

**NOTEHOLDER SUPPORT AGREEMENT**

This support agreement dated as of July 13, 2020 (together with all schedules annexed hereto and incorporated herein, the "**Agreement**") is entered into by and among: (i) Calfrac Well Services Ltd. (the "**Company**"), (ii) Calfrac Holdings LP and Calfrac Well Services Corp. (each a "**Company Subsidiary**" and collectively, the "**Company Subsidiaries**"), and (iii) each of the other signatories to this Agreement (or a Joinder Agreement (as defined herein)) (each a "**Consenting Noteholder**", and collectively the "**Consenting Noteholders**"), with each Consenting Noteholder being a holder of, and/or investment advisor or manager with sole investment discretion with respect to holdings in, the Company's Senior Unsecured Notes (as defined herein) issued pursuant to the Senior Unsecured Note Indenture (as defined herein), regarding a recapitalization transaction (the "**Transaction**") pursuant to which, among other things, all of the Company's Senior Unsecured Notes will be exchanged for New Common Shares (each as defined herein) pursuant to a plan of arrangement (the "**CBCA Plan**") to be implemented pursuant to proceedings (the "**CBCA Proceedings**") under the *Canada Business Corporations Act* (the "**CBCA**") and the Company will obtain additional financing pursuant to the New Financing, subject to the terms and conditions set forth in this Agreement and the term sheet attached hereto as Schedule C (the "**Term Sheet**"), and/or as may otherwise be agreed by the Company and the Initial Consenting Noteholders (as defined herein) together with any additional consents required pursuant to the Commitment Letter (as defined herein).

Capitalized terms used but not otherwise defined in the main body of this Agreement have the meanings given to them in Schedule A hereto or the Term Sheet, as applicable. The Company, the Company Subsidiaries and the Consenting Noteholders are collectively referred to herein as the "**Parties**" and each of the Company and each Consenting Noteholder is a "**Party**".

In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

**1. Transaction**

The principal terms of the Transaction (the "**Transaction Terms**") as agreed among the Parties are set forth in this Agreement and the Term Sheet, and, except as it relates to portions of the New Financing, will be set forth in the CBCA Plan. The Term Sheet is incorporated herein and made part of this Agreement. In the case of a conflict between the provisions contained in the main body of this Agreement and the Term Sheet, the provisions of the Term Sheet shall govern. In the case of a conflict between the provisions contained in this Agreement or the Term Sheet and the CBCA Plan, the terms of the CBCA Plan shall govern.

**2. Representations and Warranties of the Consenting Noteholders**

Each Consenting Noteholder, severally and not jointly, hereby represents and warrants to the Company (and hereby acknowledges that the Company is relying upon such representations and warranties) that:

- (a) as of the date hereof, it (A) is the sole legal and beneficial owner of, or (B) has the sole voting and investment discretion over, and the power and authority to bind the beneficial owner(s) of, the following:
  - (i) Senior Unsecured Notes in the aggregate principal amount set forth on its signature page to this Agreement (or its Joinder Agreement) (such Senior Unsecured Notes

being the "**Relevant Senior Unsecured Notes**", and the principal amount of the Relevant Senior Unsecured Notes together with all obligations in respect of the Relevant Senior Unsecured Notes, including all accrued and unpaid interest and any other amount that such Consenting Noteholder is entitled to claim in respect of the Relevant Senior Unsecured Notes, being its "**Relevant Senior Unsecured Debt**"), and no other Senior Unsecured Notes;

- (ii) Second Lien Notes, if any, in the aggregate principal amount set forth on its signature page to this Agreement (or its Joinder Agreement) (such Second Lien Notes being the "**Relevant Second Lien Notes**", and the principal amount of the Relevant Second Lien Notes together with all obligations in respect of the Relevant Second Lien Notes, including all accrued and unpaid interest and any other amount that such Consenting Noteholder is entitled to claim in respect of the Relevant Second Lien Notes, being its "**Relevant Second Lien Debt**"), and no other Second Lien Notes; and
  - (iii) that number of Existing Shares, if any, set forth on its signature page to this Agreement (or its Joinder Agreement) (such Existing Shares being the "**Relevant Shares**"), and no other Existing Shares;
- (b) it has the power and authority to vote or direct the voting of its Relevant Debt and Relevant Shares, and is not a party to or subject to any voting trust, voting agreement, proxy, power of attorney or other voting arrangement in respect of the voting of its Relevant Debt and Relevant Shares which would reasonably be expected to adversely affect the ability of such Consenting Noteholder to comply with its obligations under this Agreement, including its obligations under Section 4;
  - (c) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, and it has all requisite corporate or other power and capacity to enter into this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby;
  - (d) the execution and delivery of, and performance by such Consenting Noteholder of its obligations under, this Agreement do not (i) contravene its certificate of incorporation, articles, by-laws, partnership or membership agreement, limited partnership agreement or other organizational documents, as applicable, (ii) violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its assets, or (iii) conflict with, result in the breach of, constitute a default under, or require a consent under any contract material to such Consenting Noteholder, in all cases to the extent such contravention, violation, conflict, breach or default could reasonably be expected to prevent or delay the consummation of the Transaction;
  - (e) assuming the due authorization, execution and delivery by the Company and the Company Subsidiaries, this Agreement constitutes a legal, valid and binding obligation of such Consenting Noteholder, enforceable against it in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;
  - (f) it (i) is a sophisticated party with sufficient knowledge and experience to properly evaluate the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision, in the exercise of its independent judgment, to enter into this Agreement;

- (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied on the analysis or the decision of any Person other than its own members, employees, representatives or independent advisors;
- (g) neither its Relevant Debt nor its Relevant Shares are subject to any liens, charges, encumbrances, obligations or other restrictions that would reasonably be expected to adversely affect its ability to perform its obligations under this Agreement, including its obligations under Section 4;
- (h) other than, to the extent applicable in connection with the CBCA Plan, (i) the Interim Order and any approvals required by the Interim Order, and (ii) the Final Order, no authorization, approval, license, permit, order, authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required to be obtained or made by or with respect to such Consenting Noteholder in connection with the execution, delivery and performance by the Consenting Noteholder of this Agreement and consummation of the transactions herein or the performance of its obligations hereunder;
- (i) to the best of its knowledge, after due inquiry, there is no proceeding, claim or investigation pending before any Governmental Entity, or threatened against it or any of its properties that, individually or in the aggregate, would reasonably be expected to impair such Consenting Noteholder's ability to execute and deliver this Agreement and comply with its terms; and
- (j) it is resident in the jurisdiction indicated on its signature page to this Agreement.

### **3. The Company's Representations and Warranties**

The Company and each Company Subsidiary hereby represents and warrants to each Consenting Noteholder (and the Company and each Company Subsidiary hereby acknowledges that each Consenting Noteholder is relying upon such representations and warranties) that:

- (a) the Board has approved the Transaction;
- (b) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, and it has all requisite corporate power and corporate capacity to enter into this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby;
- (c) the execution and delivery of this Agreement by it and satisfaction of the obligations hereunder, and the completion of the transactions contemplated herein do not and will not, subject to obtaining all requisite approvals required in connection with the CBCA Plan and approval of the TSX: (i) violate or conflict in any material respect with any Law applicable to it or any of its property or assets; or (ii) result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other organizational or similar documents;
- (d) assuming the due authorization, execution and delivery by the Consenting Noteholders, this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to laws of general application and

bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

- (e) it: (i) is a sophisticated party with sufficient knowledge and experience to properly evaluate the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision, in the exercise of its independent judgment, to enter into this Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied on the analysis or the decision of any Person other than its own members, employees, representatives or independent advisors;
- (f) to the best of its knowledge, after due inquiry, there is not now pending or threatened against it, nor has it received written notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any Governmental Entity, which would reasonably be expected to impair its ability to execute and deliver this Agreement and to comply with its terms;
- (g) no Event of Default (as defined under the Senior Unsecured Note Indenture and the Second Lien Note Indenture, as applicable), other than any Event of Default arising from the CBCA Matter or any Interest Non-Payment, has occurred or is continuing under the Senior Unsecured Note Indenture or the Second Lien Note Indenture;
- (h) except as disclosed in the Information, there are no agreements (whether oral or written), arrangements or understandings (including any key employee retention plan or similar arrangement) with any director or officer of the Company pursuant to which any payment (including any severance payment, change of control payment, or bonus), compensation, consideration, or benefit is owed or will be owed or payable as a result of or upon the implementation of the Transaction;
- (i) except as disclosed in the Information, none of the Company's directors, officers or direct or indirect shareholders, or any associate or Affiliate of any such Person, (i) is a party to any loan, contract or agreement with the Company, or (ii) has been party to a transaction with the Company in the one (1) year period prior to the date of this Agreement;
- (j) it and its directors, officers and employees have and are conducting its business in material compliance with all applicable Laws (including any Laws regarding the environment and all permits, licenses and other authorizations which are required thereunder) and it has not received any notice or otherwise been advised that, it or its directors, officers or employees are not in material compliance with such Laws (including any Laws regarding the environment and all material permits, licenses and other authorizations which are required thereunder);
- (k) except as disclosed in the Information, it has no material liabilities or obligations (whether absolute, accrued, contingent or otherwise) other than liabilities incurred in the ordinary course of business;
- (l) except as disclosed in the Information, to the best of its knowledge, after due inquiry, there is no material litigation or other claims commenced or threatened in writing against it that would reasonably be expected to result in a material adverse change in respect of the Company;

- (m) to the best of its knowledge, after due inquiry, there are no undisclosed facts or circumstances relating to the Company or its business or assets which, if publicly disclosed, would reasonably be expected to be material to the determination of the Initial Consenting Noteholders to subscribe for New 1.5 Lien Notes in connection with the New Financing;
- (n) the financial statements issued by the Company on or after December 31, 2019, fairly reflect in all material respects as of the dates thereof, the consolidated financial condition of the Company and the results of its operations for the periods covered thereby and have been prepared in accordance with IFRS and, since December 31, 2019, there has been no material adverse change in the consolidated financial condition of the Company or its properties, assets, condition or undertakings except as publicly disclosed (including in financial statements issued by the Company on or after December 31, 2019);
- (o) it has complied with its public reporting obligations under applicable securities Laws in all material respects and all documents filed by the Company with the relevant securities regulators since December 31, 2019: (i) complied with all applicable securities Laws in all material respects; and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (p) it is authorized to issue an unlimited number of common shares without nominal or par value, of which 145,171,194 common shares are issued and outstanding as of the date hereof. There are no other outstanding shares or other equity securities of the Company, or options, warrants, convertible securities or rights of any kind to purchase or otherwise acquire shares or other securities of the Company, other than no more than 9,858,981 stock options and 890,770 performance share units; and
- (q) no order halting or suspending trading in securities of the Company or prohibiting the sale of such securities has been issued to and is outstanding against the Company, and to the best of its knowledge, after due inquiry, no investigations or proceedings for such purpose are pending or threatened.

#### **4. Consenting Noteholders' Covenants and Consents**

Commencing on the date hereof and continuing until the date this Agreement is terminated as to such Consenting Noteholder (unless otherwise set forth herein), subject to, and in consideration of, the terms and matters set forth in this Agreement, each Consenting Noteholder (severally and not jointly) hereby acknowledges, covenants and agrees:

- (a) subject to the terms and conditions of this Agreement, to support the Transaction and the Transaction Terms in respect of all of its Relevant Debt and Relevant Shares, and the implementation of the Transaction pursuant to the CBCA Plan;
- (b) not to, directly or indirectly:
  - (i) sell, assign, lend, pledge, mortgage or hypothecate, dispose or otherwise transfer (in each case, "**Transfer**") any of its Relevant Debt or Relevant Shares, or any rights or interests therein, including, but not limited to, the right to vote (or permit any of the foregoing with respect to any of its Relevant Debt or Relevant Shares), or enter into any agreement, arrangement or understanding in connection

therewith, except with the prior written consent of the Company; provided that, subject to applicable Laws, without the consent of the Company:

- (A) each Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to another Consenting Noteholder, provided that such transferring Consenting Noteholder shall within three (3) Business Days of such Transfer provide written notice to the Company and Bennett Jones LLP advising of (x) the Transfer by such Consenting Noteholder of Relevant Debt and/or Relevant Shares, and (y) the principal amount of Relevant Debt and/or the number of Relevant Shares subject to the Transfer, as applicable;
- (B) each Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to another fund or account or Affiliate that is managed by such Consenting Noteholder or any Affiliate of such Consenting Noteholder and for which such Consenting Noteholder has (and continues to exercise) sole voting and investment discretion with respect to the Relevant Debt and Relevant Shares subject to such Transfer, and such Consenting Noteholder shall continue to be bound by this Agreement in respect of all of the Relevant Debt and Relevant Shares;
- (C) each Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering a Joinder Agreement to Bennett Jones LLP (in each case, an "**Approved Transferee**") with respect to the transferred Relevant Debt and/or Relevant Shares, in which event the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement in respect of such transferred Relevant Debt and/or Relevant Shares;

*provided further*, that no Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to any Person specifically designated by the Company, in its reasonable business judgment, as a competitor of the Company, or any Affiliate, partner, member, manager, owner or principal of any such competitor, without the prior written consent of the Company. Any Transfer that does not comply with this Section 4(b)(i) shall be void *ab initio*; and

- (ii) except as contemplated by this Agreement, deposit any of its Relevant Debt or Relevant Shares into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Debt or Relevant Shares if such trust, grant, agreement, understanding or arrangement would be reasonably expected to adversely impact the ability of the Consenting Noteholder to comply with its obligations under this Agreement, including the obligations in this Section 4;
- (c) that if a Consenting Noteholder acquires additional Senior Unsecured Notes or Second Lien Notes other than the Relevant Debt ("**Additional Debt**") or additional Existing Shares of the Company other than the Relevant Shares (the "**Additional Shares**") that are not otherwise subject to this Agreement, such Additional Debt and/or Additional Shares shall

automatically and immediately upon acquisition by such Consenting Noteholder be deemed to constitute Relevant Debt (together with all accrued and unpaid interest thereon and any other amounts that the Consenting Noteholder is entitled to claim in respect of the Additional Debt) and Relevant Shares, respectively, of such Consenting Noteholder subject to all of the terms of this Agreement, and such Consenting Noteholder hereby agrees to provide written notice to the Company and Bennett Jones LLP advising of (i) the acquisition by such Consenting Noteholder of Additional Debt or Additional Shares, (ii) the principal amount of Additional Debt or the number of Additional Shares acquired by such Consenting Noteholder, as applicable, and (iii) the date of such acquisition, within three (3) Business Day of any such acquisition;

- (d) not to take any action, directly or indirectly, that is inconsistent with its obligations under this Agreement or that would frustrate, hinder or delay the consummation of the Transaction (which includes any applications to the TSX necessary to implement the Transaction Terms), *provided that* nothing in this Agreement shall restrict, limit, prohibit or preclude, in any manner not inconsistent with its obligations under this Agreement, any Consenting Noteholder from (i) appearing in Court with respect to any motion or application in the CBCA Proceedings and objecting to any relief sought by the Company to the extent such relief is inconsistent with the terms of this Agreement, (ii) enforcing any rights under this Agreement, including any consent or approval rights set forth herein, or (iii) contesting whether any matter, fact or thing is a breach of, or is inconsistent with, this Agreement, or exercising any rights or remedies reserved herein;
- (e) to vote (or cause to be voted) all of its Relevant Debt and Relevant Shares, as applicable:
  - (i) in favour of the approval, consent, ratification and adoption of the CBCA Plan (and any actions required in furtherance thereof, including the Shareholder Approval Matters) in accordance with the terms herein; and
  - (ii) against the approval, consent, ratification and adoption of any matter or transaction for the Company that, if approved, consented to, ratified or adopted could reasonably be expected to delay, challenge, frustrate or hinder the consummation of the Transaction and/or the CBCA Plan, as applicable;

and that it shall tender its proxy or voting instructions for any such vote in a timely manner in compliance with any applicable deadlines; provided that, for certainty, in respect of the CBCA Plan, it shall tender its proxy or voting instructions in favour of the CBCA Plan by the Consent Date;

- (f) not to propose, file, solicit, vote for (or cause to vote for), agree to or otherwise support any alternative offer, transaction (including exchange transaction), restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Company, including, without limitation, any proceeding or plan of arrangement under the CBCA, other legislation or otherwise, or note exchange transaction pursuant to an exchange offer or otherwise, that is inconsistent with the Transaction or this Agreement;
- (g) to use its commercially reasonable efforts to support, and to instruct its respective advisors to support, all motions filed by the Company in the CBCA Proceedings that are consistent with and in furtherance of this Agreement, the Transaction and the CBCA Plan;

- (h) if requested by the Company, to use commercially reasonable efforts to assist the Company in obtaining any required regulatory approvals and/or required material third party approvals to effect the Transaction, in each case at the sole expense of the Company;
- (i) to execute any and all documents and perform any and all commercially reasonable acts required by this Agreement to satisfy its obligations hereunder and complete the Transaction pursuant to the terms hereof, including any consent, approval, amendment or waiver reasonably requested by the Company that is consistent with this Agreement and required for the completion of the Transaction;
- (j) that, pursuant to this Agreement, any default or event of default under the Relevant Debt (or the Indentures relating thereto) that may occur solely as a direct result of the commencement and/or continuation of the CBCA Proceedings for the purpose of implementing the Transaction (the "**CBCA Matter**") is hereby waived, which waiver shall be irrevocable and shall survive any termination of this Agreement;
- (k) to forbear from enforcing any right, taking any action or initiating any proceeding in respect of any non-payment by the Company of interest in respect of the Relevant Debt ("**Interest Non-Payment**") during the period commencing on the date hereof and ending on the termination of this Agreement (the "**Forbearance Period**");
- (l) to consent in the CBCA Proceedings to a stay of proceedings in respect of any default as a result of the CBCA Matter or any Interest Non-Payment during the Forbearance Period (and to direct any trustee or agent in respect of any of the Relevant Debt to consent to such stay);
- (m) to forbear from exercising (or directing any trustee or agent in respect of any of the Relevant Debt to exercise) any remedies, powers or privileges, or from instituting (or directing any trustee or agent in respect of any of the Relevant Debt to institute) any enforcement actions or collection actions, with respect to any obligations under the Relevant Debt in connection with (i) the CBCA Matter or (ii) during the Forbearance Period, any Interest Non-Payment. In the event a Consenting Noteholder Transfers its Relevant Debt and/or Relevant Shares pursuant to Section 4(b) hereof, the Approved Transferee shall, immediately upon Transfer, be bound by this Agreement, including, without limitation, Sections 4(j), 4(k), 4(l) and 4(m) hereof;
- (n) subject to Sections 13 and 15, to the existence and terms of this Agreement, the Transaction and the Transaction Terms being set out in any public disclosure, including, without limitation, press releases and court materials, produced by the Company, and to this Agreement being filed on SEDAR and with the Court in connection with any CBCA Proceedings, as applicable; and
- (o) that it is dealing with each of the other Consenting Noteholders at arm's length for the purposes of the *Income Tax Act* (Canada) and that it will not, after the Effective Date, act in concert as a group without separate interests with any of the other Consenting Noteholders with respect to its investment in the Company.

## 5. Company's Covenants

Commencing on the date hereof and continuing until the date this Agreement is terminated as to the Company, subject to, and in consideration of, the matters set forth in this Agreement, the Company (on its own behalf and on behalf of the Company Subsidiaries) hereby acknowledges, covenants and agrees:

- (a) to the Transaction Terms and to support and take all reasonable actions necessary to implement the Transaction in accordance with this Agreement and on the timetable set forth herein;
- (b) to file the CBCA Plan on a timely basis consistent with the terms and conditions of this Agreement, recommend that any Person entitled to vote on the CBCA Plan vote in favour of the CBCA Plan, and take all commercially reasonable actions necessary to obtain any regulatory approvals required to implement the Transaction and to achieve the following timeline (which timeline may be extended at any time as agreed in writing (which may be by email) by the Company and the Initial Consenting Noteholders):
  - (i) file the application in the CBCA Proceedings seeking the Interim Order by no later than August 7, 2020;
  - (ii) obtain approval of the Interim Order by the Court by no later than August 7, 2020;
  - (iii) obtain approval of the Final Order by the Court by no later than September 11, 2020; and
  - (iv) implement the Transaction pursuant to the CBCA Plan on or prior to the Outside Date;
- (c) to provide draft copies of all motions or applications and other material documents with respect to the Transaction and the CBCA Plan that the Company intends to file with the Court in connection with the CBCA Proceedings or with the court overseeing the Chapter 15 Proceedings to the Ad Hoc Advisor at least two (2) Business Days prior to the date when the Company intends to file or otherwise disseminate such documents (or, where circumstances make it impracticable to allow for two (2) Business Days' review, with as much opportunity for review and comment as is practically possible in the circumstances), and all such filings and other documents submitted to the Court shall be in a form consistent with this Agreement and the Term Sheet and otherwise acceptable to the Initial Consenting Noteholders;
- (d) not to, directly or indirectly, without the prior written consent (which may be by email) of the Initial Consenting Noteholders, modify the Transaction, in whole or in part, in a manner that is inconsistent with the terms of this Agreement, or take any action that is materially inconsistent with, or is intended or is likely to interfere with or materially delay the consummation of, the Transaction;
- (e) to use commercially reasonable efforts to timely file, where applicable, a formal objection to any action by any Person seeking to object to, delay, impede or take any other action to interfere with the approval of implementation of the Transaction;
- (f) to use commercially reasonable efforts to (i) preserve intact in all material respects the current business operations of the Company, (ii) keep available the services of its current

officers and key employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties); and (iii) preserve in all material respects its relationships with customers, suppliers, distributors, and others, in each case, having material business dealings with the Company (other than terminations for cause or consistent with applicable fiduciary duties);

- (g) to promptly notify the Ad Hoc Advisor if it becomes aware of the occurrence of any material breach of a representation, warranty or covenant by the Company or a Company Subsidiary under this Agreement which would, with or without the passage of time, result in a failure to satisfy the conditions set out in Section 8 of this Agreement;
- (h) to promptly notify the Ad Hoc Advisor if, at any time before the Effective Date, it becomes aware that any material application for a regulatory approval or any other material order, registration, consent, filing, ruling, exemption or approval under applicable Law contains a statement which is materially inaccurate or incomplete or is information that otherwise requires an amendment or supplement by the Company to such application, and the Company shall prepare such amendment or supplement as required;
- (i) to use commercially reasonable efforts to obtain any and all required regulatory and/or third party approvals necessary for the implementation of the Transaction;
- (j) except with the prior written consent of the Initial Consenting Noteholders, or as specifically permitted by this Agreement (including the Term Sheet) and the Transaction, which includes the New Financing, to not: (i) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any indebtedness for borrowed money; (ii) other than in the ordinary course of business consistent with past practice, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness for borrowed money; (iii) create, incur, assume or otherwise cause or suffer to exist or become effective any new lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of its assets or property (except for any lien, charge, mortgage, hypothec or security interest that is incurred in the ordinary course of business and that is not material); or (iv) declare or pay any dividends or distributions on or in respect of any shares of the Company or redeem, retract, purchase or acquire any of such shares;
- (k) to not, without the prior consent of the Initial Consenting Noteholders, amend, modify, replace, terminate, repudiate, disclaim or waive any rights under or in respect of its Material Contracts in any manner that would reasonably be expected to be materially adverse to the Company;
- (l) to maintain good standing under the laws of the jurisdictions in which the Company and the Company Subsidiaries are incorporated, subject to the continuance of the Company to the CBCA contemplated in connection with the CBCA Plan;
- (m) to comply with the Senior Unsecured Note Indenture and the Second Lien Note Indenture, other than any breach by the Company or the Company Subsidiaries of the terms thereof as a result of the CBCA Matter or any Interest Non-Payment during the Forbearance Period;
- (n) to provide, upon reasonable request, the Ad Hoc Advisor with reasonable access to the books and records of the Company (other than books or records that are subject to solicitor-

client privilege and subject to the Company having the right not to provide any material non-public information unless otherwise agreed by the Company and the Ad Hoc Advisor) for review in connection with the Transaction;

- (o) to not seek discovery in connection with, or initiate, any legal proceeding that challenges the amount, validity, enforceability or priority of the Relevant Debt of any Consenting Noteholder;
- (p) to not (i) materially increase compensation, severance, change of control or other benefits payable to its officers or directors, including by way of a key employee retention or incentive plan, or (ii) take or omit to take any action that would entitle any Person to any bonus, lump sum, change of control, severance, retention, incentive or other payment any time prior to the last date that such person would be entitled to receive such payment in accordance with a binding written agreement with the Company entered into prior to the date of this Agreement;
- (q) except with the prior written consent of the Initial Consenting Noteholders or as contemplated by the Transaction, to not make any cash payment under any equity or equity-linked incentive plans;
- (r) to not sell, transfer or otherwise dispose of any assets or property, and to cause its Affiliates not to sell, transfer or otherwise dispose of any assets or property, without the prior written consent of the Initial Consenting Noteholders, provided that the Company and its Affiliates shall be permitted to sell, transfer or otherwise dispose of assets or property in the ordinary course of business without the prior written consent of the Initial Consenting Noteholders provided that the proceeds of any such sale transactions do not exceed \$7,500,000 in respect of any particular sale transaction or \$15,000,000 in the aggregate in respect of all such sale transactions;
- (s) except with the prior written consent of the Initial Consenting Noteholders, to operate its business in the ordinary course of business, having regard to its current financial condition; and
- (t) if applicable, to pay the reasonable and documented outstanding fees and expenses of the Ad Hoc Advisor in full in cash in accordance with its written agreement with the Company.

## **6. Negotiation of Documents**

- (a) Subject to the terms and conditions of this Agreement, the Parties shall reasonably cooperate with each other and shall coordinate their activities (to the extent practicable) in respect of (i) the timely satisfaction of conditions with respect to the effectiveness of the Transaction as set forth herein and the CBCA Plan, (ii) all matters concerning the pursuit, support and implementation of the Transaction as set forth herein and the CBCA Plan, and (iii) the satisfaction of each Party's own obligations hereunder. Furthermore, subject to the terms and conditions of this Agreement, each of the Parties shall take such commercially reasonable actions as may be reasonably necessary to carry out the purposes and intent of this Agreement, including making and filing any required regulatory filings.
- (b) Subject to the terms and conditions of this Agreement, each Party hereby covenants and agrees (i) to use its commercially reasonable efforts to negotiate, in good faith and consistent with this Agreement, the Definitive Documents and all ancillary documents

relating thereto, as applicable; and (ii) to the extent it is party thereto, to execute, deliver and otherwise perform its obligations under such documents.

## **7. Conditions to Consenting Noteholders' Voting Obligations**

Each Consenting Noteholder's obligation to vote in favour of the CBCA Plan pursuant to Section 4(e)(i) hereof shall be subject to the satisfaction of the following conditions, each of which may be waived in whole or in part, solely by the Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Consenting Noteholders if the failure to satisfy any such conditions results from an action, error or omission by or within the control of the Consenting Noteholder seeking enforcement or a breach by the Consenting Noteholder of its own representation, warranty, agreement or covenant under this Agreement):

- (a) this Agreement shall not have been terminated;
- (b) the Interim Order shall have been obtained on terms consistent with this Agreement (as such terms may be amended, modified, varied and/or supplemented pursuant to the terms hereof) and shall be in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably;
- (c) the CBCA Plan and all other Definitive Documents filed by or on behalf of the Company shall be in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably;
- (d) all orders made and judgments rendered by any competent court of law and all rulings and decrees of any competent regulatory body, agent or official in respect of the CBCA Proceedings and the Transaction shall be satisfactory to the Initial Consenting Noteholders, acting reasonably;
- (e) the Company shall have complied in all material respects with each covenant and obligation in this Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Consent Date;
- (f) the representations and warranties of the Company set forth in this Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Consent Date with the same force and effect as if made at and as of such date, except (i) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date, and (ii) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;
- (g) there shall not be in effect any decision, order or decree by a Governmental Entity, and no action or investigation shall have been announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction or the CBCA Plan, that restrains, prohibits or materially impedes (or if granted would reasonably be expected to restrain, prohibit or materially impede), the Transaction or the CBCA Plan, or requires or purports to require a material variation of the Transaction Terms that is not acceptable to the Initial Consenting Noteholders, acting reasonably;

- (h) all actions taken by the Company in furtherance of the Transaction and the CBCA Plan shall be consistent in all material respects with this Agreement; and
- (i) the Company shall have provided the Ad Hoc Advisor with a certificate signed by an officer of the Company certifying compliance with the terms of this Section 7 as of the Consent Date.

## **8. Conditions to the Transaction**

- (a) The Transaction shall be subject to the reasonable satisfaction of the following conditions prior to or on the Effective Date, each of which is for the benefit of the Company, on the one hand, and the Consenting Noteholders, on the other hand, and may be waived in whole or in part by the Company and the Initial Consenting Noteholders (provided that conditions shall not be enforceable by a Party if any failure to satisfy such condition results from an action, error or omission by or within the control of that Party or a breach by a Party of its own representation, warranty, agreement or covenant under this Agreement):
  - (i) this Agreement shall not have been terminated;
  - (ii) the CBCA Plan shall have been approved by the Court and the requisite majorities of affected stakeholders as and to the extent required by the Court, in a form consistent with this Agreement or otherwise acceptable to the Initial Consenting Noteholders;
  - (iii) the Company shall have received any and all required consents and approvals from required third parties, unless otherwise addressed pursuant to the Final Order;
  - (iv) the Final Order, in form and substance satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably, shall have been granted by the Court, and the implementation, operation or effect of the Final Order shall not have been stayed or varied in a manner not acceptable to the Company or the Initial Consenting Noteholders, each acting reasonably;
  - (v) the Final Order shall not be subject to appeal or an application for leave to appeal, and all applicable appeal periods in respect of the Final Order shall have expired, provided that if all other conditions hereunder in favour of the Initial Consenting Noteholders have been satisfied or waived by October 31, 2020 (other than the condition set out in this Section 8(a)(v) and those conditions that, by their nature, must be satisfied on the Effective Date), then the Outside Date shall be extended until November 16, 2020;
  - (vi) the CBCA Plan and the Definitive Documents shall be on terms consistent with this Agreement (as such terms may be amended, modified, varied and/or supplemented pursuant to the terms hereof) and shall be in form and substance satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably;
  - (vii) all press releases in respect of the Transaction shall be in form and substance acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably;

- (viii) all material filings that are required under applicable Laws in connection with the Transaction shall have been made and any material third party or regulatory consents or approvals that are required in connection with the Transaction shall have been obtained on terms satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably, or obtained pursuant to the Final Order, and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
  - (ix) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the Transaction and the CBCA Plan shall be satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably;
  - (x) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action shall have been announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction or the CBCA Plan that restrains, prohibits or materially impedes (or if granted would reasonably be expected to restrain, prohibit or materially impede), the Transaction or the CBCA Plan, or requires or purports to require a material variation of the Transaction Terms that is not acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably;
  - (xi) the Director appointed pursuant to section 260 of the CBCA shall have issued a certificate of arrangement or other confirmation of filing giving effect to the articles of arrangement in respect of the CBCA Plan;
  - (xii) any required amendments or waivers of the Credit Agreement shall have been obtained to reflect the terms of and allow for the implementation of the Transaction in accordance with the Term Sheet in form and substance acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably;
  - (xiii) the New Financing shall be completed concurrently with the completion of the Transaction, with New 1.5 Lien Notes issued pursuant to and in accordance with the Commitment Letter; and
  - (xiv) the Effective Date shall occur by the Outside Date or such later date as the Company and the Initial Consenting Noteholders may agree.
- (b) The obligations of the Company to complete the Transaction and the other transactions contemplated hereby are subject to Section 10 hereof and to the satisfaction of the following conditions prior to or on the Effective Date, each of which is for the exclusive benefit of the Company and may be waived, in whole or in part, solely by the Company (provided that such conditions shall not be enforceable by the Company if the failure to satisfy any such conditions results from an action, error or omission by or within the control of the Company or a breach by the Company of its own representation, warranty, agreement or covenant under this Agreement):
- (i) the Consenting Noteholders shall have complied in all material respects with their covenants and obligations in this Agreement that are to be performed on or before the Effective Date; and

- (ii) the representations and warranties of the Consenting Noteholders set forth in this Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Effective Date with the same force and effect as if made at and as of such date, except (A) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date, and (B) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement.
  
- (c) The obligations of the Consenting Noteholders to complete the Transaction and the other transactions contemplated hereby are subject to the satisfaction of the following conditions prior to or on the Effective Date, each of which is for the exclusive benefit of the Consenting Noteholders and may be waived, in whole or in part, solely by the Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Consenting Noteholders if the failure to satisfy any such conditions results from an action, error or omission by or within the control of the Consenting Noteholder seeking enforcement or a breach by the Consenting Noteholder of its own representation, warranty, agreement or covenant under this Agreement):
  - (i) the Company and the Company Subsidiaries shall have: (A) achieved the Milestones on or before the applicable dates set forth herein (as such dates may be extended pursuant to this Agreement); and (B) complied in all material respects with their covenants and obligations in this Agreement that are to be performed on or before the Effective Date;
  - (ii) the representations and warranties of the Company and the Company Subsidiaries set forth in this Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Effective Date with the same force and effect as if made at and as of such date, except (A) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date, and (B) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;
  - (iii) the composition and size of the Board as of the Effective Date shall be satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably;
  - (iv) as of the Effective Date, the Company shall have available liquidity from cash balances and immediate borrowing availability under the Credit Agreement of not less than \$20,000,000;
  - (v) the terms of any engagement letters or other agreements between the Company and its advisors relating to the Transaction shall be acceptable to the Initial Consenting Noteholders by no later than July 20, 2020, acting reasonably;
  - (vi) all securities of the Company to be issued in connection with the Transaction, when issued and delivered, shall be duly authorized, validly issued and, with respect to the New Common Shares, fully paid and non-assessable;

- (vii) all common shares of the Company, including the New Common Shares, shall be listed and conditionally approved for trading on the TSX, subject only to the receipt of customary final documentation;
- (viii) the reasonable and documented outstanding fees and expenses of the Ad Hoc Advisor shall have been paid in full in cash in accordance with its written agreement with the Company, provided that the Ad Hoc Advisor shall have provided the Company with invoices for all such fees and expenses at least three (3) Business Days prior to the Effective Date; and
- (ix) the Company shall have provided the Ad Hoc Advisor with a certificate signed by an officer of the Company certifying compliance with the terms of this Section 8 as of the Effective Date.

## 9. Releases

The Parties agree that there shall be usual and customary releases pursuant to the CBCA Plan in connection with the implementation of the Transaction to be effective as of the Effective Date (collectively, the "**Releases**"). The Releases shall provide, *inter alia*, that the Company, the Existing Shareholders, the Consenting Noteholders, the Senior Unsecured Notes Trustee, the Existing Lenders, the Agent and each of the foregoing persons' respective principals, members, managed accounts or funds, fund advisors, current and former directors and officers, employees, financial and other advisors, legal counsel and agents, all of the foregoing each in their capacity as such (collectively, the "**Released Parties**") shall be released and discharged from any and all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever (other than liabilities or claims attributable to any of Released Party's gross negligence, fraud or willful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the Effective Date in connection with the Senior Unsecured Notes, the Senior Unsecured Note Indenture, the Existing Shares, this Agreement, the Transaction, the CBCA Plan, the CBCA Proceedings, the transactions contemplated herein and any other actions, agreements, documents or matters related directly or indirectly to the foregoing; provided that the Released Parties shall not be released from or in respect of any of their respective obligations under the Transaction, this Agreement, the CBCA Plan, as applicable, any document ancillary to any of the foregoing or from any and all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever arising or in existence on or prior to the Effective Date and relating to any such Party other than in respect of their respective roles as Existing Shareholders, Consenting Noteholders, Senior Unsecured Notes Trustee, Existing Lenders or Agent, provided further that nothing herein shall release any claims of the Company as asserted in Court File Number 1801-07588, in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary.

## 10. Superior Proposal

- (a) Except as otherwise provided in this Section 10 or with the prior consent of the Initial Consenting Noteholders, the Company shall not, directly or indirectly, commence, consummate an agreement to commence, make, seek, solicit, assist, initiate, encourage, facilitate, propose, file, support, or initiate any discussions or negotiations regarding any alternative restructuring or recapitalization, sale of substantially all of its assets, merger, workout, plan of arrangement or plan of reorganization other than the Transaction.
- (b) Notwithstanding Section 10(a) or any other provision of this Agreement, in the event the Company receives a *bona fide* unsolicited proposal (including, for greater certainty, any acquisition or financing proposal), the Company is permitted to negotiate and enter into a

transaction in respect of any such proposal if, following receipt of advice from outside legal and financial advisors and discussions with the Initial Consenting Noteholders, the Board believes in good faith, in the exercise of its fiduciary duties, that such proposal (A) could reasonably be expected to result in a transaction more favourable to the Company and its stakeholders (including the Senior Unsecured Noteholders) than the Transaction, and (B) is supported by Senior Unsecured Noteholders holding not less than 66<sup>2/3</sup>% of the aggregate principal amount of the Senior Unsecured Notes outstanding or is capable of being implemented without the support of Senior Unsecured Noteholders holding not less than 66<sup>2/3</sup>% of the aggregate principal amount of the Senior Unsecured Notes outstanding (a "**Superior Proposal**"); provided that if the Company receives a Superior Proposal, it shall disclose to the Initial Consenting Noteholders and the Ad Hoc Advisor within three (3) Business Days of the receipt of such Superior Proposal: (i) the receipt thereof; and (ii) the material terms of such Superior Proposal and copies of all material documents received in respect of such Superior Proposal from or on behalf of such Person, in each case subject to any confidentiality restrictions in respect of such Superior Proposal and provided that the Initial Consenting Noteholders and the Ad Hoc Advisor shall agree to keep such information confidential. The Company shall keep the Initial Consenting Noteholders and the Ad Hoc Advisor informed of the status of material developments with respect to such Superior Proposal, in each case subject to any confidentiality restrictions in respect of such Superior Proposal and provided that the Initial Consenting Noteholders and the Ad Hoc Advisor shall agree to keep such information confidential. The Company shall use its commercially reasonable efforts to prevent any applicable confidentiality agreement from restricting the provision of the foregoing information to the Initial Consenting Noteholders and the Ad Hoc Advisor.

(c) If at any time following the execution of this Agreement, the Company receives a request for material non-public information, or to enter into discussions, from a Person that proposes to the Company an unsolicited *bona fide* proposal that did not result from a breach of this Agreement and the Company determines, in good faith following receipt of advice from outside legal and financial advisors, that such proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal (disregarding, for the purposes of such determination, any due diligence access condition to which such proposal is subject), then the Company may:

- (i) provide the Person making such proposal with, or access to, information regarding the Company, but only to the extent that the Ad Hoc Advisor has previously been, or is concurrently, provided with access to the same information; and/or
- (ii) enter into, participate in, facilitate and maintain discussions or negotiations with, or otherwise cooperate with or assist the Person making such proposal with respect to such proposal,

if, and only if:

- (iii) the Company has entered into a confidentiality agreement on market terms that will preserve the confidentiality of information provided by the Company if the alternative proposal does not proceed; and
- (iv) the Company has been, and continues to be, in compliance in all material respects with this Section 10.

## 11. Termination

- (a) This Agreement (and, for certainty, any Joinder Agreement) may be terminated as to all Parties by the Majority Initial Consenting Noteholders, by providing written notice to the Company in accordance with Section 16(q) upon the occurrence and continuation of any of the following events:
- (i) a material breach of any covenants, undertakings or agreements set forth in this Agreement by the Company or any Company Subsidiary that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Initial Consenting Noteholders to the Company of such material breach;
  - (ii) any representation, warranty or acknowledgement of the Company made in this Agreement shall prove untrue in any material respect as of the date when made that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Initial Consenting Noteholders to the Company of such breach;
  - (iii) the Company fails to meet any of the Milestones on or before the applicable dates set forth herein, as such Milestones may be extended pursuant to the terms hereof;
  - (iv) the failure to obtain the conditional approval of the TSX to the issuance of the common shares issuable pursuant to the New 1.5 Lien Notes;
  - (v) the Company enters into a written agreement (other than a confidentiality agreement permitted pursuant to Section 10), or publicly supports or announces its intention, to pursue a Superior Proposal; provided that, in such event, if the Initial Consenting Noteholders do not provide written notice to terminate this Agreement within five (5) Business Days following the occurrence of such event, any Consenting Noteholder which is also an Initial Commitment Party shall thereafter be permitted to withdraw from this Agreement by providing written notice to the Company upon which all rights and obligations of such Consenting Noteholder hereunder shall immediately terminate;
  - (vi) (A) any Definitive Document is materially inconsistent with this Agreement, or is otherwise not in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably, or (B) any of the material terms or conditions of any Definitive Document is waived, amended or modified, or the Company files a pleading seeking authority to waive, amend or modify, any of the material terms or conditions of any Definitive Document, without the Initial Consenting Noteholders' prior written consent (including via email), acting reasonably, in each case which remains uncured for three (3) Business Days after the receipt by the Company of written notice from the Initial Consenting Noteholders;
  - (vii) if any final decision, order or decree is made by a Governmental Entity, or if an action or investigation is announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that restrains, prohibits or materially impedes the Transaction;
  - (viii) if the CBCA Proceedings are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed with

respect to the Company, unless such appointment is made with the prior written consent of the Initial Consenting Noteholders;

- (ix) if the Company files a motion or pleading seeking an order disallowing, subordinating, avoiding or recharacterizing claims or interests held by any Consenting Noteholder against the Company;
- (x) (A) any of the conditions set forth in Section 7 are not satisfied or waived by the Consent Date, or (B) any of the conditions set forth in Sections 8(a) and 8(c) are not satisfied or waived by the Outside Date;
- (xi) the support agreement between the Company and **[Redacted]** is terminated or otherwise ceases to be in full force and effect through the Effective Date, other than the termination of such support agreement concurrently with the implementation of the Transaction;
- (xii) the Commitment Letter is terminated or otherwise ceases to be in full force and effect; or
- (xiii) if any court of competent jurisdiction has entered a final non-appealable judgment or order declaring this Agreement or any material portion thereof to be unenforceable (subject to Section 16(r)),

in each case, unless the event giving rise to the termination rights is waived or cured in accordance with the terms hereof. Any such termination of the Agreement as to all Parties shall be effective upon the giving of written notice by the Majority Initial Consenting Noteholders in accordance with Section 16(q).

- (b) This Agreement (and, for certainty, any Joinder Agreement) may be terminated by the Company as to all Parties by providing written notice to the Consenting Noteholders in accordance with Section 16(q) upon the occurrence and continuation of any of the following events:
  - (i) the Company enters into a written agreement, or publicly announces its intention, to pursue a Superior Proposal in accordance with Section 10;
  - (ii) the Senior Unsecured Notes are repaid in cash in full prior to the Effective Date;
  - (iii) the Transaction is not completed by the Outside Date, as it may be extended pursuant to this Agreement; or
  - (iv) if any decision, order or decree is made by a Governmental Entity, or if an action or investigation is announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that restrains, prohibits or materially impedes the Transaction,

in each case, unless the event giving rise to the termination rights is waived or cured in accordance with the terms hereof.

- (c) This Agreement (and, for certainty, any Joinder Agreement) may be terminated by the Company as to a breaching Consenting Noteholder (the "**Breaching Noteholder**") only,

by providing written notice to such Breaching Noteholder in accordance with Section 16(q):

- (i) if the Breaching Noteholder has taken any action inconsistent with this Agreement or failed to comply with, or defaulted in the performance or observance of, in any material respect, any term, condition, covenant or agreement set forth in this Agreement that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Company to the Breaching Noteholder of such failure or default; or
- (ii) any representation, warranty or acknowledgement of such Breaching Noteholder made in this Agreement shall prove untrue in any material respect as of the date when made that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Company to the Breaching Noteholder of such breach,

and the Breaching Noteholder shall thereupon no longer be a Consenting Noteholder.

- (d) This Agreement may be terminated by any Consenting Noteholder in respect of itself by providing written notice to the Company in accordance with Section 16(q) if the Effective Date does not occur on or prior to the Outside Date, and such Consenting Noteholder shall thereupon no longer be a Consenting Noteholder.
- (e) If this Agreement is amended, modified or supplemented in a manner which (i) adversely affects the recoveries and treatment of Consenting Noteholders compared to the recoveries and treatment set forth in the Term Sheet, or (ii) extends the Outside Date beyond October 31, 2020, then any Consenting Noteholder that objects to any such amendment, modification or supplement may, within five (5) Business Days of receiving notice of such amendment, modification or supplement, terminate such Consenting Noteholder's obligations under this Agreement by providing written notice to the Company in accordance with Section 16(q) and such Consenting Noteholder shall thereupon no longer be a Consenting Noteholder.
- (f) This Agreement may be terminated at any time as to all Parties by mutual written consent of the Company and the Initial Consenting Noteholders.
- (g) This Agreement shall terminate automatically as to all Parties on the Effective Date upon the implementation of the Transaction.

## **12. Effect of Termination**

Upon termination of this Agreement as to any Party pursuant to the terms hereof, this Agreement shall be of no further force and effect as to such Party, and each such Party hereto shall be automatically and simultaneously released from its commitments, undertakings and agreements under this Agreement, except for the rights, agreements, commitments and obligations under Sections 4(j), 4(m), 5(t) (solely with respect to any fees and expenses incurred up to the date of termination of this Agreement), 12, 13 and 16, which shall survive the termination of this Agreement, and each Party shall have the rights and remedies that it would have had if it had not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement. For greater certainty, the representations, warranties and covenants herein shall not survive and shall be of no further force or effect from and after the Effective Date, provided that the rights,

agreements, commitments and obligations under Sections 12, 13 and 16 shall survive the Effective Date. Each Party shall be responsible and shall remain liable for any breach of this Agreement by such Party occurring prior to the termination of this Agreement.

### **13. Confidentiality**

The Company agrees, on its own behalf and on behalf of its Representatives, not to disclose the identity of, or the principal amount of Relevant Debt or number of Relevant Shares held by, any individual Consenting Noteholder; provided, however, that such information may be disclosed: (a) to the Representatives of the Company, provided that each such Representative (i) needs to know such information for purposes of the Transaction, and (ii) is informed of the confidentiality of such information; and (b) in response to, and to the extent required (as determined by the Company following advice of the Company's legal counsel) by applicable Law, by any stock exchange rules on which its securities are traded, by any Governmental Entity or by any subpoena or other legal process, including, without limitation, by any court of competent jurisdiction or applicable rules, regulations or procedures of a court of competent jurisdiction; provided that, if the Company or any of its Representatives is required to disclose the identity or specific holdings of a Consenting Noteholder in the manner set out in the preceding sentence, the Company shall provide the Consenting Noteholder with prompt written notice of any such requirement, to the extent permissible and practicable under the circumstances, so that the Consenting Noteholder may (at the Consenting Noteholder's sole expense) seek a protective order or other appropriate remedy or waiver of compliance with such requirement; provided further that (x) the aggregate principal amount of Relevant Debt and number of Relevant Shares held by all Consenting Noteholders collectively, from time to time, in the aggregate, may be set out in any public disclosure, including, without limitation, press releases and court materials, produced by the Company, (y) the Company may disclose the identity and holdings of Relevant Debt and Relevant Shares of a Consenting Noteholder in any action to enforce this Agreement against such Consenting Noteholder, and (z) the Company may disclose in any proxy or information circulars (and any supplements and/or related materials, including press releases and/or court materials relating to the CBCA Plan), the identity of and number of Relevant Shares held by a Consenting Noteholder, and/or common shares of the Company expected to be held by a Consenting Noteholder on implementation of the Transaction, to the extent required by applicable securities laws or any stock exchange rules on which the Company's securities are traded (as determined by the Company following advice of the Company's legal counsel and in consultation with the Ad Hoc Advisor). The Company further agrees that any public filings of this Agreement that includes executed signature pages to this Agreement shall include such signature pages only in redacted form with respect to the identity and holdings of each Consenting Noteholder.

### **14. Further Assurances**

Subject to the terms and conditions of this Agreement, each Party shall use commercially reasonable efforts to perform all obligations required to be performed by it under this Agreement and take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents, and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other Party the benefits of this Agreement, including the consummation of the Transaction.

### **15. Public Announcements**

All public announcements in respect of the Transaction shall be made solely by the Company, and shall be in form and substance acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably, and subject to any additional requirements under the Commitment Letter; provided that, nothing

herein shall prevent a Party from making public disclosure in respect of the Transaction to the extent required by applicable Law.

**16. Miscellaneous**

- (a) Notwithstanding anything herein to the contrary, this Agreement applies only to each Consenting Noteholder's Relevant Debt and Relevant Shares (including any Additional Debt and Additional Shares in accordance with Section 4(c) hereof) and to each Consenting Noteholder solely with respect to its legal and/or beneficial ownership of, or its investment and voting discretion over, its Relevant Debt and Relevant Shares (including any Additional Debt and Additional Shares in accordance with Section 4(c) hereof) and not, for greater certainty, to any other securities, loans or obligations that may be held by any client of such Consenting Noteholder whose funds or accounts are managed by such Consenting Noteholder, where those funds or accounts are not otherwise subject to this Agreement (including, for greater certainty, where such funds or accounts become subject to any Transfer permitted pursuant to Section 4(b)(i) hereof) and, without limiting the generality of the foregoing, shall not apply to:
  - (i) any securities, loans or other obligations that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any group or business unit within an Affiliate of the Consenting Noteholder: (A) that has not been involved in and is not acting at the direction of, or with knowledge of the affairs of the Company provided by, any Person involved in the Transaction discussions; or (B) that is on the other side of an information firewall with respect to the officers, partners and employees of such Consenting Noteholder who have been working on the Transaction and is not acting at the direction of, or with knowledge of the affairs of the Company provided by, any officers, partners and employees of such Consenting Noteholder who have been working on the Transaction;
  - (ii) any securities, loans or other obligations that may be beneficially owned by clients of a Consenting Noteholder, including accounts or funds managed by the Consenting Noteholder, that are not Relevant Debt or Relevant Shares; or
  - (iii) any securities, loans or other obligations that may be beneficially owned by clients of a Consenting Noteholder that are not managed or administered by the Consenting Noteholder.
- (b) Subject to Sections 4 and 16(a) hereof, nothing in this Agreement is intended to preclude a Consenting Noteholder from engaging in any securities transactions, subject to: (i) compliance with applicable securities Laws; and (ii) the agreements set forth herein with respect to the Consenting Noteholder's Relevant Debt and Relevant Shares.
- (c) At any time, a Senior Unsecured Noteholder that is not a Consenting Noteholder may agree with the Company to become a Party to this Agreement by executing and delivering pursuant to Section 16(q) hereof to the Company, with copies to Bennett Jones LLP and to the Ad Hoc Advisor, a Joinder Agreement.
- (d) The headings in this Agreement are for convenience of reference and are not part of and are not intended to govern, limit, modify, restrict or aid in the construction or interpretation of any term or provision hereof.

- (e) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.
- (f) Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.
- (g) This Agreement (including the Term Sheet and the other schedules attached to this Agreement and the Term Sheet) constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof; provided, however, that this Agreement does not alter or supersede any confidentiality or non-disclosure agreement in effect between the Company and any of the Consenting Noteholders and/or the Ad Hoc Advisor. No prior history, pattern or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement.
- (h) Any Person signing this Agreement in a representative capacity: (i) represents and warrants that he/she is authorized to sign this Agreement on behalf of the Party he/she represents and that his/her signature upon this Agreement will bind the represented Party to the terms hereof; and (ii) acknowledges that the other Party hereto has relied upon such representation and warranty.
- (i) None of the Consenting Noteholders shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities to each other, the Company or its Affiliates, or the Company's or its Affiliates' creditors or other stakeholders and, other than as expressly set forth in this Agreement, there are no commitments among or between the Consenting Noteholders with respect to the subject matter hereof.
- (j) Except as otherwise expressly provided herein, this Agreement may be modified, amended or supplemented as to any matter by an instrument in writing (which may include email) by the Company and the Initial Consenting Noteholders, and any matter requiring the agreement, waiver, consent, acceptance or approval under this Agreement of the Consenting Noteholders shall require the agreement, waiver, consent, acceptance or approval in writing (which may include email) of the Initial Consenting Noteholders. In addition to confirmation from the applicable Consenting Noteholders themselves, the Company shall be entitled to rely on written confirmation (which may include email) from the Ad Hoc Advisor that the applicable Consenting Noteholders have agreed, waived, consented to, accepted or approved a particular matter pursuant to this Agreement without any obligation to inquire into the Ad Hoc Advisor's authority to do so on behalf of the applicable Consenting Noteholders. The Consenting Noteholders shall be entitled to rely on written confirmation from Bennett Jones LLP (which may include email) that the Company has agreed, waived, consented to, accepted or approved a particular matter pursuant to this Agreement.
- (k) If the transactions contemplated herein are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all rights. Pursuant to applicable rules of evidence, including Federal Rule of Evidence 408 and rules of similar import, this Agreement and all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement or the payment of damages to which a Party may be entitled under this Agreement.

- (l) It is understood and agreed that none of the Consenting Noteholders have any agreements, commitments or undertakings by, among or between any of them with respect to any voting arrangements or otherwise in connection with the Transaction or otherwise with respect to the matters that are the subject of this Agreement.
- (m) Time is of the essence in the performance of the Parties' respective obligations. Any date, time or period referred to in this Agreement shall be of the essence, except to the extent to which the Parties agree in writing (which may include email) to vary any date, time or period, in which event the varied date, time or period shall be of the essence.
- (n) No condition in this Agreement shall be enforceable by a Party if any failure to satisfy such condition results from an action, error or omission by or within the control of such Party.
- (o) The agreements, representations and obligations of the Consenting Noteholders under this Agreement are, in all respects, several and not joint and several.
- (p) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise.
- (q) All notices and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if delivered in person, or by internationally recognized overnight courier or email. All notices required or permitted hereunder shall be deemed effectively given: (i) upon personal delivery to the Party to be notified; (ii) when sent by email if sent during normal business hours of the recipient, and if not, then on the next Business Day of the recipient; or (iii) one (1) Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. Any Party may change the address to which notice should be given to such Party by providing written notice to the other Parties hereto of such change. The address and email for each of the Parties shall be as follows:

- (i) If to the Company, at:

Calfrac Well Services Ltd.  
411 – 8th Avenue SW  
Calgary, Alberta T2P 1E3

Attention: Joel Gaucher  
Email: jgaucher@calfrac.com

With a required copy (which shall not be deemed notice) to:

Bennett Jones LLP  
4500 Bankers Hall East  
855 - 2nd Street SW  
Calgary, Alberta T2P 4K7

Attention: Kevin Zych and Brent Kraus  
Email: zychk@bennettjones.com; krausb@bennettjones.com

- (ii) If to one or more of the Consenting Noteholders, at the address set forth for each applicable Consenting Noteholder on its signature page to this Agreement or a Joinder Agreement, as applicable, with a required copy (which shall not be deemed notice) to:

Goodmans LLP  
3400 – 333 Bay Street  
Toronto, Ontario M5H 2S7

Attention: Robert J. Chadwick and Bradley Wiffen  
Email: rchadwick@goodmans.ca; bwiffen@goodmans.ca

- (r) If any term or other provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, void or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the greatest extent possible.
- (s) Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other Person shall be a third party beneficiary hereof.
- (t) Except as otherwise set forth in Section 4(b), no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties hereto.
- (u) It is understood and agreed by the Parties that money damages may not be a sufficient remedy for any breach of this Agreement and each non-breaching Party shall be entitled, in addition to any other remedy that may be available under applicable law, to seek specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of such obligations, without the necessity of proving the inadequacy of money damages as a remedy. Each Party hereby waives any requirement for the security or posting of any bond in connection with such remedies.
- (v) All rights, powers, and remedies provided under this Agreement or otherwise in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.
- (w) This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to principles of conflicts of law. Each Party submits to the jurisdiction of the courts of the Province of Alberta in any action or proceeding arising out of or relating to this Agreement. The Parties shall not raise any objection to the venue of any proceedings in any such court, including the objection that the proceedings have been brought in an inconvenient forum.
- (x) The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or

future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this provision with any court as written evidence of the knowing, voluntary and bargained for agreement between the Parties irrevocably to waive trial by jury, and that any proceeding whatsoever between them relating to this Agreement or any of the transactions contemplated by this Agreement shall instead be tried by a judge or judges of the court sitting without a jury.

- (y) This Agreement may be signed in counterparts, each of which, when taken together, shall be deemed an original. Execution of this Agreement is effective if a signature is delivered by electronic (*e.g.*, pdf) transmission.

*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, this Agreement has been agreed and accepted as of the date first written above.

**CALFRAC WELL SERVICES LTD.**

Per: *(signed) "Michael Olinek"*

\_\_\_\_\_  
Name: Michael Olinek

Title: Chief Financial Officer

**CALFRAC HOLDINGS LP, by its general partner,  
CALFRAC (CANADA) INC.**

Per: *(signed) "Michael Olinek"*

\_\_\_\_\_  
Name: Michael Olinek

Title: Chief Financial Officer

**CALFRAC WELL SERVICES CORP.**

Per: *(signed) "Michael Olinek"*

\_\_\_\_\_  
Name: Michael Olinek

Title: Chief Financial Officer

*[Signature Page to the Support Agreement – Senior Unsecured Notes]*

**CONFIDENTIAL**

Name of Consenting Noteholder: **[Redacted]**

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By: *(signed)*

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Name: **[Redacted]**

Title: **[Redacted]**

Jurisdiction of residence for legal purposes: **[Redacted]**

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Email: **[Redacted]**

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Address: **[Redacted]**

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**[Redacted]**

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**[Redacted]**

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<b>Notes</b>	<b>Principal Amount</b>	<b>Name of Registered Holder</b>
8.50% Senior Notes due 2026	<b>[Redacted]</b>	<b>[Redacted]</b>
10.875% Second Lien Notes due 2026	<b>[Redacted]</b>	<b>[Redacted]</b>

<b>Equity</b>	<b>Number of Shares</b>	<b>Custodian / CDS or DTC Participant</b>
Common Shares	<b>[Redacted]</b>	<b>[Redacted]</b>

*[Signature Page to the Support Agreement – Senior Unsecured Notes]*

## **SCHEDULE A**

### **DEFINITIONS**

"**Additional Debt**" has the meaning set forth in Section 4(c).

"**Additional Shares**" has the meaning set forth in Section 4(c).

"**Ad Hoc Advisor**" means Goodmans LLP.

"**Affiliate**" of any Person shall mean any Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For greater certainty, an Affiliate of a Person shall include such Person's investment funds and managed accounts and any funds managed or directed by the same investment adviser.

"**Agreement**" has the meaning set forth in the preamble to this Agreement.

"**Approved Transferee**" has the meaning set forth in Section 4(b)(i).

"**Board**" means the board of directors of the Company.

"**Breaching Noteholder**" has the meaning set forth in Section 11(c).

"**Business Day**" means each day, other than a Saturday or Sunday or a statutory or civic holiday, on which banks are open for business in Toronto, Ontario and Calgary, Alberta.

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

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended.

"**CBCA Matter**" has the meaning set forth in Section 4(j).

"**CBCA Plan**" has the meaning set forth in the preamble to this Agreement.

"**CBCA Proceedings**" has the meaning set forth in the preamble to this Agreement.

"**Chapter 15 Proceedings**" means proceedings in respect of the Company or its affiliates pursuant to chapter 15, title 11 of the *United States Code*.

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Commitment Letter**" means the commitment letter dated July 13, 2020 between the Company and the Initial Commitment Parties, in respect of the New Financing.

"**Consent Date**" means August 14, 2020, or such other date as may be agreed by the Company and the Initial Consenting Noteholders.

"**Consenting Noteholders**" has the meaning set forth in the preamble to this Agreement.

"**Contracts**" means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

"**Court**" means the Court of Queen's Bench of Alberta.

"**Credit Agreement**" means the Amended and Restated Credit Agreement dated April 30, 2019 between Calfrac Well Services Ltd., as borrower, HSBC Bank Canada ("**HSBC**") and each of the other financial institutions party thereto, as lenders, and HSBC, as agent (as amended, restated or supplemented from time to time).

"**Definitive Documents**" means all material agreements, transaction documents, court materials and other material documents in connection with the Transaction, the CBCA Proceedings and the Chapter 15 Proceedings (as applicable) and any and all amendments, modifications or supplements relating to any of the foregoing, including, without limitation: (a) this Agreement; (b) the Term Sheet; (c) the CBCA Plan and all supplements and exhibits thereto; (d) the Information Circular; (e) the Interim Order, the Final Order, and all other orders granted in the CBCA Proceedings or Chapter 15 Proceedings and all motions or applications and other material court documents filed in connection with the foregoing or the CBCA Plan; (f) the New 1.5 Lien Notes indenture, and (g) the organizational and governance documents in respect of the Company, and related documents.

"**Effective Date**" means the date on which the Transaction is completed.

"**Existing Lenders**" has the meaning set forth in the Term Sheet.

"**Existing Shareholders**" means the holders of the Existing Shares.

"**Existing Shares**" means the common shares of the Company issued and outstanding prior to the implementation of the Transaction.

"**Final Order**" means a final order of the Court pursuant to the CBCA that, *inter alia*, approves the CBCA Plan.

"**Forbearance Period**" has the meaning set forth in Section 4(k).

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Indentures**" means, collectively, the Second Lien Note Indenture and the Senior Unsecured Note Indenture.

"**IFRS**" means the International Financial Reporting Standards.

**"Information"** means all information set forth or incorporated in the Company's public disclosure documents filed on SEDAR and all information otherwise provided to the Initial Consenting Noteholders by the Company or its Representatives (including through any virtual data room), in each case prior to the date of this Agreement.

**"Information Circular"** means the management information circular of the Company in respect of the CBCA Plan, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent by the Company to, *inter alia*, the Senior Unsecured Noteholders in connection with the Senior Unsecured Noteholder Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

**"Initial Commitment Parties"** means those Consenting Noteholders (and others) who have executed the Commitment Letter, and are defined as "Initial Commitment Parties" therein.

**"Initial Consenting Noteholders"** means those Consenting Noteholders represented by the Ad Hoc Advisor who have executed this Agreement on the date on the first page of this Agreement, provided that such Initial Consenting Noteholder continues to hold at least 80% of its respective principal amount of Relevant Senior Unsecured Notes as set out on its signature page to this Agreement.

**"Interest Non-Payment"** has the meaning set forth in Section 4(k).

**"Interim Order"** means an interim order of the Court pursuant to the CBCA that, *inter alia*, provides for the calling of the Senior Unsecured Noteholder Meeting to consider and vote on the CBCA Plan.

**"Joinder Agreement"** means a joinder agreement, substantially in the form attached as Schedule B to this Agreement, pursuant to which a Senior Unsecured Noteholder agrees, among other things, to be bound by and subject to the terms of this Agreement and thereby may become a Consenting Noteholder.

**"Law"** or **"Laws"** means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law, whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

**"Material Contract"** means each Contract of the Company: (i) with any of the directors or officers of the Company; (ii) that is material to the business of the Company; or (iii) the breach of which would reasonably be expected to have a material adverse effect on the Company.

**"Majority Initial Consenting Noteholders"** means Initial Consenting Noteholders who hold in the aggregate not less than 66<sup>2/3</sup>% of the principal amount of Senior Unsecured Notes held by all Initial Consenting Noteholders.

**"Milestones"** means those milestones set forth in Section 5(b).

**"New Common Shares"** means new common shares of the Company to be issued on the Effective Date by the Company on the terms set forth in the Term Sheet and/or as may otherwise be agreed by the Company and the Initial Consenting Noteholders.

**"New Financing"** has the meaning set forth in the Term Sheet.

**"New 1.5 Lien Notes"** has the meaning set forth in the Term Sheet.

**"Outside Date"** means October 31, 2020, or such other date as the Company and the Initial Consenting Noteholders may agree.

**"Parties"** and **"Party"** each have the meaning set forth in the preamble to this Agreement.

**"Person"** means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

**"Relevant Debt"** means, collectively, all Relevant Senior Unsecured Notes and Relevant Second Lien Notes held by a Consenting Noteholder.

**"Relevant Second Lien Notes"** has the meaning set forth in Section 2(a)(ii).

**"Relevant Senior Unsecured Notes"** has the meaning set forth in Section 2(a)(i).

**"Relevant Shares"** has the meaning set forth in Section 2(a)(iii).

**"Representative"** means in respect of a particular Party, that Party's directors, officers, employees, auditors, financial advisors, legal advisors and other agents.

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval.

**"Second Lien Note Indenture"** means the indenture dated February 14, 2020 among Calfrac LP, as issuer of the Second Lien Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and the Second Lien Notes Trustee, as trustee.

**"Second Lien Noteholders"** means holders of the Second Lien Notes, and **"Second Lien Noteholder"** means any holder of Second Lien Notes.

**"Second Lien Notes"** means the 10.875% second lien secured notes of Calfrac LP in the maximum aggregate amount of USD\$120,000,100 due 2026 and issued and outstanding pursuant to the Second Lien Note Indenture.

**"Second Lien Notes Trustee"** means Wilmington Trust, National Association, as trustee under the Second Lien Note Indenture.

**"Senior Unsecured Note Indenture"** means the indenture dated May 30, 2018 among Calfrac LP, as issuer of the Senior Unsecured Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and the Senior Unsecured Notes Trustee, as trustee.

**"Senior Unsecured Noteholders"** means holders of the Senior Unsecured Notes, and **"Senior Unsecured Noteholder"** means any holder of Senior Unsecured Notes.

**"Senior Unsecured Noteholder Meeting"** means the meeting of the Senior Unsecured Noteholders entitled to vote on the CBCA Plan.

**"Senior Unsecured Notes"** means the 8.50% senior unsecured notes of Calfrac LP in the maximum aggregate amount of USD\$650,000,000 due 2026 and issued and outstanding pursuant to the Senior Unsecured Note Indenture.

**"Second Lien Notes Trustee"** means Wells Fargo Bank, National Association, as trustee under the Second Lien Note Indenture.

**"Shareholder Approval Matters"** means those matters which may require approval of the Existing Shareholders in order to implement the CBCA Plan and the Transaction, including the Federal Continuance, the Stated Capital Reduction (if necessary), the Share Consolidation (to the extent it is not a step in the CBCA Plan), the MIP (as each such term is defined in the Term Sheet) and the CBCA Plan itself, along with, if and to the extent required by Law (including TSX requirements), the approval of the New Financing including the shares issuable upon conversion of the New 1.5 Lien Notes.

**"Superior Proposal"** has the meaning set forth in Section 10(b).

**"Term Sheet"** has the meaning set forth in the preamble to this Agreement.

**"Transaction"** has the meaning set forth in preamble to this Agreement and includes, for greater certainty, the New Financing.

**"Transaction Terms"** has the meaning set forth in Section 1.

**"Transfer"** has the meaning set forth in Section 4(b)(i).

**"TSX"** means the Toronto Stock Exchange.

## SCHEDULE B

### JOINDER AGREEMENT

This Joinder Agreement (the "**Joinder Agreement**") is made as of [●], 2020 by the undersigned (the "**Consenting Party**") in connection with the support agreement dated July 13, 2020 (the "**Support Agreement**") among (i) Calfrac Well Services Ltd. (the "**Company**"), (ii) the Company Subsidiaries (as defined in the Support Agreement), and (iii) the Consenting Noteholders (as defined in the Support Agreement). Capitalized terms used herein have the meanings assigned to such terms in the Support Agreement unless otherwise defined herein.

**WHEREAS** the Support Agreement allows Senior Unsecured Noteholders that are not Consenting Noteholders to become a party thereto by executing a Joinder Agreement;

**WHEREAS** the Consenting Party desires to become a party to, and to be bound by the terms of, the Support Agreement; and

**NOW, THEREFORE**, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Consenting Party hereby agree as follows:

1. The Consenting Party hereby acknowledges that the Consenting Party has received and reviewed a copy of the Support Agreement.
2. The Consenting Party hereby acknowledges and agrees to be fully bound as a Consenting Noteholder under the Support Agreement in respect of its Relevant Debt and Relevant Shares that are identified on the signature page hereto, and hereby represents and warrants that the Relevant Debt and Relevant Shares set out on the signature page hereto constitute all of the Relevant Debt and Relevant Shares that are legally or beneficially owned by such Consenting Noteholder or which such Consenting Party has the sole power to vote or dispose of.
3. The Consenting Party hereby represents and warrants to each of the other Parties that the representations and warranties set forth in Section 2 of the Support Agreement are true and correct with respect to such Consenting Party as if given on the date hereof.
4. This Joinder Agreement may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. Delivery of an executed signature page of this Joinder Agreement by email transmission will be effective as delivery of a manually executed counterpart hereof.
5. This Joinder Agreement and the Support Agreement express the entire understanding of the Parties with respect to the transactions contemplated hereby. No prior negotiations or discussions shall limit, modify or otherwise affect the provisions hereof.
6. If any term or other provision of this Joinder Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, all other terms and provisions of this Joinder Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, void or unenforceable, the parties hereto shall negotiate in good faith to modify this Joinder Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the terms of this Joinder Agreement remain as originally contemplated to the greatest extent possible.

7. This Joinder Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction), and all actions or proceedings arising out of or relating to this Joinder Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

*[Signature Page Follows]*

**CONFIDENTIAL**

**IN WITNESS WHEREOF**, the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

Name of Consenting Noteholder:

\_\_\_\_\_

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

Jurisdiction of residence for legal purposes:

\_\_\_\_\_

Email:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

<b>Notes</b>	<b>Principal Amount</b>	<b>Name of Registered Holder</b>
8.50% Senior Notes due 2026		
10.875% Second Lien Notes due 2026		

<b>Equity</b>	<b>Number of Shares</b>	<b>Custodian / CDS or DTC Participant</b>
Common Shares		

*[Signature Page to the Joinder Agreement]*

**SCHEDULE C**

**TERM SHEET**

[See attached]

**CALFRAC WELL SERVICES LTD.**

**RECAPITALIZATION TRANSACTION TERM SHEET**

**SUMMARY OF PRINCIPAL TERMS AND CONDITIONS**

This term sheet dated as of July 13, 2020 (the "**Term Sheet**") describes the principal terms of a potential recapitalization transaction to be agreed upon between Calfrac Well Services Ltd., for and on behalf of itself and certain subsidiaries set forth in Schedule A (collectively, the "**Company**"), and the Consenting Noteholders in connection with certain indebtedness of the Company (the "**Recapitalization Transaction**").

Capitalized terms used and not otherwise defined in this Term Sheet shall be as defined in Section 4 of this Term Sheet.

<b>1. RECAPITALIZATION TRANSACTION</b>	
<b>Implementation</b>	The Recapitalization Transaction shall be implemented pursuant to a plan of arrangement (a " <b>Plan</b> ") to be filed under the <i>Canada Business Corporations Act</i> (" <b>CBCA</b> ").
<b>Recapitalization Transaction Summary</b>	<p>Conditional upon and concurrent with the completion of the Recapitalization Transaction, the Company shall complete the New Financing (as defined below).</p> <p>The Recapitalization Transaction shall provide that, pursuant to the Plan:</p> <ul style="list-style-type: none"><li>(a) Each Senior Unsecured Noteholders shall receive its pro rata share (based on face value of the Senior Unsecured Notes) of 86% of the Pro Forma Common Shares;</li><li>(b) Each Early Consenting Noteholder shall receive its pro rata share (based on face value of the Senior Unsecured Notes of all Early Consenting Noteholders) of 6% of the Pro Forma Common Shares; and</li><li>(c) The Existing Shareholders shall retain their Common Shares, subject to dilution based on the New Shares, and subject further to the Share Consolidation, which shall equal 8% of the Pro Forma Common Shares, following the Effective Time;</li></ul> <p>in each case, as described in greater detail below, and subject to dilution for the Backstop Shares.</p>
<b>New Financing</b>	The Company shall carry out a new financing of \$60 million aggregate principal amount of New 1.5 Lien Notes (the " <b>New Financing</b> "), issued as set out in a separate New 1.5 Lien Notes Term Sheet, and in accordance with applicable securities laws and under applicable exemptions from prospectus and registration requirements. In connection with the New Financing, pursuant to the Commitment Letter, a backstop commitment fee in the amount of approximately \$1.5 million shall be payable to the Commitment Parties through the issuance of new Common

<b>1. RECAPITALIZATION TRANSACTION</b>	
	Shares at the Conversion Price (as defined in the New 1.5 Lien Notes Term Sheet) (the " <b>Backstop Shares</b> ").
<b>Treatment of Existing Lenders under Credit Agreement</b>	<p>The Credit Agreement shall be amended and restated to:</p> <p>(a) provide relief in respect of the Funded Debt to EBITDA covenant; and</p> <p>(b) reflect such amendments or waivers as are necessary to permit the Recapitalization Transaction and New 1.5 Lien Notes and to reflect the Company's post-Recapitalization Transaction organization and capital structure and liquidity requirements.</p> <p>The Existing Lenders shall be unaffected under the Plan. All aspects of this Term Sheet in respect of the Existing Lenders shall be implemented pursuant to an amendment to the Credit Agreement (the "<b>Credit Agreement Amendment</b>").</p>
<b>Treatment of Second Lien Notes</b>	Each Second Lien Noteholder, in its capacity as such, shall be unaffected by the implementation of the Plan.
<b>Treatment of Senior Unsecured Notes</b>	<p>Pursuant to the Recapitalization Transaction, each Senior Unsecured Noteholder as of the Record Date shall receive at the Effective Time, in full and complete satisfaction of its respective claims under or in respect of the Senior Unsecured Notes and the Senior Unsecured Notes Indenture:</p> <p>(a) such Senior Unsecured Noteholder's pro rata share of a pool of Common Shares representing 86% of the Pro Forma Common Shares; and</p> <p>(b) if such Senior Unsecured Noteholder is an Early Consenting Noteholder, such Senior Unsecured Noteholder's pro rata share (as compared to all Early Consenting Noteholders) of a pool of Common Shares representing 6% of the Pro Forma Common Shares,</p> <p>in each case, subject to dilution for the Backstop Shares.</p>
<b>Treatment of Equity Securities</b>	Existing Shareholders of the Company as of the Record Date shall retain their Common Shares (subject to the Share Consolidation pursuant to the Plan, the " <b>Existing Shareholder Shares</b> "), and subject to dilution resulting from the issuance of the New Shares pursuant to the Plan, which Existing Shareholder Shares shall equal 8% of the Pro Forma Common Shares following the Effective Time, subject to dilution for the Backstop Shares.
<b>Treatment of Employee Obligations</b>	All obligations to employees of the Company (whether for salary, wages, benefits, severance or otherwise) shall be unaffected by the Recapitalization Transaction.

<b>1. RECAPITALIZATION TRANSACTION</b>	
<b>Treatment of Trade Debt</b>	The trade debt obligations of the Company shall be unaffected by the Recapitalization Transaction and shall be paid or satisfied in the ordinary course of business.
<b>Treatment of Equity Incentive Plans</b>	All existing equity incentives shall be treated as follows: (a) all stock options shall be terminated for no consideration, as such options are out-of-the-money; (b) all equity-based PSUs shall vest at the Effective Time in accordance with their terms and be settled in cash for total cash consideration not exceeding \$175,000 and all performance-based PSUs shall be terminated for no consideration; and (c) all DSUs shall continue to exist or be settled for total cash consideration not exceeding \$50,000, in accordance with their terms.
<b>MIP</b>	Up to 10% of the Pro Forma Common Shares shall be reserved for a new management incentive plan (the " <b>MIP</b> "), to be allocated as determined by the Board following implementation of the Plan.
<b>Governance</b>	The composition and size of the Board of the Company following implementation of the Plan shall be acceptable to each of the Majority Commitment Parties, the Majority Initial Consenting Noteholders and as may otherwise be required pursuant to the terms of any Support Agreement or the Commitment Letter.
<b>CBCA Matters</b>	The Company will seek to continue into the federal jurisdiction of Canada under the CBCA (the " <b>Federal Continuance</b> "), and may seek to reduce its stated capital in respect of the Common Shares (the " <b>Stated Capital Reduction</b> ") prior to the implementation of the Plan, in order to implement the Plan pursuant to the CBCA. Pursuant to the <i>Business Corporation Act</i> (Alberta), the Existing Shareholders shall have dissent rights in connection with the Federal Continuance.
<b>Share Consolidation</b>	As a step in the Plan, the Common Shares shall be consolidated (the " <b>Share Consolidation</b> ") using a ratio that is acceptable to the Company, the Majority Commitment Parties, and the Majority Initial Consenting Noteholders, each acting reasonably. No fractional Common Shares will be issued in connection with the Share Consolidation, and any Common Shares to be issued shall be rounded down to the nearest whole number of Common Shares. No compensation will be issued to any shareholder as a result of rounding down, which may result in certain shareholders failing to receive any Common Shares as a result of the Share Consolidation.
<b>Stated Capital Reduction</b>	The Stated Capital Reduction may be required prior to the implementation of the Plan or as a step in the Plan, to ensure that the Company meets CBCA solvency requirements post-Recapitalization Transaction.
<b>Shareholder Rights Plan</b>	The Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders shall use commercially reasonable efforts to negotiate a customary shareholder rights plan to be adopted by the Company.
<b>Conditions Precedent</b>	Customary closing conditions for a transaction of this type, including but not limited to:

<b>1. RECAPITALIZATION TRANSACTION</b>	
	<p>(a) Board approval of the Recapitalization Transaction;</p> <p>(b) receipt of definitive legal documentation (the "<b>Definitive Documents</b>") implementing the Recapitalization Transaction (including, without limitation, the Plan), which Definitive Documents shall be in form and substance acceptable to the Company, the Majority Commitment Parties, the Majority Initial Consenting Noteholders and as may otherwise be required pursuant to the terms of any Support Agreement;</p> <p>(c) execution of the Credit Agreement Amendment by the Existing Lenders, which Credit Agreement Amendment shall be in form and substance acceptable to the Company, the Majority Commitment Parties, the Majority Initial Consenting Noteholders, each acting reasonably, and as may otherwise be required pursuant to the terms of any Support Agreement;</p> <p>(d) approval of the Recapitalization Transaction by the requisite majorities of Senior Unsecured Noteholders and Existing Shareholders (if required by the Court pursuant to the Interim Order) at one or more meetings to consider the Plan;</p> <p>(e) issuance of new Common Shares necessary to reflect the terms hereof and to allow for the implementation of the Recapitalization Transaction in accordance with this Term Sheet and the Support Agreement in form and substance acceptable to the Company and the Majority Initial Consenting Noteholders;</p> <p>(f) approval of the Plan by the Court;</p> <p>(g) the New Financing shall have been completed prior to or concurrent with the completion of the Recapitalization Transaction pursuant to the terms of the Commitment Letter;</p> <p>(h) the conditional approval of the TSX to the issuance of the common shares upon the conversion of the New 1.5 Lien Notes;</p> <p>(i) all outstanding fees and expenses owed to the Company's advisors and the Ad Hoc Advisor (as defined in the Support Agreement, and in accordance with its written fee agreements with the Company) shall be paid in full;</p> <p>(j) all necessary governmental, regulatory and stock exchange approvals shall have been received on terms and conditions satisfactory to the Company, the Majority Initial Consenting Noteholders and the Initial Commitment Parties, each acting reasonably; and</p> <p>(k) any additional closing conditions set forth in the Support Agreement with the Consenting Noteholders.</p>

<b>1. RECAPITALIZATION TRANSACTION</b>	
<b>Documentation</b>	The Company and its advisors will work cooperatively with the Majority Initial Consenting Noteholders and the Initial Commitment Parties and their respective advisors to prepare and finalize all Definitive Documents (including, without limitation, all Court documents and the Plan) required to implement the Recapitalization Transaction.
<b>Timeline for Implementation</b>	The actions necessary to structure and implement the Recapitalization Transaction will be completed by the Company in accordance with the timelines for the Milestones (as defined in the Support Agreement).
<b>Releases</b>	Those releases contemplated by the Support Agreement shall be provided or effective at closing of the Recapitalization Transaction.
<b>2. OTHER MATTERS</b>	
<b>Fractional Securities</b>	No fractional securities will be issued. Any fractional securities that would otherwise have been issued shall be rounded down to the nearest whole number, with no additional consideration being provided in respect of the rounding down of such fractional securities.
<b>Change of Control</b>	Any change of control provisions contained in any material third party contracts with the Company or any agreement between the Company and any director, officer or employee that may result in the termination of such material contract and/or a material payment by the Company to another party as a result of the completion of the Recapitalization Transaction shall be addressed in a manner acceptable to the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders, acting reasonably.
<b>Tax Considerations</b>	The Recapitalization Transaction will be structured in a manner acceptable to the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders to effectuate the terms and conditions outlined herein in a tax efficient and acceptable manner for the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders.
<b>D&amp;O Insurance</b>	All existing directors and officers insurance coverage and indemnification obligations shall be unaffected by the Recapitalization Transaction and shall continue in effect pursuant to their applicable terms, and shall not be cancelled, terminated or amended in any manner that would decrease or eliminate the benefit provided thereby to any officer or director.
<b>No Admission</b>	Nothing in this Term Sheet is or shall be deemed to be an admission of any kind.
<b>Currency</b>	All amounts in this Term Sheet are in Canadian dollars unless otherwise stated.
<b>Notices</b>	All notices, requests, consents and other communications hereunder shall be contained in a written instrument and may be delivered in person or sent by internationally-recognized overnight courier or email.

<b>1. RECAPITALIZATION TRANSACTION</b>	
<b>Public Announcements</b>	All public announcements in respect of the Recapitalization Transaction shall be made in accordance with the terms of the Support Agreement and the Commitment Letter.
<b>Governing Law</b>	This Term Sheet, the Support Agreement and any other agreement necessary to implement the Recapitalization Transaction shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.
<b>3. DEFINITIONS</b>	
<b>Definitions</b>	<p><b>"Board"</b> means the board of directors of the Company.</p> <p><b>"Calfrac LP"</b> means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware.</p> <p><b>"Credit Agreement"</b> means the Amended and Restated Credit Agreement dated April 30, 2019 between Calfrac Well Services Ltd., as borrower, HSBC Bank Canada ("<b>HSBC</b>") and each of the other financial institutions party thereto, as lenders, and HSBC, as Agent (as amended, restated or supplemented from time to time).</p> <p><b>"Commitment Letter"</b> means the commitment letter dated July 13, 2020 between the Company and the Initial Commitment Parties, in respect of the New Financing.</p> <p><b>"Common Shares"</b> means common shares in the capital of CWS.</p> <p><b>"Consenting Noteholders"</b> means Noteholders who enter into a Support Agreement (including by way of a Joinder Agreement) and have complied with their obligations pursuant thereto (up to the Effective Date).</p> <p><b>"Court"</b> means the Court of Queen's Bench of Alberta.</p> <p><b>"CWS"</b> means Calfrac Well Services Ltd., a corporation formed under the laws of the Province of Alberta.</p> <p><b>"Early Consent Date"</b> means a date to be determined by the Initial Consenting Noteholders and the Company, each acting reasonably, but not earlier than 15 days following the Interim Order.</p> <p><b>"Early Consenting Noteholders"</b> means Noteholders who provide voting instructions to vote in favour the Plan on or prior to the Early Consent Date, and does not withdraw such voting instructions.</p> <p><b>"Effective Time"</b> means the time at which the Plan becomes effective.</p> <p><b>"Existing Lenders"</b> means the lenders under the Credit Agreement.</p>

<b>1. RECAPITALIZATION TRANSACTION</b>	
	<p><b>"Existing Shareholders"</b> means the current holders of Common Shares as of the Record Date.</p> <p><b>"Initial Commitment Parties"</b> means those Consenting Noteholders (and others) who have executed the Commitment Letter, and are defined as "Initial Commitment Parties" therein.</p> <p><b>"Initial Consenting Noteholders"</b> means Noteholders who, on or prior to July 13, 2020 entered into the Support Agreement (including by way of a Joinder Agreement), provided that such Initial Consenting Noteholder continues to hold at least 80% of its respective principal amount of Relevant Senior Unsecured Notes as set out on its signature page to the Support Agreement.</p> <p><b>"Joinder Agreement"</b> means a joinder agreement, the form of which will be appended to the form of Support Agreement, pursuant to which a Noteholder agrees, among other things, to be bound by and subject to the terms of the Support Agreement and thereby become a Consenting Noteholder.</p> <p><b>"Majority Commitment Parties"</b> has the meaning given to it in the Commitment Letter.</p> <p><b>"Majority Initial Consenting Noteholders"</b> means Initial Consenting Noteholders holding not less than 66 <sup>2</sup>/<sub>3</sub>% of the aggregate principal amount of the Senior Unsecured Notes held by all Initial Consenting Noteholders.</p> <p><b>"New 1.5 Lien Notes"</b> means in aggregate the CAD\$60 million in new 10% PIK interest convertible secured notes to be issued prior to or concurrent with the completion of the Recapitalization Transaction.</p> <p><b>"New Shares"</b> means all Common Shares of CWS issued to Senior Unsecured Noteholders pursuant to the Plan.</p> <p><b>"Noteholders"</b> means, collectively, the Senior Unsecured Noteholders.</p> <p><b>"Proceedings"</b> means the Company's proceedings under the CBCA pursuant to which the Plan shall be implemented.</p> <p><b>"Pro Forma Common Shares"</b> means all of the issued and outstanding common shares of CWS, as at immediately following the Effective Time and taking into account the Existing Shareholder Shares and the New Shares, but not taking into account the Backstop Shares issued pursuant to the Plan, and subject to dilution pursuant to conversion of the New 1.5 Lien Notes.</p> <p><b>"Record Date"</b> means July 13, 2020.</p> <p><b>"Second Lien Noteholders"</b> means a holder or holders of the Second Lien Notes, in their capacity as such.</p>

<b>1. RECAPITALIZATION TRANSACTION</b>	
	<p>"<b>Second Lien Notes</b>" means the 10.875% second lien secured notes of Calfrac LP in the maximum aggregate amount of USD\$120,000,100 due 2026 and issued and outstanding pursuant to the Second Lien Note Indenture.</p> <p>"<b>Second Lien Note Indenture</b>" the indenture dated February 14, 2020 among Calfrac LP, as issuer of the Second Lien Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and Wilmington Trust, National Association, as trustee.</p> <p>"<b>Senior Unsecured Noteholders</b>" means a holder or holders of the Senior Unsecured Notes as of the Record Date.</p> <p>"<b>Senior Unsecured Notes</b>" means the 8.50% senior unsecured notes of Calfrac LP in the maximum aggregate amount of USD\$650,000,000 due 2026 and issued and outstanding pursuant to the Senior Unsecured Note Indenture.</p> <p>"<b>Senior Unsecured Note Indenture</b>" means the indenture dated May 30, 2018 among Calfrac LP, as issuer of the Senior Unsecured Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and Wells Fargo Bank, National Association, as trustee.</p> <p>"<b>Support Agreement</b>" means one or more noteholder support agreements dated on or about July 13, 2020 among the Company and certain Senior Unsecured Noteholders to which this Term Sheet is appended (and including any joinders thereto).</p>

**SCHEDULE A**  
**SUBSIDIARIES**

<b>ENTITY</b>	<b>JURISDICTION</b>
Calfrac (Canada) Inc.	Alberta
Calfrac Holdings LP	Delaware
Calfrac Well Services Corp.	Colorado