thereof) in accordance with the provisions of Section 2.17(2) in an amount equal to or greater than the aggregate undrawn amount of all unexpired Letters of Credit outstanding under the applicable Credit Facility; such cash collateral and letters of credit shall be held by the U.S. Fronting Lender or the Fronting Lender, as applicable, and be applied in accordance with said Section 2.17(2) in satisfaction of and security for the Obligations of the applicable Borrower for such unexpired Letters of Credit.

7.3 No Conversion

Except as provided in Section 7.6, neither Borrower may effect a Conversion of a Letter of Credit.

7.4 Fronted LC and U.S. Fronted LC Provisions

(1) With respect to Fronted LCs, the Fronting Lender will exercise and give the same care and attention to each Fronted LC issued by it hereunder as it gives to its other letters of credit and similar obligations, and the Fronting Lender's sole liability to each Canadian Syndicated Facility Lender shall be to promptly return to the Agent for the account of the Canadian Syndicated Facility Lenders, each such Lender's Rateable Portion of any payments made to the Fronting Lender by CES hereunder (other than the fees and amounts payable to the Fronting Lender for its own account) if CES has made a payment to the Fronting Lender hereunder. Each Canadian Syndicated Facility Lender agrees that, in paying any drawing

under a Fronted LC, the Fronting Lender shall not have any responsibility to obtain any document (other than as expressly required by such Fronted LC) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of any person delivering any such document. Neither the Fronting Lender nor any of its representatives, officers, employees or agents shall be liable to any Lender for:

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

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

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

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

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

- (a) any action taken or omitted to be taken in connection herewith at the request or with the approval of the U.S. Syndicated Revolving Facility Lenders;

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

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

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

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

7.5 Records

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

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

The U.S. Fronting Lender and the Fronting Lender shall make copies of such records available to the applicable Borrower or any applicable Lender upon its request.

7.6 Reimbursement or Conversion on Presentation

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

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

7.7 Fronting Lender and U.S. Fronting Lender Indemnity

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

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

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

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

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

7.8 Fees and Expenses

(1) The applicable Borrower shall pay to the U.S. Agent or the Agent, for the account of the applicable Lenders, as applicable, in respect of Letters of Credit issued hereunder, an issuance fee in advance on the date each such Letter of Credit is issued calculated at a rate per annum equal to the Applicable Pricing Rate and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued; provided

that the minimum issuance fee for each such Letter of Credit shall be Cdn.\$350 for Letter of Credit denominated in Canadian Dollars and U.S.\$350 for Letter of Credit denominated in United States Dollars. To the extent any Letters of Credit for which issuance fees have been paid in advance are presented, cancelled, terminated or reduced prior to their original expiry date, the applicable Lenders, shall reimburse the applicable Borrower for the amount of any applicable overpayment of any such issuance fees in connection with any such presentment, cancellation, termination or reduction.

(2) The applicable Borrower shall pay to the Agent, for the account of the Fronting Lender, in respect of the issuance of any Fronted LC by the Fronting Lender, a fronting fee, payable in advance on the date each such Letter of Credit is issued, calculated at a rate of 0.25% per annum and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued. The applicable Borrower shall pay to the U.S. Agent, for the account of the U.S. Fronting Lender, in respect of the issuance of any U.S. Fronted LC by the U.S. Fronting Lender, a fronting fee, payable in advance on the date each such Letter of Credit is issued, calculated at a rate of 0.25% per annum and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued.

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

7.9 Additional Provisions

(1) Indemnity and No Lender Liability

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

(2) No Obligation to Inquire

Each Borrower hereby acknowledges and confirms to the Lenders, the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent and the Agent, as applicable, that such person not be obliged to make any inquiry or investigation as to the right of any beneficiary to make any claim or Draft or request any payment under a Letter of Credit and payment pursuant to a Letter of Credit shall not be withheld by reason of any matters in dispute between the beneficiary thereof and the applicable Borrower. The sole obligation of the Lenders,

the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent and the Agent with respect to Letters of Credit is to cause to be paid a Draft drawn or purporting to be drawn in accordance with the terms of the applicable Letter of Credit and for such purpose the Lenders, the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent and the Agent are only obliged to determine that the Draft purports to comply with the terms and conditions of the relevant Letter of Credit.

The Lenders, the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent and the Agent shall not have any responsibility or liability for or any duty to inquire into the form, sufficiency (other than to the extent provided in the preceding paragraph), authorization, execution, signature, endorsement, correctness (other than to the extent provided in the preceding paragraph), genuineness or legal effect of any Draft, certificate or other document presented to it pursuant to a Letter of Credit and each Borrower unconditionally assumes all risks with respect to the same. Each Borrower agrees that it assumes all risks of the acts or omissions of the beneficiary of any Letter of Credit with respect to the use by such beneficiary of the relevant Letter of Credit. Each Borrower further agrees that neither the Lenders, the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent or the Agent, nor any of their respective officers, directors or correspondents will assume liability for, or be responsible for:

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

(3) Obligations Unconditional

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

apply to any alteration to or extension of the expiration date of any Letter of Credit or any Letter of Credit issued to replace, extend or alter any Letter of Credit.

(4) Other Actions

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

(5) Payment of Contingent Liabilities

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

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

The Agent or the U.S. Agent, as applicable, shall release to the applicable Borrower any amount remaining in the cash collateral accounts after applying the amounts necessary to discharge the Obligations relating to such Letter of Credit, upon the later of:

- (a) the date on which any final and non-appealable order, judgment or other determination has been rendered or issued either terminating any applicable Order or permanently enjoining

a Lender, the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent or the Agent, from paying under such Letter of Credit;

- (b) the earlier of:
 - (i) the date on which either the original counterpart of such Letter of Credit is returned to the U.S. Fronting Lender, the Fronting Lender, the U.S. Agent or the Agent, for cancellation or such person, is released by the beneficiary thereof from any other obligation in respect of such Letter of Credit; and
 - (ii) the expiry of such Letter of Credit; and
- (c) if an Event of Default has occurred, the payment and satisfaction of all Obligations and the cancellation or termination of the Credit Facilities.
- (6) No Consequential Damages

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

(7) Uniform Customs and Practice

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

7.10 Certain Notices with Respect to Letters of Credit.

(1) For certainty, all Rollover Notices requesting a Rollover of a Letter of Credit under the U.S. Syndicated Revolving Facility shall be delivered to the U.S. Agent (rather than directly to the U.S. Fronting Lender) and, in addition to the other provisions hereof applicable to such a Rollover, no Rollover of a Letter of Credit issued under the U.S. Syndicated Revolving Facility shall be made unless a Rollover Notice is given to the U.S. Agent in accordance with Section 2.7(3)(c).

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

7.11 Inapplicability of Fronting Mechanics and Fronting Fees

At any time where there is only one (1) Lender (and, for the purposes of this Section, any Affiliate of a Lender and such Lender will collectively be deemed to be “one” Lender) under the Canadian Syndicated Facility or the U.S. Syndicated Revolving Facility, the fronting mechanics set out in this Article 7 shall not apply to Letters of Credit issued under such Credit Facility. For certainty, at any time where there is only

one (1) Lender under the Canadian Syndicated Facility or the U.S. Syndicated Revolving Facility, no fronting fees shall be payable in connection with Letters of Credit issued under such Credit Facility.

ARTICLE 8 PLACE AND APPLICATION OF PAYMENTS

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

All payments of principal, interest, fees and other amounts to be made by either Borrower to the Agent, the U.S. Agent and the Lenders pursuant to this Agreement shall be made without set off, deduction to the applicable Lender in the currency in which the Loan is outstanding for value on the day such amount is due, and if such day is not a Banking Day on the Banking Day next following, by deposit or transfer thereof to the Agent's Account or at such other place as the applicable Borrower and the Lenders may from time to time agree. Notwithstanding anything to the contrary expressed or implied in this Agreement, the receipt by the applicable Lender in accordance with this Agreement of any payment made by a Borrower for the account of any of the Lenders shall, insofar as the applicable Borrower's obligations to the relevant Lenders are concerned, be deemed also to be receipt by such Lenders and the applicable 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.

8.2 Designated Accounts of the Lenders

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

8.3 Funds

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

8.4 Application of Payments

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

- (a) to amounts due hereunder as fees and standby fees other than acceptance fees for Bankers' Acceptances or issuance fees for Letters of Credit;
- (b) to amounts due hereunder as costs and expenses;
- (c) to amounts due hereunder as default interest;

- (d) to amounts due hereunder as interest or acceptance fees for Bankers' Acceptances or issuance fees for Letters of Credit; and
- (e) to amounts due (i) hereunder as principal (including reimbursement obligations in respect of Bankers' Acceptances and Letters of Credit), (ii) in respect of Lender Financial Instrument Obligations; and (iii) in respect of Bank Product Obligations.

Subject to the order of payment set forth above and for greater certainty, all payments made or received during the continuance of an Event of Default (that are not derived from the proceeds of realization of any assets on the enforcement of any Security) shall be applied *pro rata* to the reduction of the aggregate outstanding Obligations owing by such Borrower under the applicable Credit Facility.

8.5 Payments Clear of Taxes

(1) Any and all payments by the Borrowers to the Agent, the U.S. Agent or the Lenders hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future Taxes and all liabilities with respect thereto imposed, levied, collected, withheld or assessed by any Governmental Authority or under the laws of any international tax authority imposed on the Agent, the U.S. Agent or the Lenders, or by or on behalf of the foregoing (and, for greater certainty, nothing in this Section 8.5(1) shall make a Borrower liable for any taxes imposed on or measured by the recipient's overall net income or capital). In addition, each Borrower agrees to pay any present or future stamp, transfer, registration, excise, issues, documentary or other taxes, charges or similar levies which arise from any payment made under this Agreement or the Loans or in respect of the execution, delivery or registration or the compliance with this Agreement or the other Documents contemplated hereunder other than taxes imposed on or measured by the recipient's overall net income or capital. Each Borrower shall indemnify and hold harmless the Agent, the U.S. Agent and the Lenders for the full amount of all of the foregoing Taxes or other amounts paid or payable by the Agent, the U.S. Agent or the Lenders and any liability (including penalties, interest, additions to tax and reasonable out-of-pocket expenses) resulting therefrom or with respect thereto which arise from any payment made under or pursuant to this Agreement or the Loans or in respect of the execution, delivery or registration of, or compliance with, this Agreement or the other Documents other than taxes imposed on or measured by the recipient's overall net income or capital.

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

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

(4) If a payment made to a Lender under any Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to the Agent or the U.S. Agent, as applicable, at the time or times prescribed by law and at such time or times reasonably requested by the Agent or the U.S. Agent, such documentation prescribed by applicable laws (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Agent or the U.S. Agent, as applicable, as may be necessary for the Agent or the U.S. Agent, as applicable, to comply with its obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (4), "FATCA" shall include any amendments made to FATCA after the Effective Date.

8.6 Set Off

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

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

8.7 Payments Set Aside

To the extent that any payment by or on behalf of any Borrower is made to the Agent, the U.S. Agent or any Lender, or the Agent, the U.S. Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent, the U.S. Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any bankruptcy or insolvency law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in

full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Agent or the U.S. Agent, as applicable, upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent or the U.S. Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum in accordance with banking industry rules on interbank compensation from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

8.8 Margin Changes; Adjustments for Margin Changes

- (1) Changes in Applicable Pricing Rate shall be effective:
 - (a) in the case of outstanding Bankers' Acceptances, upon the earlier of (i) 90 days after any change in the Net Senior Debt to EBITDA Ratio which results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition and (ii) the next Rollover or Conversion thereof after such change;
 - (b) in all other cases, from and as of the first Banking Day after the next Quarter End that follows the delivery of a Compliance Certificate in accordance with Section 10.1(e)(iv) in respect of which a change in the Net Senior Debt to EBITDA Ratio results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition; and
 - (c) without the necessity of notice to either Borrower.
- (2) For any Loans outstanding as of the effective date of a change in an Applicable Pricing Rate:
 - (a) in the case of increases in such rates per annum, the Borrowers shall pay to the Agent or the U.S. Agent, as applicable, for the account of the applicable Lenders such additional interest or fees, as the case may be, as may be required to give effect to the relevant increases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant increase in rates; and
 - (b) in the case of decreases in such rates per annum, the applicable Borrower shall receive a credit against subsequent interest payable on Loans or fees payable pursuant to Section 5.7 or Section 6.2, as the case may be, to the extent necessary to give effect to the relevant decreases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant decrease in rates.
- (3) The additional payments required by Section 8.8(2)(a) shall be made on the first Banking Day of the calendar month immediately following the calendar month in which the changes in Applicable Pricing Rate are effective. The adjustments required by Section 8.8(2)(b) shall be accounted for in successive interest and fee payments by the applicable Borrower until the amount of the credit therein contemplated has been fully applied; provided that, upon satisfaction in full of all Obligations and cancellation of all Credit Facilities in accordance herewith, the Lenders shall pay to the applicable Borrower an amount equal to any such credit which remains outstanding.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties

(1) CES represents and warrants as follows to the Agent, the U.S. Agent and to each of the Lenders and acknowledges and confirms that the Agent, the U.S. Agent and each of the Lenders is relying upon such representations and warranties:

(a) Existence and Good Standing

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

(b) Authority

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

(c) Valid Authorization and Execution

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

(d) Validity of Agreement – Non-Conflict

None of the authorization, execution or delivery of this Agreement or the other Documents or performance of any obligation pursuant hereto or thereto requires or will require, pursuant to applicable law now in effect, any approval or consent of any Governmental Authority having jurisdiction (except such as has already been obtained and are in full force and effect) nor is in conflict with or contravention of (i) CES Energy Solutions', CES's or any of the Material Subsidiaries' articles, by-laws or other constating documents or any resolutions of directors or shareholders or the provisions of its partnership agreement or declaration of trust or trust indenture (as applicable) or (ii) the provisions of any other indenture, instrument, undertaking or other agreement to which any of CES Energy Solutions, CES or any of the Material Subsidiaries is a party or by which they or their properties or assets are bound, the contravention of which would have or would reasonably be expected to have a Material Adverse Effect. The Documents when executed and delivered will constitute valid and legally binding obligations of each of CES Energy

Solutions, CES and each of the Material Subsidiaries which is a party thereto enforceable against each such party in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

(e) Ownership of Property

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

(f) Debt

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

(g) Encumbrances

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

(h) No Material Adverse Change

No Material Adverse Change has occurred since the date of the last audited financial statements of CES Energy Solutions delivered hereunder.

(i) No Omissions

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

(j) No Default or Event of Default

No Default or Event of Default has occurred or is continuing.

(k) Financial Condition

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

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

(l) Information Provided

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

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

(m) Absence of Litigation

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

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

CES Energy Solutions, CES and each of the Material Subsidiaries and their respective properties, businesses and operations are in compliance with all Applicable Laws (including, without limitation, all applicable Environmental Laws), all applicable directives, judgments, decrees, injunctions and orders rendered by any Governmental Authority or court of competent jurisdiction, its articles, by laws and other constating documents, all agreements or instruments to which it is a party or by which its property or assets are bound, and any employee benefit plans, except to the extent that failure to so comply would not have and would not reasonably be expected to have a Material Adverse Effect.

(o) Required Permits in Effect

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

(p) Remittances Up to Date

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

(q) Environmental

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

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

(r) Taxes

CES Energy Solutions, CES and each of the Material Subsidiaries 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 other material Taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against them, other than those which are being contested by them by Permitted Contest; they have made adequate provision for, and all required instalment payments have been made in respect of, Taxes payable for the current period for which returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return

by them or the payment of any Taxes; there are no actions or proceedings being taken by any taxation authority in any jurisdictions where CES Energy Solutions, CES or any Subsidiary carries on business to enforce the payment of any Taxes by them other than those which are being contested by them by Permitted Contest.

(s) Material Subsidiaries

As at the date hereof, the only Material Subsidiaries of CES Energy Solutions are AES Drilling Fluids Holdings, LLC, AES Drilling Fluids, LLC, Canadian Energy Services L.P., CES Holdings Ltd., CES Operations Ltd., Canadian Energy Services Inc., CES Holdings Luxembourg S.à r.l., CES International Operations S.à r.l., CES Canco 1, ULC, CES Canco 2, Ltd., CES Canco 3, Ltd., CES Energy Solutions S.à r.l., Catalyst Oilfield Services 2016, LLC, Jacam Logistics 2013, LLC, Jacam Catalyst 2013, LLC, Jacam Chemical Company 2013, LLC, Jacam Manufacturing 2013, LLC, Superior Weighting Products, LLC, Sialco Materials Limited, StimWrx Energy Services Ltd., Trenchless Fluid Systems, LLC, CES Financing Ltd., CESH International Financing, KFT, CESH International Technology, KFT and Proflow Solutions 2022, LLC.

(t) Intellectual Property

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

(u) Insurance

- (i) CES Energy Solutions, CES and each Material Subsidiary maintains, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses and against such casualties and contingencies and in such types and amounts as are in accordance with customary business practices for corporations of the size and type of business and operations as CES Energy Solutions, CES and each such Material Subsidiary.
- (ii) In respect of any Self-Insurance maintained by CES Energy Solutions, CES and each Material Subsidiary with respect to their respective properties and businesses, such Self-Insurance is against such casualties and contingencies and in such types and amounts as are in accordance with customary business practices for corporations of the size and type of business and operations as CES Energy Solutions, CES and each such Material Subsidiary.

(v) Investment Company Status

Neither CES Energy Solutions, CES nor any of their respective Subsidiaries is an “investment company” as defined in, or subject to regulation under, the *Investment Company Act* of 1940.

(w) ERISA

(i) No ERISA Event has occurred, and neither Borrower, CES Energy Solutions, any of their respective Subsidiaries nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) Borrower, CES Energy Solutions, their respective Subsidiaries and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither Borrower, CES Energy Solutions, their respective Subsidiaries nor any 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 60% as of the most recent valuation date; (iv) neither Borrower, CES Energy Solutions, their respective Subsidiaries nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither Borrower, CES Energy Solutions, their respective Subsidiaries nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, 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 Pension Plan, in each case when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect.

(x) Compliance with Regulations T, U, and X

Neither CES Energy Solutions, CES nor any of their respective Subsidiaries is engaged principally in or has as one of its important activities the business of extending credit for the purpose of purchasing or carrying any “margin security” or “margin stock” as defined in Regulations T, U, and X (12 C.F.R. Parts 221 and 224) of the Federal Reserve System (herein called “**Margin Stock**”). Neither CES Energy Solutions, CES, nor any Subsidiary has taken or will take any action which might cause this Agreement to violate Regulation T, U, or X, or any other regulation of the Federal Reserve System with respect to Margin Stock, in each case as now in effect or as the same may hereafter be in effect. Neither the making of the Loans nor the use of proceeds thereof will violate the provisions of Regulation T, U, or X of the Federal Reserve System.

(y) Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws

Neither CES Energy Solutions, CES, AES or any of their respective Affiliates (i) is, or is owned or controlled by, a Sanctioned Person; (ii) is located, incorporated, organized, or resident in a Sanctioned Country; (iii) has any business affiliation or commercial dealings with, or investments or assets in, any Sanctioned Country or Sanctioned Person; or (iv) is

in breach of or is the subject of any action or investigation under any Sanctions Law, Anti-Money Laundering Laws or Anti-Corruption Laws. CES Energy Solutions, CES, AES and their respective Affiliates have taken reasonable measures to ensure compliance with Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws. No proceeds from any Loan have been used, directly or indirectly, to lend, contribute, provide, or have otherwise been made available to fund, any activity or business with or related to any Sanctioned Person or Sanctioned Country, or in any other manner that will result in any violation or breach by any person of Sanctions Laws. No part of proceeds of any Loan will be used directly or indirectly for any payments to any government 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.

(z) Interest Disclosure

Each of the Borrowers understands and accepts the methodology, as described in Article 5 hereof, for the calculation or expression of annualized interest and each other annualized rate provided for herein and in each other Document. In each case, the annualized rate of interest or any other annualized rate, whether expressed in this Agreement or in any other Document, is readily determinable by the Borrowers based on the methodology for calculation of annualized rates set out in Article 5.

(2) In addition to and without limiting, derogating from or otherwise affecting the representations and warranties of CES contained in Section 9.1(1), AES, with respect to itself only, represents and warrants to the U.S. Agent and the U.S. Operating Facility Lender (and acknowledges and confirms that the U.S. Syndicated Revolving Facility Lenders and the U.S. Operating Facility Lender are relying upon such representations and warranties) that each of the representations and warranties of CES contained in Section 9.1(1) is true, correct and complete in all respects with respect to AES as if made and repeated at length in this Section 9.1(2) by AES, *mutatis mutandis*.

9.2 Deemed Repetition

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

- (a) except those representations and warranties which are stated to be made as at a specific date or which CES has notified the Agent or the U.S. Agent, as applicable, in writing cannot be repeated for such Drawdown and in respect of which the Lenders have waived in writing (with or without terms or conditions) the application of the condition precedent in Section 3.2(b) for such Drawdown, each of the representations and warranties contained in Section 9.1 shall be deemed to be repeated; and
- (b) CES shall be deemed to have represented to the Agent and the Lenders that, except as has otherwise been notified to the Agent or the U.S. Agent, as applicable, in writing and has been waived in accordance herewith, no event has occurred and remains outstanding which would constitute a Default or an Event of Default nor will any such event occur as a result of the aforementioned Drawdown.

9.3 Other Documents

All representations and warranties of CES Energy Solutions, CES or any Subsidiary contained in any other Document delivered pursuant hereto or thereto shall be deemed to constitute representations and warranties made by CES to the Agent, the U.S. Agent and the Lenders under Section 9.1.

9.4 Effective Time of Repetition

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

9.5 Nature of Representations and Warranties

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

ARTICLE 10 GENERAL COVENANTS

10.1 Affirmative Covenants of CES

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

(a) Punctual Payment and Performance

It shall and shall cause AES to, duly and punctually pay (i) the principal of all Loans, (ii) all interest thereon and all fees and other amounts required to be paid by it or AES hereunder in the manner specified hereunder and (iii) it shall perform and observe all of their respective obligations under this Agreement and under any other Document to which either of them is a party and shall cause CES Energy Solutions and each of the Material Subsidiaries to perform and observe all of their obligations under any Documents to which each is a party.

(b) Books and Records

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

(c) Maintenance and Operation

It shall do or cause to be done, and will cause CES Energy Solutions and each Material Subsidiary to do or cause to be done, all things necessary or required to have all its properties, assets and operations owned, operated and maintained in accordance with

diligent and prudent industry practice and Applicable Laws except to the extent that the failure to do or cause to be done the same would not have and would not reasonably be expected to have a Material Adverse Effect, and at all times cause the same to be owned, operated, maintained and used in compliance with all terms of any applicable insurance policy.

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

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

(e) Budgets, Financial Statements and Other Information

CES shall deliver, or cause to be delivered, to the Agent with sufficient copies for each of the Lenders:

- (i) Annual Business Plan / Capital and Operating Budgets - as soon as available and, in any event, within 90 days after the end of each of CES Energy Solutions' fiscal years, copies of (A) CES Energy Solutions' annual business plan for the longer of (x) the next three fiscal years and (y) all of the fiscal years until the Maturity Date, including *pro forma* consolidated financial statements for CES Energy Solutions prepared on a quarterly basis for such fiscal years (including a *pro forma* balance sheet, *pro forma* statement of income and *pro forma* statement of cash flows), (B) CES Energy Solutions' annual consolidated capital budget (which segregates those capital expenditures attributed to maintenance and to growth) for the longer of (x) the next three fiscal years and (y) all of the fiscal years until the Maturity Date and (C) its annual operating budget for the longer of (x) the next three fiscal years and (y) all of the fiscal years until the Maturity Date;
- (ii) Annual Financials - as soon as available and, in any event, within 90 days after the end of each of its fiscal years, copies of CES Energy Solutions' audited annual financial statements on a consolidated basis consisting of a balance sheet, statement of income, statement of cash flows and statement of shareholders' equity for each such year, together with the notes thereto in the case of the audited annual financial statements, all prepared in accordance with generally accepted accounting principles consistently applied, together with a report and an audit opinion of CES Energy Solutions' auditors thereon;

- (iii) Quarterly Financials - as soon as available and, in any event within 45 days after the end of each of its first, second and third fiscal quarters of each fiscal year, copies of each of CES Energy Solutions' unaudited quarterly financial statements on a consolidated basis, in each case consisting of a balance sheet, statement of income, statement of cash flows and statement of shareholders' equity for each such period all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year, all prepared in accordance with generally accepted accounting principles consistently applied;
 - (iv) Compliance Certificate - concurrently with furnishing the financial statements pursuant to Sections 10.1(e)(ii) and (iii), a Compliance Certificate signed by any one of the president, chief executive officer, chief financial officer, vice president finance, corporate controller or treasurer of CES and stating that, *inter alia*, the representations and warranties in Section 9.1 are true and accurate in all respects (or, if applicable, specifying those that are not), that no Default or Event of Default has occurred and is continuing (or, if applicable, specifying those defaults or events notified in accordance with Section 10.1(h) below), listing all Material Subsidiaries, summarizing CES's consolidated accounts payable, and demonstrating compliance with all covenants contained herein including the financial covenants contained in Section 10.3;
 - (v) Financial Instruments - concurrently with furnishing the financial statements pursuant to Sections 10.1(e)(ii) and (iii), a report on the status of all outstanding Financial Instruments, such report to be in a form and containing such information as may be required by the Lenders, acting reasonably;
 - (vi) Phase I Environmental Assessment - at the request of the Agent, a phase I environmental assessment with respect to each new parcel of land acquired by CES Energy Solutions or a Material Subsidiary in respect of which a mortgage has been provided to the Agent, such assessment to be satisfactory to the Agent;
 - (vii) Other - at the request of the Agent, such other information, reports, certificates, projections of income and cash flow or other matters affecting the business, affairs, financial condition, property or assets of CES Energy Solutions, CES or their respective Subsidiaries as the Agent may reasonably request; and
 - (viii) Captive Insurer - concurrently with furnishing the financial statements pursuant to Section 10.1(e)(ii), copies of the audited annual financial statements of the Captive Insurer consisting of a balance sheet, statement of income, statement of cash flows and statement of shareholders' equity for each such year, together with the notes thereto, all prepared in accordance with generally accepted accounting principles consistently applied, together with a report and an audit opinion of the Captive Insurer's auditors thereon.
- (f) Rights of Inspection

At any reasonable time and from time to time upon reasonable prior notice, CES shall permit, and shall cause CES Energy Solutions and their respective Subsidiaries to permit, the Agent and any Lender or any representative thereof (at the expense of CES during the continuance of a Default or Event of Default and, otherwise, at the expense of the Agent or such Lender, as applicable) to (i) examine and make copies of and abstracts from the

records and books of account of CES, CES Energy Solutions or any of their respective Subsidiaries, (ii) visit and inspect the premises and properties of CES, CES Energy Solutions or any of their respective Subsidiaries (in each case at the risk of CES, except for the gross negligence or wilful misconduct of the inspecting party or the failure of any such inspecting party to comply with Applicable Law and CES's, CES Energy Solutions' or any such Subsidiary's health and safety requirements, as advised to such inspecting party), and (iii) discuss the affairs, operations, finances and accounts of CES, CES Energy Solutions or any of their respective Subsidiaries with any of the officers of CES, CES Energy Solutions or any of their respective Subsidiaries.

(g) Notice of Material Litigation

CES shall promptly give written notice to the Agent of any litigation, proceeding or dispute affecting CES, CES Energy Solutions or any of their respective Subsidiaries in respect of a demand or claim in respect of which there is a reasonable likelihood of an adverse determination and which if adversely determined would reasonably be expected to result in a liability, obligation or judgment in excess of Cdn.\$20,000,000 or to have a Material Adverse Effect, and shall from time to time furnish to the Agent all reasonable information requested by the Agent concerning the status of any such litigation, proceeding or dispute.

(h) Notice of Default or Event of Default

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

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

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

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

(j) Notice of New Subsidiaries

CES shall promptly give written notice to the Agent of the acquisition, creation or existence of each new Subsidiary after the date hereof.

(k) Securities Disclosure

CES shall promptly furnish to the Agent copies of all reports, material change reports, notices and other non-confidential information that CES or CES Energy Solutions is required by applicable law to file with any securities commission or stock exchange, furnish to its shareholders or publicly disclose (whether by way of advertisement or otherwise), except for insider reports and other filings which are of an administrative nature and do not contain any material information with respect to the business, affairs or financial condition of CES, CES Energy Solutions and their respective Subsidiaries. CES shall be deemed to have satisfied its obligations under this Section 10.1(k) if and to the extent the

registration materials, material change reports, circulars, reports, notices and other information, as the case may be, shall have been filed with the Canadian Securities Administrators (and are accessible to the Agent) in the SEDAR filing system at www.sedar.com.

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

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

(m) Payment of Preferred Claims

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

(n) Environmental Covenants

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

(ii) If CES, CES Energy Solutions or a Material Subsidiary shall:

(A) receive or give any notice that a violation of any Environmental Law has or may have been committed or is about to be committed by the same, and if such violation has or would reasonably be expected to have a Material Adverse Effect or a liability to CES, CES Energy Solutions and the Material Subsidiaries in excess of Cdn.\$10,000,000;

(B) receive any notice that a complaint, proceeding or order has been filed or is about to be filed against the same alleging a violation of any Environmental Law, and if such violation would reasonably be expected to have a Material Adverse Effect or a liability to CES, CES Energy Solutions and the Material Subsidiaries in excess of Cdn.\$10,000,000; or

- (C) receive any notice requiring CES, CES Energy Solutions or a Material Subsidiary, as the case may be, to take any action in connection with the release of Hazardous Materials into the environment or alleging that CES, CES Energy Solutions or such Material Subsidiary may be liable or responsible for costs associated with a response to or to clean up a Release of Hazardous Materials into the environment or any damages caused thereby in excess of Cdn.\$10,000,000, or if such action or liability has or would reasonably be expected to have a Material Adverse Effect,

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

(o) Use of Loans

CES shall, and shall cause AES to, use all Loans and the proceeds thereof solely for the purposes set forth in Section 2.3.

(p) Required Insurance

- (i) CES shall, and shall cause CES Energy Solutions and the Material Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and business and against such casualties and contingencies and in such types and such amounts as shall be in accordance with customary business practices for corporations of the size and type of business and operations as CES, CES Energy Solutions and the Material Subsidiaries, to the extent such insurance is available on reasonable commercial terms.
- (ii) In addition to the foregoing, prior to any real property in the United States of America being covered by a mortgage securing the Obligations, the Borrowers shall promptly deliver, or cause to be delivered, to the Agent standard flood hazard determination forms with respect to the relevant real property. In addition, if such real property is located in a "flood hazard area" designated in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency) the Borrowers shall, prior to such property being covered by a mortgage securing the Obligations, deliver or cause to be delivered to the Agent (i) notices to (and confirmations of receipt by) CES Energy Solutions, the applicable Borrower or the applicable Subsidiary as to the existence of a special flood hazard and (ii) copies of flood insurance policies or certificates of insurance of CES Energy Solutions, the applicable Borrower or the applicable Subsidiary evidencing flood insurance that complies with the National Flood Insurance Reform Act of 1994, as amended, in such reasonable total amount and on such terms as the Agent may from time to time reasonably require, and naming the Agent as loss payee on behalf of the Lenders.
- (iii) In respect of any Self-Insurance provided by the Captive Insurer to CES, CES Energy Solutions and its Material Subsidiaries:
 - (A) CES shall, and shall cause CES Energy Solutions and the Material Subsidiaries to, maintain such Self-Insurance with respect to their respective properties and business and against such casualties and

contingencies and in such types and such amounts as shall be in accordance with customary business practices for corporations of the size and type of business and operations as CES, CES Energy Solutions and such Material Subsidiary, all subject to appropriate re-insurance coverage in accordance with prudent industry and business standards; and

(B) any premiums, insurance premiums, annuities or other amounts paid, credited or made, whether in one aggregate amount or in fixed or other installments from time to time, by CES Energy Solutions or any of its Subsidiaries to the Captive Insurer in connection with the provision of such Self-Insurance shall be in a reasonable amount, payable upon reasonable intervals and subject to reasonable terms, having regard to similar insurance for similar risks provided on a commercial basis by arms-length insurance providers.

(iv) CES shall ensure that the Captive Insurer preserves and maintains its corporate existence as a corporation under the laws of Barbados and does or causes to be done all acts necessary or desirable to comply with all Applicable Laws (including all Applicable Laws relating to the provision of insurance) in any material respect and preserves and keeps in full force and effect all Required Permits and all other franchises, licences, rights, privileges, permits and Governmental Authorizations necessary to enable the Captive Insurer to operate and conduct its business in all material respects, including the provision of Self-Insurance, in accordance with prudent industry practice.

(v) CES shall provide an updated insurance summary to the Agent in respect of all insurance (including but not limited to any Self-Insurance) maintained by CES, CES Energy Solutions or its Subsidiaries:

(A) on an annual basis (and in any case no later than twelve months after the date of delivery of the previous year's updated insurance summary or insurance binder); and

(B) promptly following any material change to the coverage provided by such insurance or the terms or conditions on which it is provided.

(vi) Following any change to any insurance (including but not limited to any Self-Insurance) maintained by CES, CES Energy Solutions or its Material Subsidiaries which affects, varies or discharges the Agent's position as loss payee and additional insured under such policy, as applicable, CES shall, at the request of the Agent, promptly provide to the Agent copies of new certificates and endorsements in respect of such insurance evidencing the Agent as first loss payee and additional insurance, as applicable.

(q) Ownership of Assets

CES shall ensure that it, CES Energy Solutions and the Material Subsidiaries own not less than 95% of the consolidated assets and consolidated EBITDA of CES Energy Solutions based on the most recent financial statements of CES Energy Solutions.

(r) Keepwell

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each Borrower, CES Energy Solutions or Material Subsidiary (other than such Qualified ECP Guarantor) to honor all of its obligations under its guarantee executed and delivered to the Agent pursuant hereto in respect of, *inter alia*, Financial Instrument Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.1(r) for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.1(r), or otherwise under its guarantee executed and delivered to the Agent pursuant hereto, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the obligations of such Qualified ECP Guarantor under its guarantee executed and delivered to the Agent pursuant hereto have been unconditionally and irrevocably discharged and such Qualified ECP Guarantor has received a release and discharge therefrom in writing by the Agent. Each Qualified ECP Guarantor intends that this Section 10.1(r) constitute, and this Section 10.1(r) shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each Borrower, CES Energy Solutions or Material Subsidiary (other than such Qualified ECP Guarantor) for all purposes of Section 1a(18)(A)(v)(II) of the CEA.

(s) AES

CES shall ensure that AES shall at all times remain a Wholly-Owned Subsidiary of CES Energy Solutions.

(t) Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws

CES shall ensure that (1) it, CES Energy Solutions, the Material Subsidiaries and each of their respective Affiliates shall comply with Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws, (2) neither it, CES Energy Solutions, the Material Subsidiaries nor any of their respective Affiliates shall become a Sanctioned Person, (3) no proceeds from any Loan will be used, directly or indirectly, to lend, contribute, provide or otherwise be made available to fund, any activity or business with or related to any Sanctioned Person or Sanctioned Country, or in any other manner that will result in any violation or breach by any person of Sanctions Laws. CES shall cause it, CES Energy Solutions, the Material Subsidiaries and each of their respective Affiliates to use commercially reasonable efforts to ensure that no funds used to pay the Obligations (i) constitute the property of, or are beneficially owned, directly or indirectly, by any Sanctioned Person; (ii) are derived from any transactions or business with any Sanctioned Person or Sanctioned Country; or (iii) are derived from any unlawful activity, including but not limited to, activity in violation of Anti-Money Laundering Laws or Anti-Corruption Laws.

10.2 Negative Covenants of CES

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

(a) Change of Fiscal Year End and Business

CES shall not, and shall not permit CES Energy Solutions or any Material Subsidiary to, change (i) its fiscal year end, or (ii) in any material respect the nature of its business or operations from the types of businesses and operations carried on by CES, CES Energy Solutions and the Material Subsidiaries on the date hereof or reasonably ancillary thereto.

(b) Negative Pledge

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

(c) No Dissolution

CES shall not, nor shall it permit CES Energy Solutions or any Material Subsidiary to, liquidate, dissolve or wind up or take any steps or proceedings in connection therewith except, in the case of CES Energy Solutions or Material Subsidiaries, where the successor thereto or transferee thereof is CES or another Wholly-Owned Subsidiary of CES Energy Solutions which is or shall in accordance with the terms of this Agreement become a Material Subsidiary and provide Security.

(d) Limit on Sale of Assets

Except for Permitted Dispositions, CES shall not, and shall not permit CES Energy Solutions or any Material Subsidiary to, sell, transfer or otherwise dispose of any of their respective property or assets (i) during the continuance of a Default or Event of Default or (ii) in any calendar year, whether in one or a series of transactions, which, in aggregate, have a fair market value in excess of 10% of the net book value of CES Energy Solutions' assets calculated annually and based on the most recent audited consolidated financial statements delivered to the Agent and the Lenders, and CES shall deliver a certificate to the Agent, substantially in the form annexed hereto as Schedule I, confirming compliance with this Section 10.2(d) in advance of any such sale, transfer or disposition of any property or assets of CES, CES Energy Solutions or any Material Subsidiary, as applicable.

(e) Limitation on Debt

CES shall not have or incur, or permit CES Energy Solutions or any Material Subsidiary thereof to have or incur, any Total Net Debt other than Permitted Debt.

(f) Limit on Investments

CES shall not, nor shall it, permit CES Energy Solutions or any Material Subsidiary to, make Investments (other than acquisitions not prohibited by Section 10.2(l) and other than Permitted Joint Venture Investments) in an amount in excess, in the aggregate, in any calendar year, of Cdn.\$30,000,000 (or the Equivalent Amount thereof) to any person other than CES, CES Energy Solutions or a Material Subsidiary.

(g) Limit on Financial Assistance

CES shall not, nor shall it, permit CES Energy Solutions or any Material Subsidiary to, provide any Financial Assistance in an amount in excess, in the aggregate, in any calendar year, of Cdn.\$30,000,000 to any person, other than (i) Financial Assistance to or for the benefit of CES, CES Energy Solutions or a Material Subsidiary or (ii) Financial Assistance which constitutes a Permitted Joint Venture Investment.

(h) Limits on Distributions

CES shall not permit CES Energy Solutions to make any Distributions which would have or would reasonably be expected to result in a Default or an Event of Default. Notwithstanding the foregoing, during the continuance of a Default or an Event of Default, CES Energy Solutions may pay one ordinary course dividend to holders of its common shares if the amount and date of such dividend has been previously publicly announced by CES Energy Solutions prior to the occurrence of such Default or Event of Default.

(i) No Financial Instruments Other Than Permitted Hedging

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

(j) Non Arm's Length Transactions

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

(k) No Merger, Amalgamation, etc.

CES shall not, nor shall it permit, CES Energy Solutions or any Material Subsidiary to, enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other person whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise except where the successor thereto or transferee thereof is CES, CES Energy Solutions or a Material Subsidiary and except as permitted under Section 10.2(d), provided that no Default or Event of Default is continuing or would exist after any such transaction.

(l) Acquisitions

CES shall not, nor shall it permit CES Energy Solutions or any Subsidiary to, directly or indirectly, acquire all or substantially all the assets or shares of an entity (the "**Target**"):

- (i) unless (A) the Target operates in the same core line of business as CES Energy Solutions and its Subsidiaries, (B) the Target has positive EBITDA, and (C) no Default or Event of Default is continuing or would exist immediately after the closing of the acquisition; and
- (ii) for consideration in excess of Cdn.\$60,000,000 (or the Equivalent Amount thereof) for any single acquisition (net of equity vendor take-backs and third party equity raises applied to such acquisition in the previous fiscal quarter or prior to the end of the next fiscal quarter) (each, a “**Material Acquisition**”), unless (A) immediately after giving effect to any such Material Acquisition, on a pro forma basis, the Net Senior Debt to EBITDA Ratio does not exceed 1.25:1.00 or (B) to the extent, on a pro forma basis, the Net Senior Debt to EBITDA Ratio does exceed 1.25:1.00 (after giving effect to any such acquisition), CES shall (1) have provided the Agent and the Lenders with five (5) Banking Days prior written notice of such acquisition, (2) have provided all documentation and information in connection with such acquisition reasonably requested by the Agent and the Lenders, and (3) within 15 days of such acquisition, provide the Agent and Lenders with an updated financial forecast (after giving effect to the acquisition) in accordance, in form and substance, with Section 10.1(e)(i); notwithstanding the preceding sentence, any acquisition of assets and/or shares for consideration in excess of Cdn.\$100,000,000 (or the Equivalent Amount thereof), net of equity vendor take-backs and third party equity raises applied to such acquisition in the previous fiscal quarter or prior to the end of the next fiscal quarter, shall require the consent of a Majority of the Lenders.

(m) Notes

- (i) CES shall not, nor shall it permit CES Energy Solutions or any Subsidiary to, make any material amendments to the Existing Notes or the terms and conditions thereof without the prior written consent of the Lenders which consent will not be unreasonably withheld, conditioned or delayed. CES (or CES Energy Solutions or any Subsidiary) may, without the consent of the Lenders, make or effect any payment, repayment or prepayment of any principal amount under the Notes or redeem, in whole or in part, any of the Notes, in each case provided that (i) CES, CES Energy Solutions and their Subsidiaries adhere to the terms and conditions of this Agreement as regards any such payment, repayment, prepayment or redemption and as regards the terms and conditions of new Notes, and (ii) the terms and conditions imposed on CES, CES Energy Solutions or any Subsidiary under any new Notes issued by CES, CES Energy Solutions or any Subsidiary in connection with such payment, repayment, prepayment or redemption are not, in any material respect, more onerous than the terms and conditions of the Notes being so paid, repaid, prepaid or redeemed.
- (ii) CES, CES Energy Solutions and its Subsidiaries may apply the proceeds of any Credit Facility in payment, repayment, prepayment or redemption of any Notes, provided that (A) no Default or Event of Default is then continuing or would exist immediately after such payment, repayment, prepayment or redemption, and (B) both before and immediately after such payment, repayment, prepayment or redemption the aggregate amount of (x) all of the Cash and Cash Equivalents of CES, CES Energy Solutions and its Subsidiaries and (y) the total undrawn Commitments available under the Credit Facilities is at least Cdn.\$50,000,000, in

both cases as confirmed in writing by CES to the Agent prior to or concurrently with any such application by CES, CES Energy Solutions and its Subsidiaries of any of the proceeds of any Credit Facility.

(n) Captive Insurer

CES shall not permit the Captive Insurer to provide any insurance or other risk management, indemnification, hedging or loss coverage services or policies to any entities other than CES, CES Energy Solutions and its Subsidiaries.

(o) Cash Accumulation

CES shall not, nor shall it permit CES Energy Solutions or any Subsidiary (including, for the avoidance of doubt, CES Oman) to, accumulate cash or Approved Securities on deposit or invested with any other person or financial institution in excess of U.S. \$5,000,000, in the aggregate, other than with the Agent, the U.S. Agent, any Lender, in any Controlled Account or in the normal course of business, and the Lenders may refuse to make any requested Advance which the Lenders, acting reasonably, determine would result in any such accumulation of cash or Approved Securities.

10.3 Financial Covenants

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

(a) Maximum Net Senior Debt to EBITDA Ratio

As at each Quarter End, CES shall not permit the Net Senior Debt to EBITDA Ratio to exceed 2.50:1.00, except for the first two full fiscal quarters following the completion of a Material Acquisition when CES shall not permit the Net Senior Debt to EBITDA Ratio to exceed 3.00:1.00, such ratio to be calculated on a rolling four-quarter basis.

(b) Minimum EBITDA to Interest Expense

As at each Quarter End, CES shall not permit the EBITDA to Interest Expense Ratio to be less than 2.50:1.00, such ratio to be calculated on a rolling four-quarter basis, provided that, once prior to the Maturity Date, CES may permit the EBITDA to Interest Expense Ratio to be less than 2.50:1.00 but still not lower than 1.50:1.00 for up to three consecutive Quarter Ends (such period comprising the "Reduced Interest Coverage Period") so long as by the fourth consecutive Quarter End the EBITDA to Interest Expense Ratio is at least 2.50:1.00.

(c) Asset Coverage

As at each Quarter End during the Reduced Interest Coverage Period, CES shall not permit the aggregate amount of Applicable Gross Receivables and Applicable Inventory to be less than or equal to the amount of the Outstanding Principal multiplied by 1.10.

10.4 Certain Covenants of AES

AES covenants and agrees with each of the U.S. Operating Facility Lender, U.S. Syndicated Revolving Facility Lenders and the U.S. Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

- (a) it shall duly and punctually pay the principal of all Loans, all interest thereon and all fees and other amounts required to be paid by it hereunder in the manner specified hereunder and it shall maintain, perform and observe all of its obligations under this Agreement and under any other Document to which it is a party;
- (b) it shall use all Loans and proceeds thereof solely for the purposes set forth in Section 2.3; and
- (c) it shall maintain its corporate existence and shall not liquidate, dissolve or wind-up or take any steps or proceedings in connection therewith unless all Obligations under the U.S. Syndicated Revolving Facility and the U.S. Operating Facility have been fully repaid or paid and the U.S. Syndicated Revolving Facility and the U.S. Operating Facility has been cancelled in accordance herewith.

10.5 Agent May Perform Covenants

If a Borrower fails to perform any covenants on its part herein contained subject, the Agent or the U.S. Agent, as applicable, may give notice to such Borrower of such failure and if such covenant remains unperformed, the Agent or the U.S. Agent, as applicable, may, in its discretion but need not, perform any such covenant capable of being performed by the Agent or the U.S. Agent, as applicable, and if the covenant requires the payment or expenditure of money, the Agent or the U.S. Agent, as applicable, may, upon having received approval of all applicable Lenders, make such payments or expenditure and all sums so expended shall be forthwith payable by such Borrower to the Agent or the U.S. Agent, as applicable, on behalf of the applicable Lenders and shall bear interest at the applicable interest rate provided in Section 5.9 for amounts due in Canadian Dollars or United States Dollars, as the case may be. No such performance, payment or expenditure by the Agent or the U.S. Agent shall be deemed to relieve such Borrower of any default hereunder or under the other Documents.

ARTICLE 11 SECURITY

11.1 Security on all Assets

(1) The Obligations, the Lender Financial Instrument Obligations and the Bank Product Obligations shall be secured, equally and rateably, by first priority Security Interests (subject only to Permitted Encumbrances which by operation of law rank in priority thereto and non-perfection of Security Interests against Titled Assets) on, to and against all present and future property, assets and undertaking of CES, CES Energy Solutions and each of the Material Subsidiaries.

(2) CES shall execute and deliver Security in form and substance satisfactory to the Agent and shall cause CES Energy Solutions and each of the Material Subsidiaries to execute and deliver Security in form and substance satisfactory to the Agent, provided that each of the Material Subsidiaries formed in a jurisdiction outside of Canada, shall execute and deliver the Security in form and substance satisfactory to the Agent, in each case with such modifications and insertions as may be required by the Agent, in its sole

discretion (including, without limitation, having regard to the jurisdictions where CES Energy Solutions and such Material Subsidiaries carry on business).

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

(4) CES shall ensure that at all times, at least 95% of (a) the consolidated assets of CES Energy Solutions and (b) consolidated EBITDA of CES Energy Solutions, shall be legally, beneficially and directly owned by CES, CES Energy Solutions and Material Subsidiaries which have provided Security hereunder; and if at any time less than 95% of such consolidated assets and consolidated EBITDA of CES Energy Solutions, shall be legally, beneficially and directly owned by CES, CES Energy Solutions and Material Subsidiaries which have provided Security hereunder, CES shall promptly, and in any event within 20 Banking Days, designate another Subsidiary which is not then a Material Subsidiary to be a Designated Material Subsidiary pursuant hereto to the extent required to ensure that after such designation, 95% or more of such consolidated assets and such consolidated EBITDA of CES Energy Solutions shall be legally, beneficially and directly owned by CES Energy Solutions and the Material Subsidiaries which have provided Security hereunder, provided that, CES Oman shall not be required to become a Material Subsidiary or deliver any such Security.

In order to give effect to the foregoing provisions of Section 11.1(3) and this Section 11.1(4), CES shall cause any new Material Subsidiary to promptly execute and deliver Security to the Agent within the specified period (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably).

(5) CES shall from time to time, by notice in writing to the Agent (together with reasonable particulars which demonstrate compliance with the foregoing covenant), be entitled to designate (which designation may be effective no earlier than the last day of the most recent fiscal quarter prior to such designation) that either:

- (a) a Subsidiary of CES Energy Solutions which is not a Material Subsidiary shall become a Designated Material Subsidiary; or
- (b) a Designated Material Subsidiary shall cease to be a Material Subsidiary,

provided that CES shall not be entitled to designate that a Designated Material Subsidiary shall cease to be a Material Subsidiary if:

- (c) a Default or Event of Default has occurred and is continuing (unless such Default or Event of Default will be remedied by such designation); or
- (d) a Default or Event of Default would result from or exist immediately after such a designation.

(6) In addition to the Security described in subsections (1) and (2) of this Section 11.1, CES shall execute and deliver, or shall cause to be executed and delivered, all such guarantees and mortgages, debentures, pledge of debenture agreements, assignments and other security agreements as may be required by the Majority of the Lenders, each in their sole discretion (each in form and substance satisfactory to the Majority of the Lenders, each in its sole discretion) in order to, or to more effectively, charge in favour of the Agent or grant Security Interests in favour of the Agent on and against, subject to Section 11.1(4), at least 95% of the consolidated undertakings, assets and property (real or personal, tangible or intangible, present or future and of whatsoever nature and kind) of CES Energy Solutions as continuing collateral security for the payment and performance by the Borrowers of all Obligations, Lender Financial Instrument Obligations and Bank Product Obligations. For certainty, no real property collateral (or any interest therein) comprising any portion of the Security shall be located in the United States except with the express prior written consent of the Agent or the U.S. Agent, as applicable, and each affected Lender, and unless subject, *inter alia*, to compliance, to the satisfaction of each such affected Lender, with the regulatory requirements of the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973 (United States), as the same may be amended, re-enacted or replaced.

11.2 Registration

CES shall, at its expense, register, file or record the Security in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it and provided that CES (as opposed to the Agent and the Lenders or Lenders' Counsel or another agent thereof on their behalf, in such case at the expense of the Agent and the Lenders except during the continuance of a Default or an Event of Default and except where requested by the Agent, acting reasonably) shall not be obligated to register the Security (a) by way of serial number goods registrations in Canada or any province thereof, or (b) at any land registry offices in Canada or the United States of America, in each case, unless and until (i) the Agent (acting reasonably) requests such registration in writing, or (ii) such registrations are necessary in order for CES to comply with Section 11.1(4). CES shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof.

11.3 Forms

Except for the Security to be executed and delivered by any Material Subsidiary formed pursuant to the laws of the United States of America or any state thereof, Luxembourg or any other relevant jurisdiction, which shall be prepared and based upon the laws of a jurisdiction in the United States of America, Luxembourg or the laws of such other jurisdiction, at the request of the Lenders, the forms of Security shall have been or shall be prepared based upon the laws of Canada and Alberta applicable thereto in effect at the date hereof. The Agent shall have the right to require that:

- (a) any such Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Agent the Security Interests intended to be created thereby, and
- (b) CES, CES Energy Solutions and their respective Subsidiaries execute and deliver to the Agent such other and further debentures, mortgages, trust deeds, assignments and security agreements as may be reasonably required to ensure the Agent holds first priority Security Interests (subject only to Permitted Encumbrances which by operation of law rank in priority thereto and non-perfection of Security Interests against Titled Assets) on and against all of the property and assets of CES, CES Energy Solutions and the Material Subsidiaries;

except that in no event shall the Agent require that the foregoing be effected if the result thereof would be to grant the Agent or the Lenders greater rights than is otherwise contemplated herein or therein.

11.4 Continuing Security

Each item or part of the Security shall for all purposes be treated as a separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security or any other security now held or hereafter acquired by the Agent or the Lenders. No item or part of the Security shall be merged or be deemed to have been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Lenders or the Agent under any security, instruments or agreements held by it or at law or in equity.

11.5 Dealing with Security

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

11.6 Effectiveness

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

11.7 Release and Discharge of Security

(1) CES, CES Energy Solutions and their respective Subsidiaries shall not be discharged from the Security or any part thereof, other than to the extent that such Security applies to a Permitted Disposition or a Subsidiary which is no longer a Material Subsidiary pursuant to Section 11.1(5) (in which case the Security shall cease to apply to the subject matter thereof for the benefit of the Agent and the Lenders and the Agent shall provide a written release and discharge signed by the Agent). If all of the Obligations, Lender Financial Instrument Obligations and Bank Product Obligations have been repaid, paid, satisfied and discharged, as the case may be, in full and the Credit Facilities have been fully cancelled, then the Agent shall cause it and the Lenders' interest in the Security to be released and discharged.

11.8 Transfer of Security

If The Bank of Nova Scotia, in its capacity as Agent, or any successor thereto, in its capacity as Agent ceases to be the Agent (the "**Departing Agent**"), the Departing Agent shall transfer and assign all of its right, title and interest in its capacity as Agent in and to the Security to the Successor Agent and the provisions of Section 11.2 shall apply, *mutatis mutandis*, with respect to such assignment and transfer.

11.9 Hedging Affiliates and Bank Product Affiliates

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

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

11.10 Security for Hedging with Former Lenders

If a Lender ceases to be a Lender under this Agreement (a “**Former Lender**”), all Lender Financial Instrument Obligations owing to such Former Lender and its Hedging Affiliates under Lender Financial Instruments entered into while such Former Lender was a Lender shall remain secured by the Security (equally and rateably) to the extent that such Lender Financial Instrument Obligations were secured by the Security prior to such Lender becoming a Former Lender and, subject to the following provisions of this Section 11.10 and unless the context otherwise requires, all references herein to “Lender Financial Instrument Obligations” shall include such obligations to a Former Lender and its Hedging Affiliates and all references herein to “Lender Financial Instruments” shall include such Financial Instruments with a Former Lender and its Hedging Affiliates. For certainty, any Financial Instrument Obligations under Financial Instruments entered into with a Former Lender or an Affiliate thereof after the Former Lender has ceased to be a Lender shall not be secured by the Security. Notwithstanding the foregoing, no Former Lender or any Affiliate thereof shall have any right to cause or require the enforcement of the Security or any right to participate in any decisions relating to the Security, including any decisions relating to the enforcement or manner of enforcement of the Security or decisions relating to any amendment to, waiver under, release of or other dealing with all or any part of the Security; for certainty, the sole right of a Former Lender and its Affiliates with respect to the Security is to share, on a *pari passu* basis, in any proceeds of realization and enforcement of the Security.

11.11 Confirmation of Security on Restatement

(1) CES (for itself and on behalf of CES Energy Solutions and the Material Subsidiaries) hereby acknowledges, confirms and agrees that notwithstanding the amendment and restatement of the Original Credit Agreement in the form of this Agreement, including the increase in the amount of the

Obligations, all of the Security granted by itself and by CES Energy Solutions and each Material Subsidiary is and shall remain in full force and effect in all respects and shall continue to exist and shall apply to all of the Obligations including, without limitation, the Obligations as adjusted pursuant to the amendment and restatement of the Original Credit Agreement in the form of this Agreement.

(2) To the extent applicable or necessary, the parties agree that each of the documents comprising the Security shall, with effect from the date of this Agreement, be extended such that the obligations secured thereby will expressly include all of the Obligations as increased pursuant to the amendment and restatement of the Original Credit Agreement in the form of this Agreement.

ARTICLE 12

EVENTS OF DEFAULT

12.1 Events of Default

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

- (a) Principal Default: if either Borrower fails to pay the principal of any Loan hereunder when due and payable;
- (b) Other Payment Default: if either Borrower fails to pay:
 - (i) any interest (including, if applicable, default interest) accrued on any Loan;
 - (ii) any acceptance fee with respect to a Bankers’ Acceptance or issuance fee with respect to a Letter of Credit; or
 - (iii) any other amount not specifically referred to in paragraph (a) above or in this paragraph (b) payable by the Borrower hereunder;in each case when due and payable, and such default is not remedied within 3 Banking Days;
- (c) Certain Covenant Defaults: if CES or AES, as applicable, fails to observe or perform any covenant in Sections 10.2(b) to (h), inclusive, Section 10.2(k), Section 10.3 or Section 11.1;
- (d) Breach of Other Covenants: if a Borrower, CES Energy Solutions or a Material Subsidiary fails to observe or perform any covenant or obligation herein or in any other Document required on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section) and, after notice has been given by the Agent to such Borrower, CES Energy Solutions or such Material Subsidiary specifying such default and requiring such Borrower, CES Energy Solutions or such Material Subsidiary to remedy or cure the same, such Borrower, CES Energy Solutions or such Material Subsidiary shall fail to remedy such default within a period of 30 days after the giving of such notice;
- (e) Incorrect Representations: if any representation or warranty made by a Borrower, CES Energy Solutions or any Material Subsidiary herein or in any other Document shall prove to have been incorrect or misleading in any respect on and as of the date made and the facts

or circumstances which make such representation or warranty incorrect or misleading are not remedied and the representation or warranty in question remains incorrect or misleading more than 30 days after the Agent notifies such Borrower of the same;

- (f) Involuntary Insolvency: if a decree or order of a court of competent jurisdiction is entered adjudging a Borrower, CES Energy Solutions or a Material Subsidiary a bankrupt or insolvent under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or ordering the winding up or liquidation of its affairs, including, without limitation, the Bankruptcy Code;
- (g) Idem: if any case, proceeding or other action shall be instituted in any court of competent jurisdiction against a Borrower, CES Energy Solutions or any Material Subsidiary, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to a Borrower, CES Energy Solutions or any Material Subsidiary or of all or any substantial part of its assets, or any other like relief in respect of a Borrower, CES Energy Solutions or any Material Subsidiary under any bankruptcy or insolvency law and such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, which is not stayed or dismissed within 30 days;
- (h) Voluntary Insolvency: if a Borrower, CES Energy Solutions or any Material Subsidiary makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, including, without limitation, the Bankruptcy Code, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding;
- (i) Dissolution: except as permitted by Sections 10.2(c) or 10.2(k), if proceedings are commenced for the dissolution, liquidation or winding up of a Borrower, CES Energy Solutions or any Material Subsidiary unless such proceedings are being actively and diligently contested in good faith to the satisfaction of the Majority of the Lenders;
- (j) Security Realization: if creditors of a Borrower, CES Energy Solutions or any Material Subsidiary having a Security Interest against or in respect of the property and assets thereof, or any part thereof, realize upon or enforce any such security against such property and assets or any part thereof having an aggregate fair market value in excess of Cdn.\$10,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within the lesser of 30 days and

the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;

- (k) Seizure: if property and assets of a Borrower, CES Energy Solutions and the Material Subsidiaries or any part thereof having an aggregate fair market value in excess of Cdn. \$10,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) are seized or otherwise attached by anyone pursuant to any legal process or other means, including, without limitation, distress, execution or any other step or proceeding with similar effect and such attachment, step or other proceeding shall continue in effect and not be released, discharged or stayed within the lesser of 30 days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;
- (l) Judgment: if one or more final judgments, decrees or orders (after available appeals have been exhausted) for an aggregate amount in excess of Cdn.\$10,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) shall be awarded against a Borrower, CES Energy Solutions or any Material Subsidiary and such Borrower, CES Energy Solutions or any such Material Subsidiary has not provided security (to the Agent, the applicable court that rendered such judgment, the judgment creditor or the Agent or trustee for one of the foregoing) for any of such judgments, decrees or orders or caused such judgment decree or order to be satisfied or stayed within 30 days of such judgment, decree or order being awarded;
- (m) Payment Cross Default: if a Borrower, CES Energy Solutions or any Material Subsidiary (or any combination thereof) defaults in the payment when due (whether at maturity, upon acceleration, or otherwise) of Total Net Debt or Financial Instrument Obligations in aggregate in excess of Cdn.\$10,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and after any applicable grace period in respect thereof;
- (n) Event Cross Default: if a default, event of default or other similar condition or event (however described) in respect of a Borrower, CES Energy Solutions or any Material Subsidiary (or any combination thereof) occurs or exists under any indentures, credit agreements, agreements, indemnification or other instruments evidencing or relating to Total Net Debt or Financial Instrument Obligations (individually or collectively) in an aggregate amount in excess of Cdn.\$10,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such default, event or condition has resulted in such Total Net Debt or Financial Instrument Obligations becoming, or becoming capable at such time of being declared, due and payable thereunder before it would otherwise have been due and payable;
- (o) Cease to Carry on Business: if a Borrower, CES Energy Solutions or any Material Subsidiary ceases to carry on business other than as expressly permitted pursuant to Sections 10.2(c) and 10.2(k);
- (p) Change of Control:
 - (i) if a Change of Control referenced in subparagraph (a) of the definition thereof occurs; or

- (ii) if a Change of Control referenced in subparagraphs (b) or (c) of the definition thereof occurs and, in the opinion of the Lenders (acting reasonably) such Change of Control would reasonably be expected to have a Material Adverse Effect.
- (q) Lender Financial Instruments: if a Financial Instrument Demand For Payment has been delivered to a Borrower, CES Energy Solutions or a Material Subsidiary and such Borrower, CES Energy Solutions or such Subsidiary fails to make payment thereunder within the lesser of (i) 3 Banking Days and (ii) the time otherwise required for payment thereunder, or if a Termination Event occurs, and in any such case, such default has not been waived or cured;
- (r) Loss and Priority of Security: if any of the Security shall cease to be a valid first priority Security Interest against the property, assets and undertaking of either Borrower, CES Energy Solutions or any Material Subsidiary as against third parties (and the same is not forthwith effectively rectified or replaced by such Borrower, CES Energy Solutions or such Material Subsidiary, as applicable);
- (s) ERISA Event: if an ERISA Event shall have occurred that, in the opinion of the Majority of the Lenders, when taken together with all other ERISA Events that have occurred, has resulted in or would reasonably be expected to result in a Material Adverse Effect; or
- (t) Material Adverse Effect: if, in the opinion of the Lenders (acting reasonably), an event, which has not been approved by all Lenders in writing and which would reasonably be expected to have a Material Adverse Effect, has occurred.

12.2 Acceleration

If any Event of Default shall occur (other than an Event of Default described in Sections 12.1(f), (g), (h) or (i)), and for so long as it is continuing:

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

shall, at the option of the Agent in accordance with Section 15.11 or upon the request of a Majority of the Lenders, become immediately due and payable upon written notice to that effect from the Agent to CES and AES, 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 each Borrower). In such event and if either Borrower does not immediately pay all such amounts upon receipt of such notice, either the Lenders (in accordance with the proviso in Section 15.11(a)) or the Agent on their behalf may, in their discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against either Borrower authorized or permitted by law for the recovery of all the indebtedness and liabilities of the Borrowers to the Lenders and proceed to exercise any and all rights hereunder and under the other Documents and no such remedy for the enforcement of the rights of the Lenders shall be exclusive of or

dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination; provided that in the case of any Event of Default described in Sections 12.1(f), (g), (h) or (i), all such amounts shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Notwithstanding the foregoing or any other provision contained herein or in any other Document, if any payments made by CES Energy Solutions, a Borrower or a Subsidiary to the Agent and the Lenders are derived from the proceeds of the realization of any assets (including upon the enforcement of any Security), then any such payment or proceeds shall be applied in accordance with Section 8.4(1).

12.3 Conversion on Default

Upon the occurrence of an Event of Default, the Agent or the U.S. Agent, as applicable, on behalf of the applicable Lenders may (in their sole discretion) convert, at the Equivalent Amount, if applicable, and at the end of any applicable Interest Period any outstanding Loan (other than a Letter of Credit) to either a Canadian Prime Rate Loan, U.S. Base Rate Loan or U.S. Prime Rate Loan. Interest shall accrue on each such Loan at the rate specified in Article 5 with interest on all overdue interest at the same rate, such interest to be calculated daily and payable on demand.

12.4 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lenders and the Agent hereunder or under any other Document are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lenders or by the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which any one or more of the Lenders and the Agent may be lawfully entitled for such default or breach. Any waiver by, as applicable, the Majority of the Lenders, the Lenders or the Agent of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by, as applicable, the Majority of the Lenders, the Lenders or the Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lenders or the Agent under this Agreement or any other Document as a result of any other default or breach hereunder or thereunder. No failure on the part of any Lender or the Agent to exercise, and no delay by any such person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

12.5 Termination of Lenders' Obligations

The occurrence of a Default or Event of Default shall relieve the Lenders of all obligations to provide any further Drawdowns, Rollovers or Conversions to any 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 a Borrower and acceptable to the applicable Lenders and the Agent.

12.6 Acceleration of All Lender Obligations

(1) If a Lender is actually aware of a Termination Event under Lender Financial Instruments to which it is a party or if a Lender has delivered a Financial Instrument Demand For Payment to a Borrower,

CES Energy Solutions or a Material Subsidiary, then it shall promptly notify the Agent and the other Lenders thereof.

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

(3) Each agreement, indenture, instrument or other document evidencing or relating to a Lender Financial Instrument shall, notwithstanding any provision thereof to the contrary, be deemed to be hereby amended to allow and permit the Lender which is a party thereto to comply with the provisions of this Section 12.6.

12.7 Application and Sharing of Payments Following Acceleration

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

- (a) firstly, distributed proportionately to the Lenders and the Agent in accordance with amounts owing to each Lender and the Agent on account of the costs and expenses of enforcement and realization upon the Security;
- (b) secondly, distributed Rateably to the applicable Lenders, the Bank Product Affiliates and the Hedging Affiliates on account of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments; and
- (c) thirdly, the balance of the Realization Proceeds (if any) shall be paid to the applicable Borrower or otherwise as may be required by applicable law.

Excluded Financial Instrument Obligations with respect to a Borrower, CES Energy Solutions or a Material Subsidiary shall not be paid with amounts received from such person or its assets, but appropriate adjustments shall be made with respect to Realization Proceeds from the other persons (or their assets) which have provided Security hereunder to preserve the allocation of Realization Proceeds to the Obligations, Bank Product Obligations and Financial Instrument Obligations under Lender Financial Instruments otherwise set forth above.

12.8 Calculations as at the Adjustment Time

For the purposes of this Agreement, if:

- (a) a Financial Instrument Demand For Payment has been delivered; or
- (b) a Termination Event has occurred under any agreement evidencing a Lender Financial Instrument that is secured by the Security in accordance with Section 2.19;

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

12.9 Sharing and Adjustments

(1) Notwithstanding anything in this Agreement or in any other Document to the contrary, after delivery of an Acceleration Notice by the Agent pursuant to Section 12.2 or after the occurrence of an Insolvency Event:

- (a) each Lender agrees that it shall at any time or from time to time thereafter at the request of the Agent or the U.S. Agent, as applicable, as required by any Lender, purchase at par on a non-recourse basis a participation in the Outstanding Principal owing to each of the other Lenders and make any other adjustments as are reasonably necessary or appropriate (including indemnities for any then outstanding Letters of Credit, Bankers' Acceptances and SOFR Loans), in order that the Outstanding Principal owing to each of the Lenders, as adjusted pursuant to this Section 12.9(1), shall be in the same proportion as each Lender's Individual Commitment Amount was to the Total Commitment Amount immediately prior to the Event of Default resulting in the delivery of such Acceleration Notice or the Insolvency Event, as the case may be; and
- (b) the amount of any repayment made by or on behalf of a Borrower, CES Energy Solutions or their Subsidiaries under or pursuant to the Documents, any proceeds from the exercise of any rights and remedies of the Agent, the U.S. Agent and the Lenders under the Documents and any distribution or payment received by the Agent, the U.S. Agent or the Lenders with respect to a Borrower, CES Energy Solutions or their Subsidiaries in the event of any bankruptcy, insolvency, winding-up, liquidation, arrangement, compromise or composition (in each case including any proceeds received by the Agent or the Lenders pursuant to Section 12.7(b)) shall be applied by the Agent or the U.S. Agent, as applicable, against the Outstanding Principal in a manner such, that to the extent possible, the amount of the Outstanding Principal owing to each Lender after giving effect to such application will be in the same proportion as each Lender's Individual Commitment Amount was to the Total Commitment Amount immediately prior to the Event of Default resulting in the delivery of such Acceleration Notice or the Insolvency Event, as the case may be.

(2) Each Lender shall, at any time and from time to time at the request of the Agent or the U.S. Agent as required by any Lender, execute and deliver such agreements, instruments and other documents and take such other steps and actions as may be required to confirm, evidence or give effect to this Section 12.9. For certainty, the Lenders shall be obligated to purchase participations and to effect the transactions and adjustments contemplated by this Section 12.9 and the other provisions of this Section 12.9 shall operate and apply, in each case, irrespective of whether any condition in Article 3 is met.

(3) Each Borrower agrees to do, or cause to be done (whether by each Borrower, CES Energy Solutions or their respective Subsidiaries), all things reasonably necessary or appropriate to give effect to any and all purchases and other adjustments by and between the Lenders pursuant to this Section 12.9.

ARTICLE 13 CHANGE OF CIRCUMSTANCES

13.1 Pricing Disconnect

If prior to the commencement of any Interest Period for a SOFR Loan or the commencement of any Interest Period for a Bankers' Acceptance Advance the Agent or the U.S. Agent, as applicable, is advised by Lenders holding 35% of the Commitments of all Lenders that:

- (a) Adjusted Term SOFR for such Interest Period will not adequately and fairly reflect the cost to such Lender of making or maintaining its SOFR Loans included in such Loan for such Interest Period; or
- (b) The BA Discount Rate for such Interest Period will not adequately and fairly reflect the cost to such Lender of issuing or maintaining its Bankers' Acceptances included in such Loan for such Interest Period,

then the Agent shall give written notice thereof to the Borrowers and the applicable Lenders as promptly as practicable thereafter and, until the Agent notifies the Borrowers and the applicable Lenders that the circumstances giving rise to such notice no longer exist, (A) any Drawdown Notice that requests the conversion of any Loan to, or rollover of any Loan as, a SOFR Loan or Bankers' Acceptance, as applicable, shall be ineffective, and (B) if any Drawdown Notice requests a SOFR Loan or Bankers' Acceptance Advance, as applicable, such Loan or Advance shall be made as a U.S. Base Rate Loan or Canadian Prime Rate Loan, as applicable; provided that if the circumstances giving rise to such notice do not affect all the Lenders, then requests by the Borrowers for SOFR Loans or a Bankers' Acceptance, as applicable, may be made to Lenders that are not affected thereby.

13.2 Market Disruption Respecting Bankers' Acceptances

If:

- (a) the Agent (acting reasonably) makes a determination, which determination shall be conclusive and binding upon CES, and notifies CES, that there no longer exists an active market for bankers' acceptances accepted by the Canadian Lenders; or
- (b) the Agent is advised by Canadian Lenders holding at least 25% of the Canadian Syndicated Facility Commitments or by the Canadian Operating Facility Lender by written notice (each, a **"Lender BA Suspension Notice"**) that such Lender or Lenders have determined (acting reasonably) that the BA Discount Rate will not or does not accurately reflect the cost of funds of such Lender or Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lenders in the market for the applicable term;

then:

- (c) the right of CES to request Bankers' Acceptances or BA Equivalent Advances from any Canadian Lender shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist, and so notifies CES and the Canadian Lenders;
- (d) any outstanding Drawdown Notice requesting a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a Drawdown Notice requesting a Loan by

way of Canadian Prime Rate Loans in the amount specified in the original Drawdown Notice;

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

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

13.3 Change in Law

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

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

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

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

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

such Lender shall determine that amount of money which shall compensate the Lender for such increase in cost, payments to be made or reduction in income or return or interest foregone (herein referred to as “**Additional Compensation**”). Upon a Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrowers and the Agent or the U.S. Agent, as applicable. The relevant Lender shall provide the Borrowers and the Agent or the U.S. Agent, as applicable, with a photocopy of the relevant law, rule, guideline, regulation, treaty or official directive (or, if it is impracticable to provide a photocopy, a written summary of the same) and a certificate of a duly authorized officer of such Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The applicable Borrower shall pay to such Lender within 10 Banking Days of the giving of such notice such Lender’s Additional Compensation. Each of the Lenders shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that any Lender has previously been paid any Additional Compensation. Notwithstanding the foregoing, for purposes of this Agreement and to the extent permitted by applicable laws, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, guidelines or directives in connection therewith and (ii) all regulations, requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or other regulatory authorities, in each case pursuant to Basel III, are deemed to have gone into effect and to have been adopted after the date of this Agreement.

(2) Each Lender agrees that it will not claim Additional Compensation from a Borrower under Section 13.3(1) if it is not generally claiming similar compensation from its other customers in similar circumstances or in respect of any period greater than 3 months prior to the delivery of notice in respect thereof by such Lender, unless, in the latter case, the adoption, change or other event or circumstance giving rise to the claim for Additional Compensation is retroactive or is retroactive in effect.

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

(4) If any Lender requests Additional Compensation, or requires a Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.5, then such Lender shall use commercially 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 Additional Compensation payable or amounts payable pursuant to Section 8.5 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. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

13.4 Prepayment of Portion

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

13.5 Illegality

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

ARTICLE 14

COSTS, EXPENSES AND INDEMNIFICATION

14.1 Costs and Expenses

Each Borrower shall pay promptly upon notice from the Agent or the U.S. Agent all reasonable out-of-pocket costs and expenses of the Lenders, the U.S. Agent and the Agent, including travel expenses of The Bank of Nova Scotia, in connection with the Documents and the establishment and syndication of the applicable Credit Facilities, including in connection with preparation, printing, execution and delivery of this Agreement and the other Documents whether or not any Drawdown has been made hereunder, and also including, without limitation, the reasonable fees and out-of-pocket costs and expenses of Lenders' Counsel with respect thereto and with respect to advising the Agent, the U.S. Agent and the Lenders as to their rights and responsibilities under this Agreement and the other Documents. Except for ordinary expenses of the Lenders, the U.S. Agent and the Agent relating to the day-to-day administration of this Agreement, each Borrower further agrees to pay within 30 days of demand by the Agent all reasonable out-of-pocket costs and expenses in connection with the preparation or review of waivers, consents and amendments pertaining to this Agreement, and in connection with the establishment of the validity and enforceability of this Agreement and the preservation or enforcement of rights of the Lenders, the U.S. Agent and the Agent under this Agreement and other Documents, including, without limitation, all reasonable out-of-pocket costs and expenses sustained by the Lenders, the U.S. Agent and the Agent as a result of any failure by a Borrower to perform or observe any of its obligations hereunder or in connection with any action, suit or proceeding (whether or not an Indemnified Party is a party or subject thereto), together with interest thereon from and after such 30th day if such payment is not made by such time and provided such amount is not the subject of a good faith dispute.

14.2 General Indemnity

In addition to any liability of either Borrower to any Lender, the Agent or the U.S. Agent under any other provision hereof, each Borrower shall indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including, without limitation, any expense or cost incurred in the liquidation and re-deployment of funds acquired to fund or maintain any portion of a Loan and reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the same as a result of or in connection with the Credit Facilities or the Documents, including, without limitation, as a result of or in connection with:

- (a) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by any Lender to fund any Bankers' Acceptance or to fund or maintain any Loan as a result of the Borrowers' failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;
- (b) subject to permitted or deemed Rollovers and Conversions, CES's failure to provide for the payment to the Agent for the account of the applicable Lenders of the full principal amount of each Bankers' Acceptance on its maturity date;
- (c) a Borrower's failure to pay any other amount, including without limitation any interest or fee, due hereunder on its due date after the expiration of any applicable grace or notice periods (subject, however, to the interest obligations of such Borrower hereunder for overdue amounts);

- (d) a Borrower's repayment or prepayment of a SOFR Loan otherwise than on the last day of its Interest Period;
- (e) the prepayment of any outstanding Bankers' Acceptance before the maturity date of such Bankers' Acceptance;
- (f) a Borrower's failure to give any notice required to be given by it to the Agent, the U.S. Agent or the Lenders hereunder;
- (g) the failure of a Borrower to make any other payment due hereunder;
- (h) any inaccuracy or incompleteness of a Borrower's representations and warranties contained in Article 9;
- (i) any failure of a Borrower to observe or fulfil its obligations under Article 10;
- (j) any failure of a Borrower to observe or fulfil any other Obligation not specifically referred to above; or
- (k) the occurrence of any Default or Event of Default hereunder,

provided that this Section shall not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section shall survive repayment of the Obligations.

14.3 Environmental Indemnity

Each Borrower shall indemnify and hold harmless the Indemnified Parties forthwith on demand by the Agent from and against any and all claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including without limitation, all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by the Indemnified Parties or any of them in connection with any Credit Facility, whether as beneficiaries under the Documents, as successors in interest of the applicable Borrower or any of its Subsidiaries, or voluntary transfer in lieu of foreclosure, or otherwise howsoever, with respect to any Environmental Claims relating to the property of CES Energy Solutions, either Borrower or any of their respective Subsidiaries arising under any Environmental Laws as a result of the past, present or future operations of such Borrower, CES Energy Solutions or any of their respective Subsidiaries (or any predecessor in interest to such Borrower, CES Energy Solutions or their respective Subsidiaries) relating to the property of such Borrower, CES Energy Solutions or their respective Subsidiaries, or the past, present or future condition of any part of the property of such Borrower, CES Energy Solutions or their respective Subsidiaries owned, operated or leased by such Borrower, CES Energy Solutions or their respective Subsidiaries (or any such predecessor in interest), including any liabilities arising as a result of any indemnity covering Environmental Claims given to any person by the Lenders, the U.S. Agent or the Agent or a receiver, receiver manager or similar person appointed hereunder or under applicable law (collectively, the "**Indemnified Third Party**"); but excluding any Environmental Claims or liabilities relating thereto to the extent that such Environmental Claims or liabilities arise by reason of the gross negligence or wilful misconduct of the Indemnified Party or the Indemnified Third Party claiming indemnity hereunder. The provisions of this Section shall survive the repayment of the Obligations.

14.4 Contracting on Behalf of Indemnified Parties and Indemnified Third Parties

For the purposes of providing the benefit of the indemnities contained in Sections 14.2 and 14.3 in favour of the Indemnified Parties and Indemnified Third Parties which are not a party hereto, the applicable Lender, U.S. Agent or Agent, as the case may be, shall, in addition to contracting on its own behalf, be deemed to be contracting as agent and trustee for and on behalf of such persons.

14.5 Judgment Currency

(1) If for the purpose of obtaining or enforcing judgment against a Borrower in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section referred to as the “**Judgment Currency**”) an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date; or
- (b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section being hereinafter in this Section referred to as the “**Judgment Conversion Date**”).

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 14.5(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable Borrower shall pay such additional amount (if any) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from a Borrower under the provisions of Section 14.5(2) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(4) The term “rate of exchange” in this Section 14.5 means the prevailing rate of exchange for Canadian interbank transactions in Canadian Dollars or United States Dollars, as the case may be, in the Judgment Currency published by the Bank of Canada for the Business Day before the day the judgment is given, or if such rate is not so published by the Bank of Canada, such term shall mean the Equivalent Amount of the Judgment Currency.

14.6 Waiver of Certain Damages

To the fullest extent permitted by applicable law, none of the Borrowers, CES Energy Solutions, nor any Subsidiary shall assert, and each hereby waives, any claim against any Indemnified Third Party, 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 Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnified Third Party, nor any Borrower, CES Energy Solutions, nor any Subsidiary 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 Documents or the transactions contemplated hereby or thereby.

ARTICLE 15

THE AGENT AND ADMINISTRATION OF THE CREDIT FACILITIES

15.1 Authorization and Action

(1) Each Lender hereby irrevocably appoints and authorizes the Agent and the U.S. Agent, as applicable, to be its agent in its name and on its behalf to exercise such rights or powers granted to the Agent, the U.S. Agent or the Lenders under this Agreement to the extent specifically provided herein and on the terms hereof, together with such powers as are reasonably incidental thereto and the Agent and the U.S. Agent, as applicable, hereby accepts such appointment and authorization. As to any matters not expressly provided for by this Agreement, neither the Agent nor the U.S. Agent shall be required to exercise any discretion or take any action, but, subject to Section 16.10, shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority of the Lenders and such instructions shall be binding upon all Lenders; provided, however, that neither the Agent nor the U.S. Agent shall be required to take any action which exposes the Agent or the U.S. Agent, as applicable, to liability in such capacity or which could result in the Agent or the U.S. Agent, as applicable, incurring any costs and expenses, without provision being made for indemnity of the Agent or the U.S. Agent, as applicable, by the Lenders against any loss, liability, cost or expense incurred, or to be incurred or which is contrary to this Agreement or applicable law.

(2) The Lenders agree that all decisions as to actions to be or not to be taken, as to consents or waivers to be given or not to be given, as to determinations to be made and otherwise in connection with this Agreement and the Documents, shall be made upon the decision of the Majority of the Lenders except in respect of a decision or determination where it is specifically provided in this Agreement that “all of the Lenders” or “the Lenders” or words to similar effect, or the Agent alone, is to be responsible for same. Each of the Lenders shall be bound by and agrees to abide by and adopt all decisions made as aforesaid and covenants in all communications with the Borrowers to act in concert and to join in the action, consent, waiver, determination or other matter decided as aforesaid.

(3) For certainty, the Agent is authorized to execute and deliver the Security and to release and discharge the Security in accordance with Section 11.7.

15.2 Procedure for Making Loans

(1) The Agent and the U.S. Agent shall make Loans available to the applicable Borrower as required hereunder by debiting the account of the Agent or the U.S. Agent, as applicable, to which the Lenders’ Rateable Portions of such Loans have been credited in accordance with Section 2.12(1) (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent or the U.S. Agent, as applicable, and the applicable Borrower in writing, by crediting the account of the applicable Borrower or, at the expense of the applicable Borrower, transferring (or causing to be transferred) like funds in accordance with the instructions of the applicable Borrower as set forth in the Drawdown Notice, Rollover Notice or Conversion Notice, as the case may be, in respect of each Loan; provided that the obligation of the Agent or the U.S. Agent, as applicable, 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 neither the Agent nor the U.S. Agent shall be liable for any damages, claims or costs which may be suffered by the applicable Borrower and occasioned by the failure of such Loan to reach the designated destination.

(2) Unless the Agent or the U.S. Agent, as applicable, has been notified by a Lender at least one Banking Day prior to the Drawdown Date, Rollover Date or Conversion Date, as the case may be, requested by the applicable Borrower that such Lender will not make available to the Agent or the U.S. Agent, as applicable, its Rateable Portion of such Loan, the Agent or the U.S. Agent, as applicable, may assume that such Lender has made or will make such portion of the Loan available to the Agent or the U.S. Agent, as applicable, on the Drawdown Date, Rollover Date or Conversion Date, as the case may be, in accordance with the provisions hereof and the Agent and the U.S. Agent, as applicable, may, but shall be in no way obligated to, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent such Lender shall not have so made its Rateable Portion of a Loan available to the Agent or the U.S. Agent, as applicable, such Lender agrees to pay to the Agent or the U.S. Agent, as applicable, forthwith on demand such Lender's Rateable Portion of the Loan and all reasonable costs and expenses incurred by the Agent or the U.S. Agent, as applicable, in connection therewith together with interest thereon (at the rate payable hereunder by the applicable Borrower in respect of such Loan or, in the case of funds made available in anticipation of a Lender remitting proceeds of a Bankers' Acceptance, at the rate of interest per annum applicable to Canadian Prime Rate Loans) for each day from the date such amount is made available to the applicable Borrower until the date such amount is paid to the Agent or the U.S. Agent, as applicable; provided, however, that notwithstanding such obligation if such Lender fails to so pay, the applicable Borrower covenants and agrees that, without prejudice to any rights the applicable Borrower may have against such Lender, it shall repay such amount to the Agent or the U.S. Agent, as applicable, forthwith after demand therefor by the Agent or the U.S. Agent, as applicable. The amount payable to the Agent or the U.S. Agent, as applicable, pursuant hereto shall be set forth in a certificate delivered by the Agent or the U.S. Agent, as applicable, to such Lender and the Borrowers (which certificate shall contain reasonable details of how the amount payable is calculated) and shall be *prima facie* evidence thereof, in the absence of manifest error. If such Lender makes the payment to the Agent or the U.S. Agent, as applicable, required herein, the amount so paid shall constitute such Lender's Rateable Portion of the Loan for purposes of this Agreement. The failure of any Lender to make its Rateable Portion of any Loan shall not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of such Loan on the Drawdown Date, Rollover Date or Conversion Date, as the case may be, but no Lender shall be responsible for the failure of any other Lender to make the Rateable Portion of any Loan to be made by such other Lender on the date of any Drawdown, Rollover or Conversion, as the case may be.

15.3 Remittance of Payments

Except for amounts payable to the Agent or the U.S. Agent, as applicable, for its own account, forthwith after receipt of any repayment pursuant hereto or payment of interest or fees pursuant to Article 5 or payment pursuant to Article 8, the Agent or the U.S. Agent, as applicable, shall remit to each Lender its Rateable Portion of such payment; provided that, if the Agent or the U.S. Agent, as applicable, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits to a Lender its Rateable Portion of such payment and the applicable Borrower fails to make such payment, each of the Lenders on receipt of such remittance from the Agent or the U.S. Agent, as applicable, agrees to repay to the Agent or the U.S. Agent, as applicable, forthwith on demand an amount equal to the remittance together with all reasonable costs and expenses incurred by the Agent or the U.S. Agent, as applicable, in connection therewith and interest thereon at the rate and calculated in the manner applicable to the Loan in respect of which such payment is made, or, in the case of a remittance in respect of Bankers' Acceptances, at the rate of interest applicable to Canadian Prime Rate Loans for each day from the date such amount is remitted to the Lenders without prejudice to any right such Lender may have against the applicable Borrower. The exact amount of the repayment required to be made by the Lenders pursuant hereto shall be as set forth in a certificate delivered by the Agent or the U.S. Agent, as applicable, to each Lender, which certificate shall be conclusive and binding for all purposes in the absence of manifest error.

15.4 Redistribution of Payment

Each Lender agrees that:

- (a) if the Lender exercises any security against or right of counter claim, set-off or banker's lien or similar right with respect to the property of a Borrower or any Subsidiary or if under any applicable bankruptcy, insolvency or other similar law it receives a secured claim and collateral for which it is, or is entitled to exercise any set-off against, a debt owed by it to either Borrower or any Subsidiary, the Lender shall apportion the amount thereof proportionately between:
 - (i) such Lender's Rateable Portion of all outstanding Obligations owing by the Borrowers (including the face amounts at maturity of Bankers' Acceptances accepted by the Lenders), which amounts shall be applied in accordance with Section 15.4(b); and
 - (ii) amounts otherwise owed to such Lender by the Borrowers and their respective Subsidiaries,

provided that (i) any cash collateral account held by such Lender as collateral for a letter of credit or bankers' acceptance issued or accepted by such Lender on behalf of CES, CES Energy Solutions or a Subsidiary which is Permitted Debt may be applied by such Lender to such amounts owed by CES to such Lender pursuant to such letter of credit or in respect of any such bankers' acceptance without apportionment and (ii) these provisions do not apply to:

- (iii) a right or claim which arises or exists in respect of a loan or other debt in respect of which the relevant Lender holds a Security Interest which is a Permitted Encumbrance;
 - (iv) cash collateral provided, or the exercise of rights of counterclaim, set-off or banker's lien or similar rights, in respect of account positioning arrangements for a Borrower, CES Energy Solutions or a Subsidiary provided by a Lender in the ordinary course of business or in respect of other cash management services provided by a Lender in the ordinary course of business;
 - (v) any reduction in amounts owing by a Lender (or its Hedging Affiliates) to a Borrower, CES Energy Solutions or a Subsidiary upon the termination of Lender Financial Instruments entered into with the relevant Lender (or its Hedging Affiliates); or
 - (vi) any payment to which a Lender is entitled as a result of any credit derivative or other form of credit protection obtained by such Lender;
- (b) if, in the aforementioned circumstances, the Lender, through the exercise of a right, or the receipt of a secured claim described in Section 15.4(a) above or otherwise, receives payment of a proportion of the aggregate amount of Obligations due to it hereunder which is greater than the proportion received by any other Lender in respect of the aggregate Obligations due to the Lenders (having regard to the respective Rateable Portions of the Lenders), the Lender receiving such proportionately greater payment shall purchase, on a non-recourse basis at par, and make payment for a participation (which shall be deemed to

have been done simultaneously with receipt of such payment) in the outstanding Loans of the other Lender or Lenders so that their respective receipts shall be *pro rata* to their respective Rateable Portions; provided, however, that if all or part of such proportionately greater payment received by such purchasing Lender shall be recovered by or on behalf of a Borrower or any trustee, liquidator, receiver or receiver manager or person with analogous powers from the purchasing Lender, such purchase shall be rescinded and the purchase price paid for such participation shall be returned to the extent of such recovery, but without interest unless the purchasing Lender is required to pay interest on such amount, in which case each selling Lender shall reimburse the purchasing Lender *pro rata* in relation to the amounts received by it. Such Lender shall exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claims; and

- (c) if the Lender does, or is required to do, any act or thing permitted by Section 15.4(a) or (b) above, it shall promptly provide full particulars thereof to the Agent.

15.5 Duties and Obligations

Neither the Agent, the U.S. Agent nor any of its directors, officers, agents or employees (and, for purposes hereof, the Agent and the U.S. Agent shall be deemed to be contracting as agent and trustee for and on behalf of such persons) shall be liable to the Lenders for any action taken or omitted to be taken by it or them under or in connection with this Agreement except for its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Agent and the U.S. Agent:

- (a) may assume that there has been no assignment or transfer by any means by the Lenders of their rights hereunder, unless and until the Agent or the U.S. Agent, as applicable, receives written notice of the assignment thereof from such Lender and the Agent or the U.S. Agent, as applicable, receives from the assignee an executed Assignment Agreement providing, *inter alia*, that such assignee is bound hereby as it would have been if it had been an original Lender party hereto;
- (b) may consult with legal counsel (including receiving the opinions of Borrowers' counsel and Lenders' Counsel required hereunder), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;
- (c) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable, facsimile transmission, telex or other means of electronic communication) believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of a Borrower made or deemed to be made hereunder;
- (d) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary;
- (e) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any person upon a certificate signed by or on behalf of such person;
- (f) shall not be bound to disclose to any other person any information relating to a Borrower, CES Energy Solutions, any of their respective Subsidiaries or any other person if such disclosure would or might in its opinion constitute a breach of any applicable law, be in

default of the provisions hereof or be otherwise actionable at the suit of any other person; and

- (g) may refrain from exercising any right, power or discretion vested in it which would or might in its reasonable opinion be contrary to any applicable law or any directive or otherwise render it liable to any person, and may do anything which is in its reasonable opinion necessary to comply with such applicable law.

Further, neither the Agent nor the U.S. Agent (i) makes any warranty or representation to any Lender, nor shall either the Agent or the U.S. Agent be responsible to any Lender for the accuracy or completeness of the representations and warranties of the Borrowers herein, nor the data made available to any of the Lenders in connection with the negotiation of this Agreement, nor for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (ii) shall have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrowers or to inspect the property (including the books and records) of the Borrowers, CES Energy Solutions or any of their respective Subsidiaries; and (iii) shall be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any instrument or document furnished pursuant hereto.

15.6 Prompt Notice to the Lenders

Notwithstanding any other provision herein, each of the Agent and the U.S. Agent, as applicable, agrees to provide to the applicable Lenders, with copies where appropriate, all information, notices and reports required to be given to the Agent or the U.S. Agent, as applicable, by the Borrowers, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of Agent or the U.S. Agent hereunder.

15.7 Agent's and Lenders' Authorities

With respect to its Commitments and the Drawdowns, Rollovers, Conversions and Loans made by it as a Lender, the Agent and the U.S. Agent shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent or the U.S. Agent, as applicable. Subject to the express provisions hereof relating to the rights and obligations of the Agent, the U.S. Agent and the Lenders in such capacities, the Agent, the U.S. Agent and each Lender may accept deposits from, lend money to, and generally engage in any kind of business with the Borrowers, CES Energy Solutions and their respective Subsidiaries or any corporation or other entity owned or controlled by any of them and any person which may do business with any of them without any duties to account therefor to the Agent, the U.S. Agent or the other Lenders and, in the case of the Agent or the U.S. Agent, all as if it was not the Agent or the U.S. Agent, as applicable, hereunder.

15.8 Lender Credit Decision

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrowers, CES Energy Solutions and their respective Subsidiaries. Each Lender represents to the Agent and the U.S. Agent that it is engaged in the business of making and evaluating the risks associated with commercial revolving loans or term loans, or both, to corporations and other entities similar to the Borrowers, that it can bear the economic risks related to the transaction contemplated hereby, that it has had access to all information deemed necessary by it in making such decision (provided that this representation shall not impair its rights against the Borrowers) and that it is entering into this Agreement in the ordinary course of its commercial lending business.

Accordingly, each Lender confirms with the Agent and the U.S. Agent that it has not relied, and will not hereafter rely, on either the Agent or the U.S. Agent (i) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrowers or any other person under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Lender by the Agent or the U.S. Agent), or (ii) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrowers, CES Energy Solutions or any of their respective Subsidiaries. Each Lender acknowledges that a copy of this Agreement has been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of this Agreement. Each Lender hereby covenants and agrees that, subject to Section 15.4, it will not make any arrangements with either Borrower, CES Energy Solutions or any Subsidiary for the satisfaction of any Loans or other Obligations without the consent of all the other Lenders.

15.9 Indemnification of Agent

The Lenders hereby agree to indemnify the Agent and the U.S. Agent (to the extent not reimbursed by the applicable Borrower), on a *pro rata* basis in accordance with their respective Commitments under the Credit Facilities as a proportion of the aggregate of all such outstanding Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent or the U.S. Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent or the U.S. Agent under or in respect of this Agreement in its capacity as Agent or U.S. Agent, as applicable; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's or, if applicable, the U.S. Agent's gross negligence or wilful misconduct. If the applicable Borrower subsequently repays all or a portion of such amounts to the Agent or the U.S. Agent, the Agent or the U.S. Agent, as applicable, shall reimburse the applicable Lenders their *pro rata* shares (according to the amounts paid by them in respect thereof) of the amounts received from such Borrower. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent and the U.S. Agent promptly upon demand for its portion (determined as above) of any out-of-pocket expenses (including counsel fees) incurred by the Agent and the U.S. Agent in connection with the preservation of any rights of the Agent, the U.S. Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Document, to the extent that the Agent or the U.S. Agent is not reimbursed for such expenses by such Borrower.

15.10 Successor Agent

Each of the Agent and the U.S. Agent may, as hereinafter provided, resign at any time by giving 45 days' prior written notice thereof to the Lenders and CES. Upon any such resignation, the Lenders shall, after soliciting the views of CES, have the right to appoint another Lender as the successor agent (the "**Successor Agent**") who shall be acceptable to CES, acting reasonably. If no Successor Agent shall have been so appointed by the Lenders and shall have accepted such appointment within 30 days after the retiring Agent's or, if applicable, the retiring U.S. Agent's giving of notice of resignation, then the retiring Agent or, if applicable, the retiring U.S. Agent, shall, on behalf of the Lenders, appoint a Successor Agent who shall be a Lender acceptable to CES, acting reasonably. Upon the acceptance of any appointment as the Agent or U.S. Agent hereunder by a Successor Agent, such Successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent or retiring U.S. Agent, as applicable, and the retiring Agent or the retiring U.S. Agent, as applicable, shall thereupon be discharged from its further duties and obligations as Agent or U.S. Agent, as applicable, under this Agreement. After the retiring Agent's resignation hereunder as Agent, or, if applicable the retiring U.S. Agent's resignation hereunder as U.S. Agent, the provisions of this Article shall continue to enure to its benefit as to any actions

taken or omitted to be taken by it as Agent or as U.S. Agent or in its capacity as the Agent or the U.S. Agent while it was the Agent or the U.S. Agent hereunder.

15.11 Taking and Enforcement of Remedies

Each of the Lenders hereby acknowledges that, to the extent permitted by applicable law, the remedies provided hereunder to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder are to be exercised not severally, but collectively by the Agent upon the decision of the Majority of the Lenders. Notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it shall not be entitled to individually take any action with respect to any Credit Facility, but that any such action shall be taken only by the Agent or the U.S. Agent, as applicable, with the prior written agreement or instructions of the Majority of the Lenders; provided that, notwithstanding the foregoing, if (a) the Agent or the U.S. Agent, as applicable, having been adequately indemnified against costs and expenses of so doing by the Lenders, shall fail to carry out any such instructions of a Majority of the Lenders, any Lender may do so on behalf of all Lenders and shall, in so doing, be entitled to the benefit of all protections given the Agent or the U.S. Agent, as applicable, hereunder or elsewhere, and (b) in the absence of instructions from the Majority of the Lenders and where in the sole opinion of the Agent or the U.S. Agent (each acting reasonably and good faith) the exigencies of the situation warrant such action, the Agent or the U.S. Agent, as applicable, may without notice to or consent of the Lenders or any of them take such action on behalf of the Lenders as it deems appropriate or desirable in the interests of the Lenders. Each of the Lenders hereby further covenants and agrees that upon any such written consent being given by the Majority of the Lenders, or upon a Lender or the Agent or the U.S. Agent taking action as aforesaid, it shall cooperate fully with the Lender or the Agent or the U.S. Agent to the extent requested by the Lender or the Agent or the U.S. Agent in the collective realization including, without limitation, and, if applicable, the appointment of a receiver, or receiver and manager to act for their collective benefit. Each Lender covenants and agrees to do all acts and things and to make, execute and deliver all agreements and other instruments, including, without limitation, any instruments necessary to effect any registrations, so as to fully carry out the intent and purpose of this Section; and each of the Lenders hereby covenants and agrees that, subject to Section 5.8, Section 15.4 and Section 10.2(b), it has not heretofore and shall not seek, take, accept or receive any security for any of the obligations and liabilities of the Borrowers hereunder or under any other document, instrument, writing or agreement ancillary hereto and shall not enter into any agreement with any of the parties hereto or thereto relating in any manner whatsoever to the Credit Facilities, unless all of the Lenders shall at the same time obtain the benefit of any such security or agreement.

With respect to any enforcement, realization or the taking of any rights or remedies to enforce the rights of the Lenders hereunder, the Agent shall be a trustee for each Lender, and all monies received from time to time by the Agent in respect of the foregoing shall be held in trust and shall be trust assets within the meaning of applicable bankruptcy or insolvency legislation and shall be considered for the purposes of such legislation to be held separate and apart from the other assets of the Agent, and each Lender shall be entitled to their Rateable Portion of such monies. In its capacity as trustee, the Agent shall be obliged to exercise only the degree of care it would exercise in the conduct and management of its own business and in accordance with its usual practice concurrently employed or hereafter instituted for other substantial commercial loans.

15.12 Reliance Upon Agent

The Borrowers shall be entitled to rely upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent or, if applicable, the U.S. Agent pursuant to this Agreement, and the Borrowers shall generally be entitled to deal with the Agent or the U.S. Agent with respect to matters under this Agreement which the Agent or the U.S. Agent is authorized to deal with

without any obligation whatsoever to satisfy itself as to the authority of the Agent or the U.S. Agent, as applicable, to act on behalf of the Lenders and without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent or the U.S. Agent, notwithstanding any lack of authority of the Agent or the U.S. Agent to provide the same.

15.13 No Liability of Agent

Neither the Agent nor the U.S. Agent shall have any responsibility or liability to the Borrowers on account of the failure of any Lender to perform its obligations hereunder (unless such failure was caused, in whole or in part, by the Agent's or the U.S. Agent's failure to observe or perform its obligations hereunder), or to any Lender on account of the failure of the Borrowers or any Lender to perform their obligations hereunder.

15.14 The Agent and Defaulting Lenders

(1) Each Defaulting Lender shall be required to provide to the Agent or the U.S. Agent, as applicable, cash in an amount, as shall be determined from time to time by the Agent or the U.S. Agent, as applicable, in its discretion, equal to all obligations of such Defaulting Lender that are owing or, in the case of contingent obligations under any outstanding Fronted LCs or U.S. Fronted LCs (after giving effect to the reallocation provisions in Section 16.2), may become owing to the Agent, the U.S. Agent, the U.S. Fronting Lender or to the Fronting Lender pursuant to this Agreement, including such Defaulting Lender's obligation to pay its Rateable Portion of any indemnification or expense reimbursement amounts not paid by the applicable Borrower. Such cash shall be held by the Agent or the U.S. Agent, as applicable, in one or more cash collateral accounts, which accounts shall be in the name of the Agent or the U.S. Agent, as applicable, and shall not be required to be interest bearing. The Agent and the U.S. Agent, as applicable, shall be entitled to apply the foregoing cash in accordance with Section 15.9.

(2) In addition to the indemnity and reimbursement obligations noted in Section 15.9, the Lenders agree to indemnify the Agent and the U.S. Agent (to the extent not reimbursed by the Borrowers and without limiting the obligations of the Borrowers hereunder) rateably according to their respective Rateable Portions (and in calculating the Rateable Portion of a Lender, ignoring the Commitments of Defaulting Lenders) any amount that a Defaulting Lender fails to pay the Agent or the U.S. Agent and which is due and owing to the Agent or the U.S. Agent pursuant to Section 15.9. Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender and which would otherwise be payable by the Defaulting Lender.

(3) The Agent and the U.S. Agent shall be entitled to set off any Defaulting Lender's Rateable Portion of all payments received from the applicable Borrower against such Defaulting Lender's obligations to fund payments and Loans required to be made by it and to purchase participations required to be purchased by it, in each case, under this Agreement and the other Documents. The Agent and the U.S. Agent shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Agent or the U.S. Agent all amounts (whether principal, interest, fees or otherwise) received by the Agent or the U.S. Agent, as applicable, and due to a Defaulting Lender pursuant to this Agreement, which amounts shall be used by the Agent or the U.S. Agent, as applicable:

- (a) firstly, to reimburse the Agent or the U.S. Agent, as applicable, for any amounts owing to it by the Defaulting Lender pursuant to any Document;
- (b) secondly, to repay on a *pro rata* basis any (i) Loans made by a Lender pursuant to Section 16.2(4) in order to fund a shortfall created by a Defaulting Lender which repayment shall be in the form of an assignment by each such Lender of such Loan to the Defaulting

Lender against receipt of such repayment, and (ii) any payments made by a Lender pursuant to Section 15.14(2) in order to fund a shortfall created by a Defaulting Lender;

- (c) thirdly, to cash collateralize all other obligations of such Defaulting Lender to the Agent, the U.S. Agent, U.S. Fronting Lender or the Fronting Lender owing pursuant to this Agreement in such amount as shall be determined from time to time by the Agent or the U.S. Agent, as applicable, in its discretion, including such Defaulting Lender's obligation to pay its Rateable Portion of any indemnification or expense reimbursement amounts not paid by the applicable Borrower; and
- (d) fourthly, to fund from time to time the Defaulting Lender's Rateable Portion of Loans.

(4) For greater certainty and in addition to the foregoing, neither the Agent, the U.S. Agent nor any of its Affiliates nor any of their respective shareholders, officers, directors, employees, agents or representatives shall be liable to any Lender (including, without limitation, a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by a Borrower to a Defaulting Lender and received and deposited by the Agent or the U.S. 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 or the U.S. Agent, as applicable, as determined by a final non-appealable judgement of a court of competent jurisdiction.

15.15 Erroneous Payments

(1) If the Agent or the U.S. Agent, as applicable, notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a "**Payment Recipient**") that the Agent or the U.S. Agent, as applicable, has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (2)) that any funds received by such Payment Recipient from the Agent or the U.S. Agent, as applicable, or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent or the U.S. Agent, as applicable, and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent or the U.S. Agent, as applicable, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Banking Days thereafter, return to the Agent or the U.S. Agent, as applicable, the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent or the U.S. Agent, as applicable, in same day funds at the greater of (x) in respect of an Erroneous Payment in US Dollars, the Federal Funds Rate, and in respect of an Erroneous Payment in Dollars or any other currency at a fluctuating rate per annum equal to the overnight rate at which Dollars or funds in the currency of such Erroneous Payment, as the case may be, may be borrowed by the Agent or the U.S. Agent, as applicable, in the interbank market in an amount comparable to such Erroneous Payment (as determined by the Agent or the U.S. Agent, as applicable); and (y) a rate determined by the Agent or the U.S. Agent, as applicable, in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent or the U.S. Agent, as applicable, to any Payment Recipient under this clause (1) shall be conclusive, absent manifest error.

(2) Without limiting immediately preceding clause (1), each Lender or any Person who has received funds on behalf of a Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent or the U.S. Agent, as applicable, (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent or the U.S. Agent, as applicable (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent or the U.S. Agent, as applicable (or any of its Affiliates), or (z) that such Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

- (a) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Agent or the U.S. Agent, as applicable, to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and
- (b) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Banking Day of its knowledge of such error) notify the Agent or the U.S. Agent, as applicable, of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent or the U.S. Agent, as applicable, pursuant to this Section 15.15(2).

(3) Each Lender hereby authorizes the Agent or the U.S. Agent, as applicable, to set off, net and apply any and all amounts at any time owing to such Lender under any Document, or otherwise payable or distributable by the Agent or the U.S. Agent, as applicable, to such Lender from any source, against any amount due to the Agent or the U.S. Agent, as applicable, under immediately preceding clause (1) or under the indemnification provisions of this Agreement.

(4) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent or the U.S. Agent, as applicable, for any reason, after demand therefor by the Agent or the U.S. Agent, as applicable, in accordance with immediately preceding clause (1), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Agent’s or the U.S. Agent’s notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Credit Facility with respect to which such Erroneous Payment was made (the “**Erroneous Payment Impacted Class**”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent or the U.S. Agent, as applicable, may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent or the U.S. Agent, as applicable, in such instance), and is hereby (together with CES) deemed to execute and deliver an assignment and assumption agreement (or, to the extent applicable, an agreement incorporating an assignment and assumption by reference pursuant to an approved electronic platform as to which the Agent or the U.S. Agent, as applicable, and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any notes evidencing such Loans to the Borrowers or the Agent or the U.S. Agent, as applicable, (ii) the Agent or the U.S. Agent, as applicable, as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent or the U.S. Agent, as applicable, as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment

Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Agent or the U.S. Agent, as applicable, may reflect in the register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Agent or the U.S. Agent, as applicable, may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Agent or the U.S. Agent, as applicable, shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent or the U.S. Agent, as applicable, has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent or the U.S. Agent, as applicable, may be equitably subrogated, the Agent or the U.S. Agent, as applicable, shall be contractually subrogated to all the rights and interests of the applicable Lender under the Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

(5) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by CES, CES Energy Solutions or any Material Subsidiary, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent or the U.S. Agent, as applicable, from CES, CES Energy Solutions or any Material Subsidiary for the purpose of making such Erroneous Payment.

(6) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent or the U.S. Agent, as applicable, for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(7) Each party’s obligations, agreements and waivers under this 15.15 shall survive the resignation or replacement of either the Agent or the U.S. Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Document

15.16 Article for Benefit of Agent and Lenders

The provisions of this Article 15 which relate to the rights and obligations of the Lenders to each other or to the rights and obligations between the Agent, the U.S. Agent and the Lenders shall be for the exclusive benefit of the Agent, the U.S. Agent and the Lenders, and, except to the extent provided in Sections 15.1, 15.2, 15.6, 15.10, 15.11, 15.12, 15.13, 15.14 and this Section 15.16, the Borrowers shall not have any rights or obligations thereunder or be entitled to rely for any purpose upon such provisions. Any Lender may waive in writing any right or rights which it may have against the Agent, the U.S. Agent or the other Lenders hereunder without the consent of or notice to the Borrowers.

ARTICLE 16 GENERAL

16.1 Exchange and Confidentiality of Information

(1) The Borrowers agree that the Agent, the U.S. Agent and each Lender may provide any assignee or participant or any *bona fide* prospective assignee or participant pursuant to Sections 16.6 or 16.7 with any information concerning the Borrowers and their respective Subsidiaries provided such party agrees in writing with the Agent, the U.S. Agent or such Lender for the benefit of the Borrowers to be bound by a like duty of confidentiality to that contained in this Section.

(2) Each of the Agent, the U.S. Agent and the Lenders acknowledges the confidential nature of the financial, operational and other information and data related to CES Energy Solutions and its Subsidiaries provided and to be provided to them by the Borrowers pursuant hereto (the “**Information**”) and agrees to use all reasonable efforts to prevent the disclosure thereof provided, however, that:

- (a) the Agent, the U.S. Agent and the Lenders may disclose all or any part of the Information if, in their reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceedings including, without limitation, proceedings initiated under or in respect of this Agreement;
- (b) the Agent, the U.S. Agent and the Lenders shall incur no liability in respect of any Information required to be disclosed by any applicable law or regulation, or by applicable order, policy or directive having the force of law, to the extent of such requirement;
- (c) the Agent, the U.S. Agent and the Lenders may provide Lenders’ Counsel and their other agents and professional advisors with any Information; provided that such persons shall be under a like duty of confidentiality to that contained in this Section;
- (d) the Agent, the U.S. Agent and each of the Lenders shall incur no liability in respect of any Information: (i) which is or becomes readily available to the public (other than by a breach hereof) or which has been made readily available to the public by the Borrowers, CES Energy Solutions or their respective Subsidiaries, (ii) which the Agent, the U.S. Agent or the relevant Lender can show was, prior to receipt thereof from the applicable Borrower, lawfully in the Agent’s, the U.S. Agent’s or Lender’s possession and not then subject to any obligation on its part to the applicable Borrower to maintain confidentiality, or (iii) which the Agent, the U.S. Agent or the relevant Lender received from a third party who was not, to the knowledge of the Agent, the U.S. Agent or such Lender, under a duty of confidentiality to such Borrower at the time the information was so received;
- (e) the Agent, the U.S. Agent and the Lenders may disclose the Information to (i) any of their respective Affiliates and (ii) other financial institutions in connection with the syndication by the Agent, the U.S. Agent or Lenders of the Credit Facilities or the granting by a Lender of a participation in the Credit Facilities, in each case, where such Affiliate or financial institution agrees to be under a like duty of confidentiality to that contained in this Section; and
- (f) the Agent, the U.S. Agent and the Lenders may disclose all or any part of the Information so as to enable the Agent, the U.S. Agent and the Lenders to initiate any lawsuit against a Borrower or to defend any lawsuit commenced by a Borrower the issues of which touch

on the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit.

16.2 Nature of Obligation under this Agreement; Defaulting Lenders

(1) The obligations of each Lender and of the Agent and the U.S. 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, the U.S. Agent or the Borrowers of any of their respective obligations hereunder.

(2) Without derogating from the operation of Section 15.14 and this Section 16.2, neither the Agent, the U.S. Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

(3) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

- (a) the standby fees payable pursuant to Section 5.7 shall cease to accrue on the unused portion of the Commitments of such Defaulting Lender;
- (b) a Defaulting Lender shall not be included in determining whether, and the Commitment and the Rateable Portion of the Outstanding Principal of such Defaulting Lender shall not be included in determining whether, all Lenders or the Majority of the Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 16.10), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that materially and adversely affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender; and
- (c) for the avoidance of doubt, each Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender.

(4) Should any Lender fail to fund its Rateable Portion of a Loan hereunder, then each other Lender shall fund a portion of such defaulted amount in an amount equal to such other Lender's Rateable Portion (and in calculating the Rateable Portion of a Lender, ignoring the Commitments of Defaulting Lenders) or such unfunded portion; provided that, for certainty, no Lender shall be obligated by this Section to make or provide Loans in excess of its Commitment.

(5) Without limiting the generality of Section 16.2(4), if the Agent, or the U.S. Agent has actual knowledge that a Lender is a Defaulting Lender at the time that the Agent or the U.S. Agent, as applicable, receives a Drawdown Notice or a Rollover Notice that relates to a Fronted LC or a U.S. Fronted LC, then each other Lender under the applicable Credit Facility (each a "**Non-Defaulting Lender**") shall fund its Rateable Portion of such affected Loan (and, in calculating such Rateable Portion, the Agent or the U.S. Agent, as applicable, shall ignore the Commitment of each such Defaulting Lender); provided that, for certainty, no Lender shall be obligated by this Section to make or provide Loans in excess of its Commitment under such Credit Facility. If the Agent or the U.S. Agent acquires actual knowledge that a Lender is a Defaulting Lender at any time after the Agent or the U.S. Agent, as applicable, receives a Drawdown Notice or a Rollover Notice that relates to a Fronted LC or a U.S. Fronted LC, then the Agent or the U.S. Agent, as applicable, shall promptly notify the applicable Borrower that such Lender is a Defaulting Lender (and such Lender shall be deemed to have consented to such disclosure). Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender under this Section

16.2(5) and which would otherwise have been paid by the Defaulting Lender if its Commitment under such Credit Facility had been included in determining the Rateable Portions of such affected Loans.

(6) If any Fronted LC or U.S. Fronted LC is outstanding at the time that a Lender becomes a Defaulting Lender then:

- (a) all or any part of such Defaulting Lender's Rateable Portion of such Fronted LC or U.S. Fronted LC, as applicable, shall be re-allocated among the Non-Defaulting Lenders in accordance with their respective Rateable Portions; provided that such re-allocation may only be effected if and to the extent that (i) such re-allocation would not cause any Non-Defaulting Lender's Rateable Portion of all Loans to exceed its applicable Commitment and (ii) the conditions precedent in Section 3.2 are satisfied at such time;
- (b) if the re-allocation described in clause (a) above cannot be effected, or can only partially be effected, then such Defaulting Lender shall, within one Banking Day following notice by the Agent or the U.S. Agent, as applicable, provide cash collateral for such Defaulting Lender's Rateable Portion of such Letter of Credit (after giving effect to any partial re-allocation pursuant to clause (a) above) in accordance with the procedures set forth in Section 15.14 for so long as such Letter of Credit is outstanding; and
- (c) if the Rateable Portions of the Non-Defaulting Lenders are re-allocated pursuant to this Section 16.2(6), then the issuance fees payable to the Lenders pursuant to Section 7.8 shall be adjusted to give effect to such re-allocations in accordance with each such Non-Defaulting Lender's Rateable Portions.

(7) So long as any Lender is a Defaulting Lender, the Fronting Lender or the U.S. Fronting Lender, as applicable, shall not be required to issue, amend or increase any Fronted LC or U.S. Fronted LC, unless the Fronting Lender or the U.S. Fronting Lender, as applicable, is satisfied that the related exposure will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateralized in accordance with Section 15.14, and participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 16.2(5) or 16.2(6)(a) as applicable (and the Defaulting Lenders shall not participate therein).

(8) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of the same, the Agent or the U.S. Agent, as applicable, shall notify the Non-Defaulting Lenders and (in accordance with the written direction of the Agent or the U.S. Agent, as applicable) such Lender (which has ceased to be a Defaulting Lender) shall purchase, and the Non-Defaulting Lenders shall on a rateable basis sell and assign to such Lender, portions of such Loans equal in total to such Lender's Rateable Portion thereof without regard to Section 16.2(4) or 16.2(5), as applicable.

16.3 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by facsimile transmission or other electronic means of communication addressed to the respective parties as follows:

To CES:

Canadian Energy Services L.P.
c/o Canadian Energy Services Inc.
Suite 1400, 332 – 6th Avenue SW
Calgary, Alberta Canada
T2P 0B2

Attention: Chief Financial Officer
Facsimile: **[Redacted – commercially sensitive information]**

To AES:

AES Drilling Fluids Holdings, LLC
c/o Canadian Energy Services Inc.
Suite 1400, 332 – 6th Avenue SW
Calgary, Alberta Canada
T2P 0B2

Attention: Chief Financial Officer
Facsimile: **[Redacted – commercially sensitive information]**

To the Agent:

- (a) in the case of any Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices or any other matter relating to the funding of any Loan at:

The Bank of Nova Scotia, as Agent
Global Wholesale Operations – Loan Operations
720 King Street West, 4th Floor
Toronto, Ontario, Canada
M5V 2T3

Attention: Sr. Manager
Email: **[Redacted – commercially sensitive information]**

- (b) in the case of each demand, notice or communication to the Agent other than Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices:

The Bank of Nova Scotia
Global Loan Syndications – Agency Services
40 King Street West, 62nd Floor
Toronto, Ontario, Canada
M5W 2X6

Attention: Head of Agency Services
E-mail: **[Redacted – commercially sensitive information]**

with a copy to:

The Bank of Nova Scotia - Commercial Banking
Suite 1700, 225 – 6th Avenue SW
Calgary, Alberta
T2P 1N2

Attention: Director, National Accounts
Facsimile: **[Redacted – commercially sensitive information]**

To the U.S. Agent in the case of any Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices in respect of the U.S. Syndicated Revolving Facility at:

The Bank of Nova Scotia, as Agent
Global Wholesale Operations – Loan Operations
720 King Street West, 4th Floor
Toronto, Ontario, Canada
M5V 2T3
Attention: Sr. Manager
Email: **[Redacted – commercially sensitive information]**

To the U.S. Operating Facility Lender in the case of any Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices in respect of the U.S. Operating Facility at:

Wells Fargo Bank, National Association
1000 Louisiana, 9th Floor
Houston, Texas
77002

Attention: **[Redacted – commercially sensitive information]**
Facsimile: **[Redacted – commercially sensitive information]**

To each Lender: As set forth in the most recent administrative questionnaire or other written notification provided to the Agent by such Lender (a copy of which shall be provided to CES upon request to the Agent),

or to such other address or facsimile number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

16.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrowers may be found.

16.5 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon each Borrower, the Lenders, the Agent, the U.S. Agent and their respective successors and permitted assigns.

16.6 Assignment

Any Lender may, without the consent of the Borrowers during the continuance of an Event of Default (but for clarity, with the consent of the Agent and, if applicable, the U.S. Agent, not to be unreasonably withheld during a continuance of a Default or Event of Default) and at all other times with the prior written consent of CES, the Fronting Lender, the U.S. Fronting Lender, the U.S. Agent, each if applicable, and the Agent, which consents shall not be unreasonably withheld, sell, assign, transfer or grant an interest in its Commitment (in a minimum amount of Cdn.\$5,000,000), its Rateable Portion of the Loans and its rights under the Documents; provided that, without the consent of CES and the Agent or, if applicable, the U.S. Agent, no Lender shall sell, assign, transfer or grant an interest in any Commitment, Loan or Document if the effect of the same would be to have a Lender with aggregate Commitments of less than Cdn.\$5,000,000 and further provided that, it shall be a precondition to any such sale, assignment, transfer or grant that the contemplated assignor Lender shall have paid to the Agent or, if applicable, the U.S. Agent, for the Agent's or the U.S. Agent's own account, a transfer fee of Cdn.\$3,500. Upon any such sale, assignment, transfer or grant, the granting Lender shall have no further obligation hereunder with respect to such interest. Upon any such sale, assignment, transfer or grant, the granting Lender, the new Lender, the Agent, the U.S. Agent, the Fronting Lender and the U.S. Fronting Lender, if applicable, and the Borrowers shall execute and deliver an Assignment Agreement. Neither Borrower shall assign its rights or obligations hereunder without the prior written consent of all of the Lenders.

16.7 Participations

Any Lender may, without the consent of the Borrowers, grant one or more participations in its Commitments and its Rateable Portion of the Loans to other persons, provided that the granting of such a participation: (a) shall be at the Lender's own cost, (b) shall not affect the obligations of such Lender hereunder nor shall it increase the costs to the Borrowers hereunder or under any of the other Documents, and (c) shall not provide the participant with any right to approve the provision by the Lender of any consent, waiver or approval hereunder or require the Borrowers to deal directly with such participant.

16.8 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16.9 Whole Agreement

This Agreement and the other Documents constitute the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancel and supersede any prior agreements (including, without limitation, any commitment letters), undertakings, declarations, commitments, representations, written or oral, in respect thereof.

16.10 Amendments and Waivers

Any provision of this Agreement may be amended only if the Borrowers and the Majority of the Lenders so agree in writing and, except as otherwise specifically provided herein, may be waived only if the Majority of the Lenders (excluding any Defaulting Lenders) so agree in writing, but:

- (a) an amendment or waiver which changes or relates to (i) the amount of the Loans available hereunder (or decreases in the period of notice for Drawdowns, Conversions, Rollovers or voluntary prepayment of Loans under the Canadian Syndicated Facility or the U.S. Syndicated Revolving Facility) or any Lender's Commitment, (ii) decreases in the rates of or deferral of the dates of payment of interest, Bankers' Acceptance or Letter of Credit fees, or mandatory repayments of principal, (iii) decreases in the amount of or deferral of the dates of payment of fees hereunder (other than fees payable for the account of Agent), (iv) the definitions of "Majority of the Lenders" and "Events of Default", (v) any provision hereof contemplating or requiring consent, approval or agreement of "all Lenders", "the Lenders" or similar expressions or permitting waiver of conditions or covenants or agreements by "all Lenders", "the Lenders" or similar expressions, (vi) Section 2.20 to Section 2.26, inclusive and Sections 12.7, 12.8, 12.9 and 15.4, (vii) the release or discharge of, or any material amendment or waiver of, any Security, except for the discharge of Security required in connection with any disposition or release permitted by this Agreement or permitted by the Lenders, (viii) the conditions precedent to Drawdowns, or (ix) this Section, shall require the agreement or waiver of all the Lenders (excluding any Defaulting Lenders) and also (in the case of an amendment) of the other parties hereto;
- (b) an amendment or waiver which changes or relates to the rights and/or obligations of the Agent or the U.S. Agent shall also require the agreement of the Agent or the U.S. Agent, as applicable, thereto; and
- (c) an amendment or waiver which changes or relates to the rights or obligations of the Lenders under only one Credit Facility (but not the Lenders under the other Credit Facilities) shall only require the agreement of a Majority of the Lenders under such affected Credit Facility or all of the Lenders under such affected Credit Facility, as the case may.

Any such waiver and any consent by the Agent, the U.S. Agent, any Lender, the Majority of the Lenders or all of the Lenders under any provision of this Agreement must be in writing and may be given subject to any conditions thought fit by the person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

16.11 Further Assurances

The Borrowers, the Lenders, the U.S. Agent and the Agent shall promptly cure any default by it in the execution and delivery of this Agreement, the other Documents or any of the agreements provided for hereunder to which it is a party. The Borrowers, at their expense, shall promptly execute and deliver to the Agent or the U.S. Agent, as applicable, upon request by the Agent or the U.S. Agent (each acting reasonably), all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for the Borrowers' compliance with, or accomplishment of the covenants and agreements of the Borrowers hereunder or more fully to state the obligations of the Borrowers as set out herein or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

16.12 Attornment

The parties hereto each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to the Documents. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of any party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

16.13 Time of the Essence

Time shall be of the essence of this Agreement.

16.14 Credit Agreement Governs

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other Documents, the provisions of this Agreement, to the extent of the conflict or inconsistency, shall govern and prevail.

16.15 Know Your Customer Laws

The Borrowers shall promptly provide all information, including supporting documentation and other evidence, as may be reasonably requested by any Lender, the U.S. Agent or the Agent, in order to comply with any applicable Anti-Money Laundering Laws, whether now or hereafter in existence.

16.16 USA PATRIOT Act

Each of the U.S. Agent, the U.S. Syndicated Revolving Facility Lenders and the U.S. Operating Facility Lender hereby notifies CES and its Subsidiaries that pursuant to the requirements of the USA PATRIOT Act it is required to obtain, verify and record information that identifies CES and its Subsidiaries, which information includes the name and address of such person and other information that will allow the U.S. Agent, U.S. Syndicated Revolving Facility Lenders and the U.S. Operating Facility Lender to identify each person in accordance with the USA PATRIOT Act.

16.17 WAIVER OF JURY TRIAL

EACH OF CES ENERGY SOLUTIONS, CES AND ITS SUBSIDIARIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, EACH DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF SUCH PERSON OR ANY OTHER PERSON IN CONNECTION THEREWITH. EACH OF CES ENERGY SOLUTIONS, CES AND ITS SUBSIDIARIES ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR SUCH PERSON ENTERING INTO THE DOCUMENTS.

16.18 Acknowledgment and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

16.19 Acknowledgment Regarding Any Supported QFCs

To the extent that the Documents provide support, through a guarantee or otherwise, for Financial Instruments or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

- (a) In the event a Covered Entity that is a party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised

under the U.S. Special Resolution Regime if the Supported QFC and the Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 16.19, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any one of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b);
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

16.20 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. Delivery by a party of an executed signature page of this Agreement by portable document format (.pdf) or any other electronic means intended to preserve the original graphic and pictorial appearance of a signature has the same effect as delivery of an executed original of this Agreement.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**CANADIAN ENERGY SERVICES L.P. by its
general partner CANADIAN ENERGY
SERVICES INC.**

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Chief Financial Officer

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

AES DRILLING FLUIDS HOLDINGS, LLC

By: (signed) – “*signed*”
Name: **[Redacted Personal Information]**
Title: Manager

LENDERS:

THE BANK OF NOVA SCOTIA

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Director, National Accounts

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Director, Execution, national
Accounts

THE TORONTO-DOMINION BANK

By: (signed) – “*signed*”
Name: **[Redacted Personal Information]**
Title: Senior Manager Commercial
Credit

By: (signed) – “*signed*”
Name: **[Redacted Personal Information]**
Title: Credit Analyst

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: (signed) – “*signed*”
Name: **[Redacted Personal Information]**
Title: Director

ATB FINANCIAL

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Director, Corporate Banking

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Associate Director

**THE BANK OF NOVA SCOTIA, HOUSTON
BRANCH**

By: (signed) – “*signed*”
Name: **[Redacted Personal Information]**
Title: Managing Director

THE BANK OF MONTREAL

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Director

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Managing Director

**THE BANK OF MONTREAL, acting via its
Chicago Branch**

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: US Field Manager

AGENT:

**THE BANK OF NOVA SCOTIA,
in its capacity as the Agent**

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Director

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Associate

U.S. AGENT:

**THE BANK OF NOVA SCOTIA,
in its capacity as the U.S. Agent**

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Director

By: (signed) – “signed”
Name: **[Redacted Personal Information]**
Title: Associate

SCHEDULE A

LENDERS AND COMMITMENTS

Lender	Canadian Syndicated Facility	Canadian Operating Facility	U.S. Syndicated Revolving Facility	U.S. Operating Facility
The Bank of Nova Scotia	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]		
The Bank of Nova Scotia, Houston Branch			[Redacted – commercially sensitive information]	
Wells Fargo Bank, National Association	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]
ATB Financial	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	
The Toronto- Dominion Bank	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	
Bank of Montreal	[Redacted – commercially sensitive information]		[Redacted – commercially sensitive information]	
Total:	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]	[Redacted – commercially sensitive information]

SCHEDULE B

FORM OF LENDER ASSIGNMENT AGREEMENT

THIS LENDER ASSIGNMENT AGREEMENT is made as of the [●] day of [●],[●]

BETWEEN:

[●]

(hereinafter referred to as the “**Assignor**”),

OF THE FIRST PART,

- and -

[●]

(hereinafter referred to as the “**Assignee**”),

OF THE SECOND PART,

-and

CANADIAN ENERGY SERVICES L.P., a limited partnership existing under the laws of Ontario (“**CES**”) and **AES DRILLING FLUIDS HOLDINGS, LLC**, a limited liability company existing under the laws of Delaware (“**AES**” and together with CES, the (“**Borrowers**”),

OF THE THIRD PART,

- and -

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, as agent and as collateral agent (hereinafter referred to as the “**Agent**”),

OF THE FOURTH PART,

- and -

[**THE BANK OF NOVA SCOTIA**, as **Fronting Lender in connection with the Canadian Syndicated Facility** (hereinafter referred to as the “**Fronting Lender**”),]

OF THE FIFTH PART,

- and -

[**THE BANK OF NOVA SCOTIA, HOUSTON BRANCH** as **U.S. Fronting Lender in connection with the U.S. Syndicated Revolving Facility** (hereinafter referred to as the “**U.S. Fronting Lender**”),]

OF THE SIXTH PART.

WHEREAS the Assignor is a Lender under the third amended and restated credit agreement made as of September 1, 2022 between the Borrowers, the Lenders and the Agent (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”);

AND WHEREAS the Assignor has agreed to assign and transfer to the Assignee certain rights under the Credit Agreement in compliance with the Credit Agreement, and the Assignee has agreed to accept such rights and assume certain obligations of the Assignor under the Credit Agreement;

AND WHEREAS this Agreement is delivered pursuant to Section 16.6 of the Credit Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the parties hereby agree as follows:

1. INTERPRETATION

- (a) In this Agreement, including the recitals, capitalized terms used herein, and not otherwise defined herein, shall have the same meanings attributed thereto as set forth in the Credit Agreement. In addition, the following terms shall have the following meanings:
 - (i) “**Assigned Commitment**” has the meaning set forth in Section 2 hereof;
 - (ii) “**Assigned Interests**” has the meaning set forth in Section 2 hereof;
 - (iii) “**Assumed Obligations**” has the meaning set forth in Section 4 hereof; and
 - (iv) “**Outstanding SOFR Loans and Assignor BAs**” has the meaning set forth in Section 3 hereof.
- (b) The division of this Agreement into Articles, Sections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- (c) In this Agreement:
 - (i) the terms “**this Agreement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions refer, unless otherwise specified, to this Lender Assignment Agreement taken as a whole and not to any particular section, subsection or paragraph;
 - (ii) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa; and
 - (iii) words and terms denoting inclusiveness (such as “**include**” or “**includes**” or “**including**”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.
- (d) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of

Alberta, without prejudice to the rights of the parties to take proceedings in any other jurisdictions.

- (e) If any provision of this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction, it shall not affect the validity, legality or enforceability of any such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Agreement.

2. ASSIGNMENT OF RIGHTS BY ASSIGNOR

Effective as of the date hereof, the Assignor hereby absolutely assigns and transfers to the Assignee:

- (a) subject as provided in Section 3(a) hereof, **[all OR [•]% of all]** of the Assignor's right, title and interest in, to and under each of the outstanding Loans and other Obligations owing by CES to the Assignor under the **[Canadian Syndicated Facility/Canadian Operating Facility]**, as more particularly described in Exhibit A attached hereto; and
- (b) **[all OR [•]%)** of the Assignor's **[Canadian Syndicated Facility/Canadian Operating Facility]** Commitment, being **Cdn. \$•** of such **[Canadian Syndicated Facility/Canadian Operating Facility]** Commitment (the "**Assigned Commitment**"),

together with all of the Assignor's other rights under the Credit Agreement and the other Documents but only insofar as such other rights relate to (a) and (b) above (collectively, the "**Assigned Interests**").

3. OUTSTANDING SOFR LOANS AND ASSIGNOR BAS

- (a) The parties hereby acknowledge that, on the date hereof, SOFR Loans and Bankers' Acceptances accepted by the Assignor and each having terms to maturity ending on or after the date hereof may be outstanding (collectively, the "**Outstanding SOFR Loans and Assignor BAS**"). Notwithstanding any provision of the Credit Agreement or this Agreement, the Assignee shall have no right, title, benefit or interest in or to any Outstanding SOFR Loans and Assignor BAS. The Assignee shall assume no liability or obligation to the Assignor in respect of such Outstanding SOFR Loans and Assignor BAS, including in respect of the failure of CES to reimburse the Assignor for any Bankers' Acceptances accepted by the Assignor on the maturity thereof or any fees or other amounts due in respect thereof.
- (b) From time to time, as the Outstanding SOFR Loans and Assignor BAS mature and Rollovers and Conversions are made by CES in respect thereof, the Assignee shall participate in the Loans effecting such Rollovers and Conversions to the full extent of its Assigned Commitment in its capacity as a Lender.

4. ASSUMPTION OF OBLIGATIONS BY ASSIGNEE

The Assignee assumes and covenants and agrees to be responsible for all obligations relating to the Assigned Interests to the extent such obligations arise or accrue on or after the date hereof (collectively, the "**Assumed Obligations**") and agrees that it will be bound by the Credit Agreement and the other Documents to the extent of the Assumed Obligations as fully as if it had been an original party to the Credit Agreement.

5. CREDIT AGREEMENT REFERENCES; NOTICES EFFECTIVE AS OF THE DATE HEREOF:

- (a) the Assignee shall be a Lender for all purposes of the Credit Agreement and the other Documents and all references therein to “**Lenders**” or “**a Lender**” shall be deemed to include the Assignee;
- (b) the **[Canadian Syndicated Facility Commitment/Canadian Operating Facility Commitment]** of the Assignee shall be the Assigned Commitment and all references in the Credit Agreement to **[“Canadian Syndicated Facility Commitment/Canadian Operating Facility Commitment”]** of the Assignee shall be deemed to be to the Assigned Commitment;
- (c) any demand, notice or communication to be given to the Assignee in accordance with section 16.3 of the Credit Agreement shall be made or given to the following address or telecopy number (until the Assignee otherwise gives notice in accordance with such section 16.3): **[●]**; and
- (d) Schedule A to the Credit Agreement shall be deemed to be and is hereby amended to the extent necessary to give effect to the assignment of the Assigned Commitment contemplated hereby and to give effect to Sections 5(a), 5(b) and 5(c) hereof.

6. THE AGENTS

Without in any way limiting the provisions of Section 4 hereof, the Assignee irrevocably appoints and authorizes each of the Agents, as applicable, to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Documents as are delegated to such Agents by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with the provisions of the Credit Agreement.

7. NO ENTITLEMENT TO PRIOR INTEREST OR OTHER FEES

Except as otherwise agreed in writing between the Assignor and the Assignee, notwithstanding any provision of the Credit Agreement or other Documents or any other provision of this Agreement, the Assignee shall have no right, title or interest in or to any interest or fees paid or to be paid to the Assignor under, pursuant to or in respect of:

- (a) the fees paid to the Assignor in respect of the establishment of the Credit Facilities;
- (b) **[the fees payable to the Agent pursuant to section 5.8 of the Credit Agreement; or]**
[Note: Section 7(b) to be inserted for any assignment by the Agent.]
- (c) the Loans, the Credit Facilities or the Credit Agreement for any period of time or in respect of any event or circumstance prior to the date hereof, including, without limitation, any standby fees pursuant to section 5.7 of the Credit Agreement. For certainty, with respect to the Assigned Interests, the Assignor shall be solely entitled to the interest payable in respect of that portion of the Interest Period of an unmatured SOFR Loan occurring prior to the date hereof.

8. CONSENT OF CES AND THE AGENT AND THE FRONTING LENDER

CES, the Agent and the Fronting Lender hereby consent to the assignment of the Assigned Interests to the Assignee and the assumption of the Assumed Obligations by the Assignee and agree to recognize the Assignee as a Lender under the Credit Agreement as fully as if the Assignee had been an original party to the Credit Agreement. [CES, the Agent and the Fronting Lender agree that the Assignor shall have no further liability or obligation in respect of the Assumed Obligations.]

[NOTE: Delete the square-bracketed second sentence of Section 8 hereof in the case of an assignment to an affiliate of the Assignor, as provided in the Credit Agreement.]

9. REPRESENTATIONS AND WARRANTIES

Each of the parties, other than CES, hereby represents and warrants to the other parties, other than CES, as follows:

- (a) it is duly incorporated and validly subsisting under the laws of its governing jurisdiction;
- (b) it has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder and under the Credit Agreement and the other Documents;
- (c) the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary corporate and other action and this Agreement constitutes a legal, valid and binding obligation of such party enforceable against it in accordance with its terms; and
- (d) all Governmental Authorizations, if any, required for the execution, delivery, observance and performance by it of this Agreement, the Credit Agreement and the other Documents have been obtained and remain in full force and effect, all conditions have been duly complied with and no action by, and no notice to or other filing or registration with any Governmental Authority is required for such execution, delivery, observance or performance.

The Assignor represents and warrants to the Assignee that it has the right to sell to the Assignee the Assigned Interests and that the same are free and clear of all Security Interests. The Assignor also represents and warrants to the Assignee that it has not received written notice of any Default or Event of Default having occurred under the Credit Agreement which is continuing.

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement and notwithstanding any examinations or investigations which may be made by the parties or their respective legal counsel.

Except as expressly provided herein, the Assignee confirms that this Agreement is entered into by the Assignee without any representations or warranties by the Assignor, the Agent or the Fronting Lender on any matter whatsoever, including, without limitation, on the effectiveness, validity, legality, enforceability, adequacy or completeness of the Credit Agreement or any Document delivered pursuant thereto or in connection therewith or any of the terms, covenants and conditions therein or on the financial condition, creditworthiness, condition, affairs, status or nature of CES Energy Solutions Corp. and its Subsidiaries.

10. ASSIGNEE CREDIT DECISION

The Assignee acknowledges to the Assignor and the Agent that the Assignee has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of CES Energy Solutions Corp. and its Subsidiaries, all of the matters and transactions contemplated herein and in the Credit Agreement and other Documents and all other matters incidental to the Credit Agreement and the other Documents. The Assignee confirms with the Assignor and the Agent that it does not rely, and it will not hereafter rely, on the Agent or the Assignor:

- (a) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by CES Energy Solutions Corp., CES, AES, any Subsidiary thereof or any other person under or in connection with the Credit Agreement and other Documents or the transactions therein contemplated (whether or not such information has been or is hereafter distributed to the Assignee by the Agent); or
- (b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of CES Energy Solutions Corp. and its Subsidiaries.

The Assignee acknowledges that a copy of the Credit Agreement (including a copy of the Schedules) has been made available to it for review and further acknowledges and agrees that it has received copies of such other Documents and such other information that it has requested for the purposes of its investigation and analysis of all matters related to this Agreement, the Credit Agreement, the other Documents and the transactions contemplated hereby and thereby. The Assignee acknowledges that it is satisfied with the form and substance of the Credit Agreement and the other Documents.

11. PAYMENTS

The Assignor and the Assignee acknowledge and agree that all payments under the Credit Agreement in respect of the Assigned Interests from and after the date hereof received by the Agent on or after the date hereof shall be the property of the Assignee and the Agent shall be entitled to treat the Assignee as solely entitled thereto.

12. AMENDMENTS AND WAIVERS

Any amendment or modification or waiver of any right under any provision of this Agreement shall be in writing (in the case of an amendment or modification, signed by the parties) and any such waiver shall be effective only for the specific purpose for which given and for the specific time period, if any, contemplated therein. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach.

13. GENERAL PROVISIONS

- (a) The parties hereto shall from time to time and at all times do all such further acts and things and execute and deliver all such documents as are reasonably required in order to fully perform and carry out the terms of this Agreement.
- (b) The provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

- (c) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one full set of counterparts.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by its duly authorized representative(s) as of the date first above written.

[•], as Assignor

Per: _____
[•]

Per: _____
[•]

[•], as Assignee

Per: _____
[•]

Per: _____
[•]

**CANADIAN ENERGY SERVICES L.P., by its
general partner, CANADIAN ENERGY SERVICES
INC.**

Per: _____
[•]

Per: _____
[•]

THE BANK OF NOVA SCOTIA, in its capacity as
Agent

Per: _____
[•]

Per: _____
[•]

[THE BANK OF NOVA SCOTIA], in its capacity as
Fronting Lender

Per: _____
[•]

Per: _____
[•]

EXHIBIT A

Assignor [Canadian Syndicated Facility/Canadian Operating Facility]

Cdn.\$●

SCHEDULE C

COMPLIANCE CERTIFICATE

TO: The Bank of Nova Scotia, in its capacity as agent of the Lenders (the “**Agent**”)

AND TO: The Bank of Nova Scotia, in its capacity as agent of the U.S. Syndicated Revolving Facility Lenders (the “**U.S. Agent**”)

AND TO: Each of the Lenders

1. Reference is made to the third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. (“**CES**”) and AES Drilling Fluids Holdings, LLC (“**AES**”), as borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and the Agent and relating to the establishment of certain credit facilities in favour of the Borrowers (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings attributed to such terms in the Credit Agreement.
2. This Compliance Certificate is delivered to the Lender pursuant to Section 10.1(e)(iv) of the Credit Agreement.
3. The undersigned, [name], [President/Chief Financial Officer/Vice President Finance/Finance Director/Treasurer/Corporate Controller] of Canadian Energy Services Inc., the general partner of CES, hereby certifies that, as of the date of this Compliance Certificate, I have made or caused to be made such investigations as are necessary or appropriate for the purposes of this Compliance Certificate and:
 - (a) the consolidated financial statements of CES Energy Solutions Corp. for the [fiscal quarter OR fiscal year] ending [●],[●] provided to the Agent pursuant to Section 10.1(e) of the Credit Agreement were prepared in accordance with generally accepted accounting principles and present fairly, in all material respects, the consolidated financial position of CES Energy Solutions Corp. as at the date thereof;
 - (b) the representations and warranties made by CES in Section 9.1 of the Credit Agreement are true and accurate in all respects as at the date hereof, except as has heretofore been notified to the Agent by CES in writing [or except as described in Schedule ____ hereto];
 - (c) no event has occurred or is continuing which would constitute a Default or Event of Default, except as has heretofore been notified to the Agent by CES in writing [or except as described in Schedule ____ hereto];
 - (d) as at the end of the aforementioned [fiscal quarter OR fiscal year], the Net Senior Debt to EBITDA Ratio was [●]:1.0; attached hereto as Exhibit A is a determination of such financial ratio as at the end of the aforementioned [fiscal quarter OR fiscal year], together with particulars of each of the definitions and elements included in the determination of such financial ratio;
 - (e) as at the end of the aforementioned [fiscal quarter OR fiscal year], the EBITDA to Interest Expense Ratio was [●]:1.0; attached hereto as Exhibit C is a determination of such financial ratio as at the end of the aforementioned [fiscal quarter OR fiscal year], together

with particulars of each of the definitions and elements included in the determination of such financial ratio;

- (f) as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, the aggregate amount of Applicable Gross Receivables and Applicable Inventory was [●]; attached hereto as Exhibit D is a determination of such calculation as at the end of the aforementioned **[fiscal quarter OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such calculation; **[NTD: Only applicable during the Reduced Interest Coverage Period];**
- (g) Schedule ____ hereto contains a list of all Material Subsidiaries;
- (h) Schedule ____ hereto contains a summary of the consolidated accounts payable of CES for the **[fiscal quarter OR fiscal year]** ending [●],[●] provided to the Agent pursuant to Section 10.1(e) of the Credit Agreement; and
- (i) **[Schedule ____ hereto contains a report on the status of all outstanding Financial Instruments of CES, CES Energy Solutions Corp. and their Subsidiaries to the extent that such status is not detailed in the financial statements of CES Energy Solutions Corp. accompanying this Compliance Certificate.]**

I give this Compliance Certificate on behalf of CES and in my capacity as the **[President/Chief Financial Officer/Vice President Finance/Finance Director/Treasurer/Corporate Controller]** of Canadian Energy Services Inc., the general partner of CES, and no personal liability is created against or assumed by me in the giving of this Certificate.

Dated at [●], this [●] day of [●],[●].

Name:

Title: **[President/Chief Financial Officer/Vice President Finance/Finance Director/Treasurer/Corporate Controller]**

SCHEDULE D

CONVERSION NOTICE

TO: **[The Bank of Nova Scotia, in its capacity as Agent]**

OR

[The Bank of Nova Scotia, in its capacity as U.S. Agent]

OR

[Wells Fargo Bank, National Association, in its capacity as U.S. Operating Lender]

DATE: _____

1. This Conversion Notice is delivered to you pursuant to the terms and conditions of the third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. (“**CES**”) and AES Drilling Fluids Holdings, LLC (“**AES**”), as Borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and The Bank of Nova Scotia, as agent, and relating to the establishment of certain credit facilities in favour of the Borrowers (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Conversion Notice shall have the respective meanings set forth in the Credit Agreement.

2. **[CES or AES]** hereby requests a Conversion as follows:

(a) Conversion Date: _____

(b) Conversion of the following Loans under the referenced Credit Facility:

(i) Type of Loan and Credit Facility: _____

(ii) Amount being converted: _____

(iii) Interest Period maturity (for SOFR Loans and Bankers’ Acceptances): _____

INTO the following Loan under the same Credit Facility:

(iv) Type of Loan: _____

(v) Interest Period (specify term of SOFR Loans and Bankers’ Acceptances): _____

(vi) Marketed by Borrower (for Bankers’ Acceptances): yes ____no ____

(c) Payment, delivery or issuance instructions (if any): _____

Yours very truly,

**[CANADIAN ENERGY SERVICES L.P., by its
general partner, CANADIAN ENERGY SERVICES
INC.] OR [AES DRILLING FLUIDS HOLDINGS,
LLC]**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE E

DRAWDOWN NOTICE

TO: **[The Bank of Nova Scotia, in its capacity as Agent]**

OR

[The Bank of Nova Scotia, in its capacity as U.S. Agent]

OR

[Wells Fargo Bank, National Association, in its capacity as U.S. Operating Lender]

DATE: _____

1. This Drawdown Notice is delivered to you pursuant to the terms and conditions of the third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. (“**CES**”) and AES Drilling Fluids Holdings, LLC (“**AES**”), as Borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and The Bank of Nova Scotia, as agent, and relating to the establishment of certain credit facilities in favour of the Borrowers (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Drawdown Notice shall have the respective meanings set forth in the Credit Agreement.

2. **[CES or AES]** hereby requests a Drawdown as follows:

(a) Drawdown Date: _____

(b) Amount of Drawdown: _____
(specify aggregate face amount on liability in the case of Bankers’ Acceptance)

(c) Type of Loan and Credit Facility: _____

(d) Interest Period (specify term for SOFR Loans, Bankers’ Acceptances and Letters of Credit):

(e) Marketed by Borrower (for Bankers’ Acceptances): yes ____no ____

(f) Payment, delivery or issuance instructions (if any): _____

Yours very truly,

**[CANADIAN ENERGY SERVICES L.P., by its
general partner, CANADIAN ENERGY SERVICES
INC.] OR [AES DRILLING FLUIDS HOLDINGS,
LLC]**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE F

REPAYMENT NOTICE

TO: **[The Bank of Nova Scotia, in its capacity as Agent]**

OR

[The Bank of Nova Scotia, in its capacity as U.S. Agent]

OR

[Wells Fargo Bank, National Association, in its capacity as U.S. Operating Lender]

DATE: _____

1. This Repayment Notice is delivered to you pursuant to the terms and conditions of the third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. (“**CES**”) and AES Drilling Fluids Holdings, LLC (“**AES**”), as Borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and The Bank of Nova Scotia, as agent, and relating to the establishment of certain credit facilities in favour of the Borrowers (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Repayment Notice shall have the respective meanings set forth in the Credit Agreement.

2. **[CES or AES]** hereby gives notice of a repayment as follows:

- (a) Date of repayment: _____
- (b) Loan(s) and Credit Facility: _____
- (c) Interest Period maturity (specify for SOFR Loans, Bankers’ Acceptances and Letters of Credit): _____
- (d) Amount being repaid (Specify aggregate face amount at maturity in the case of Bankers’ Acceptances): _____

Yours very truly,

**[CANADIAN ENERGY SERVICES L.P., by its
general partner, CANADIAN ENERGY SERVICES
INC.] OR [AES DRILLING FLUIDS HOLDINGS,
LLC]**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SCHEDULE G

ROLLOVER NOTICE

TO: **[The Bank of Nova Scotia, in its capacity as Agent]**

OR

[The Bank of Nova Scotia, in its capacity as U.S. Agent]

OR

[Wells Fargo Bank, National Association, in its capacity as U.S. Operating Lender]

DATE: _____

1. This Rollover Notice is delivered to you pursuant to the terms and conditions of the third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. (“**CES**”) and AES Drilling Fluids Holdings, LLC (“**AES**”), as Borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and The Bank of Nova Scotia, as agent, and relating to the establishment of certain credit facilities in favour of the Borrowers (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”). Unless otherwise expressly defined herein, capitalized terms set forth in this Rollover Notice shall have the respective meanings set forth in the Credit Agreement.

2. **[CES or AES]** hereby requests a Rollover as follows:

(a) Rollover Date: _____

(b) Amount of Rollover: _____

(c) Type of Loan and Credit Facility: _____

(d) New Interest Period (specify term of SOFR Loans, Bankers’ Acceptances and Letters of Credit): _____

(e) Marketed by Borrower (for Bankers’ Acceptances): yes ____no ____

(f) Payment, delivery or issuance instructions (if any): _____

Yours very truly,

**[CANADIAN ENERGY SERVICES L.P., by its
general partner, CANADIAN ENERGY SERVICES
INC.] OR [AES DRILLING FLUIDS HOLDINGS,
LLC]**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE H

AMENDED AND RESTATED PROMISSORY NOTE

Lender: WELLS FARGO BANK, NATIONAL ASSOCIATION

Calgary, Alberta

Principal Amount: U.S.\$10,000,000

●, 2022

FOR VALUE RECEIVED, the undersigned, AES Drilling Fluids Holdings, LLC, a limited liability company existing under the laws of Delaware (the “**Borrower**”), hereby promises to pay to the order of the Lender set forth above (the “**Lender**”) the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of the U.S. Operating Facility (as defined in the Credit Agreement referred to below) of the Lender to the Borrower, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of the U.S. Operating Facility from the date made until such principal amount is paid in full, payable at such times and at such interest rates as are specified in the Credit Agreement. Demand, diligence, presentment, protest, and notice of non-payment and protest are hereby waived by the Borrower.

Both principal and interest are payable in U.S. Dollars to the Lender, in immediately available funds.

This Amended and Restated Promissory Note is the Promissory Note defined in the third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. and the Borrower, as borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and The Bank of Nova Scotia, as agent on behalf of the lenders, and relating to the establishment of certain credit facilities in favour of the borrowers (as amended, restated, supplemented, or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used herein without definition are used as defined in the Credit Agreement. Any Promissory Notes issued pursuant to the terms of the Original Credit Agreement are hereby amended, restated and replaced by this Amended and Restated Promissory Note.

The Credit Agreement, among other things, (a) provides for the making of SOFR Loans and U.S. Prime Rate Loans by the Lender to the Borrower in an aggregate amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrower resulting from such SOFR Loans and U.S. Prime Rate Loans being evidenced by this Note, and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein.

This Amended and Restated Promissory Note is a Document under the Credit Agreement and is entitled to the benefits of the Documents, and is subject to certain provisions of the Credit Agreement, including Sections 1.4 and 16.3 thereof.

This Amended and Restated Promissory Note is a registered obligation, transferable only upon notation in the Lender’s book of accounts, pursuant to Section 4.1 of the Credit Agreement, and no assignment hereof shall be effective until recorded therein.

This Amended and Restated Promissory Note shall be governed by, and construed and interpreted in accordance with, the law of the Province of Alberta.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

AES Drilling Fluids Holdings, LLC

By: _____
Name:
Title:

SCHEDULE I

DISPOSITION CERTIFICATE

TO: The Bank of Nova Scotia, in its capacity as agent of the Lenders (the “**Agent**”)

AND TO: The Bank of Nova Scotia, in its capacity as agent of the U.S. Syndicated Revolving Facility Lenders (the “**U.S. Agent**”)

1. Reference is made to third amended and restated credit agreement made as of September 1, 2022 between Canadian Energy Services L.P. (“**CES**”) and AES Drilling Fluids Holdings, LLC (“**AES**”), as borrowers, The Bank of Nova Scotia and the other financial institutions party thereto in their capacity as Lenders and the Agent and relating to the establishment of certain credit facilities in favour of the Borrowers (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings attributed to such terms in the Credit Agreement.
2. This certificate is delivered to the Lender pursuant to Section 10.2(d) of the Credit Agreement.
3. The undersigned, [name], [**President/Chief Financial Officer/Vice President Finance/Finance Director/Treasurer/Corporate Controller**] of Canadian Energy Services Inc., the general partner of CES, hereby certifies that, as of the date of this certificate, I have made or caused to be made such investigations as are necessary or appropriate for the purposes of this certificate and:
 - (a) the proposed sale, transfer or disposal of assets or property, in any calendar year, is not, based on fair market value of such assets or property, in excess of 10% of the net book value of CES Energy Solutions’ assets calculated annually and based on the most recent audited consolidated financial statements delivered to the Agent and the Lenders; and
 - (b) no event has occurred or is continuing which would constitute a Default or Event of Default, except as has heretofore been notified to the Agent by CES in writing [**or except as described in Schedule ____ hereto**].

I give this certificate on behalf of CES and in my capacity as the [**President/Chief Financial Officer/Vice President Finance/Finance Director/Treasurer/Corporate Controller**] of Canadian Energy Services Inc., the general partner of CES, and no personal liability is created against or assumed by me in the giving of this Certificate.

Dated at [•], this [•] day of [•],[•].

Name:

Title: [**President/Chief Financial Officer/Vice President Finance/Finance Director/Treasurer/Corporate Controller**]

SCHEDULE J

Outstanding LIBOR Loans

September 2, 2022 LIBOR Rollover Loans:

Borrower	LIBOR Loans	Maturity Date
CES	\$1,000,000.00	September 2, 2022
AES	\$3,600,000.00	September 2, 2022

* The above-mentioned Libor Loans shall convert to SOFR Loans on September 2, 2022. Conversion Notices for the above-mentioned Libor Loans were delivered to the Agent and the U.S. Agent, as applicable, on August 30, 2022, pursuant to the terms of the Original Credit Agreement.

CES

LIBOR Loans	Maturity Date
\$66,900,000.00	September 16, 2022
\$19,500,000.00	September 9, 2022
\$2,500,000.00	September 9, 2022

AES

LIBOR Loans	Maturity Date
\$12,800,000.00	September 9, 2022
\$10,000,000.00	September 16, 2022

SCHEDULE 10.2(o)Controlled Accounts

Account Number	Account Bank	Account Holder
6550207756 (USD)	J.P. Morgan Bank Luxembourg S.A.	CESH International Financing Korlatolt Felelossegu Tarsag
6550207757 (USD)	J.P. Morgan Bank Luxembourg S.A.	CESH International Technology Korlatolt Felelossegu Tarsag
6550207684 (USD)	J.P. Morgan Bank Luxembourg S.A.	CESH International Financing Sucursal Uruguay
6550207754 (USD)	J.P. Morgan Bank Luxembourg S.A.	CES Holdings Luxembourg S.à r.l.
6550207755 (USD)	J.P. Morgan Bank Luxembourg S.A.	CES International Operations S.à r.l.
6550207090 (USD)	J.P. Morgan Bank Luxembourg S.A.	AES Drilling Fluids Holdings, LLC