

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
	)	
NINE ENERGY SERVICE, INC., <i>et al.</i> , ¹	)	Case No. 26-90295 (CML)
	)	
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION
FOR ENTRY OF INTERIM AND FINAL
ORDERS (I) AUTHORIZING THE DEBTORS TO
OBTAIN POSTPETITION FINANCING, (II) GRANTING
LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY
ADMINISTRATIVE EXPENSE STATUS, (III) AUTHORIZING THE
USE OF CASH COLLATERAL, (IV) MODIFYING THE AUTOMATIC STAY,
(V) SCHEDULING A FINAL HEARING, AND (VI) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 4 p.m. (prevailing Central Time) on February 3, 2026.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on February 3, 2026, at 4:00 p.m. (prevailing Central Time) in Courtroom 402, 4th floor, 515 Rusk Street, Houston, Texas 77002.

Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Lopez's conference room number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez's home page. The meeting code is "JudgeLopez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Lopez's homepage. Select the case name, complete the required fields, and click "Submit" to complete your appearance.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://dm.epiq11.com/NineEnergy>. The location of Nine Energy Service, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 2001 Kirby Drive, Suite 200, Houston, TX 77019.

The above-captioned debtors and debtors in possession (collectively, the “Debtors,”) state the following in support of this motion:²

Preliminary Statement

1. The Debtors commence these chapter 11 cases with a restructuring support agreement (the “RSA”) in hand that enjoys the support of holders of over 70% of the Senior Secured Notes Claims and 100% of the Prepetition ABL Claims. The restructuring transactions contemplated by the RSA—and embodied in the Plan—will eliminate all of the nearly \$320 million in Senior Secured Notes obligations and provide the Reorganized Debtors with access to post-emergence liquidity in the form of a \$135 million committed Exit ABL Facility. Additionally, the Plan contemplates the payment in full of all general unsecured creditors, including all trade, customer, employee, vendor, and supplier claims. But with only \$5.5 million in unrestricted cash as of the Petition Date, the Debtors require immediate access to additional liquidity to fund these chapter 11 cases and preserve the value of their estates as they seek confirmation of the Plan. The proposed DIP facility—a superpriority asset-based revolving credit facility, consisting of \$125 million in aggregate commitments (the “DIP Facility”)—provides the Debtors with the necessary and only actionable capital to do so. The DIP Facility, which

² A detailed description of the Debtors and their business, including the circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of Guy Sirkes, Executive Vice President and Chief Financial Officer of Nine Energy Service, Inc., in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 4] (the “First Day Declaration”). Capitalized terms used but not defined in this motion shall have the meanings ascribed to them in the First Day Declaration or the Interim DIP Order (as defined herein), as applicable. In support of this motion, the Debtors also submit: (a) the *Declaration of David Rush in Support of the Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Authorizing The Use of Cash Collateral, (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* (the “Rush Declaration”); and (b) the *Declaration of Bassam J. Latif in Support of the Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Authorizing The Use of Cash Collateral, (IV) Modifying the Automatic Stay; (V) Schedule a Final Hearing, and (VI) Granting Related Relief* (the “Latif Declaration”).

contemplates a “roll-up” of all outstanding obligations under the Prepetition ABL Facility and continued access to cash collateral, will be replaced by a \$135 million senior secured revolving credit facility upon emergence (the “Exit ABL Facility”). The “DIP-to-exit” structure of the proposed financing package, which is a cornerstone of the RSA, provides the Debtors with a clear, efficient path to emergence at the outset of these chapter 11 cases.

2. As described in detail in the First Day Declaration, in the face of an overleveraged capital structure and industry headwinds, the Debtors began to explore strategic and financial alternatives in October 2025. The Debtors retained Kirkland & Ellis LLP (“K&E”) as legal counsel, Moelis & Company LLC (“Moelis”) as investment banker, and FTI Consulting, Inc. (“FTI”), as financial advisor, to conduct a thorough review of all available alternatives. After careful consideration, it became clear that an in-court restructuring would be required to address the Company’s burdensome leverage profile and help position it for long term success. As further described below, the Debtors engaged in a comprehensive negotiation and marketing process with third parties and Debtors’ existing stakeholders to explore all strategic alternatives, including with their Prepetition ABL Lenders on the terms of potential postpetition financing while in tandem engaging with the Ad Hoc Group on the terms of an equitization of the Senior Secured Notes position. The parties eventually coalesced around a postpetition financing structure that would roll-forward the Prepetition ABL Facility and the full equitization of the Senior Secured Notes position on the terms and conditions set forth in the RSA and the other definitive documents contemplated thereunder (including the Plan and DIP Documents).

3. In December 2025, the Debtors instructed Moelis to begin a thorough marketing process to explore potential third-party DIP financing options and confirm that no other party was willing to provide junior DIP financing or DIP financing on better terms than the DIP Facility. *See*

Latif Decl. ¶ 29. Moelis contacted twenty-five sophisticated third-party financial institutions with experience in providing emergency DIP financings in special situations. *Id.* ¶ 20. Of the twenty-five parties contacted, fifteen signed confidentiality agreements and received financial diligence from the Debtors. *Id.* ¶ 21. Two of these fifteen parties submitted proposals to provide DIP financing. *Id.* ¶ 22. After further engagement with those third parties, both declined to proceed, leaving the DIP Facility proposed by the Prepetition ABL Lenders as the only actionable financing option for the Debtors. *See id.* ¶¶ 22–23.

4. After weeks of negotiations, the Debtors reached an agreement with the Prepetition ABL Lenders on the terms of the DIP Facility, as evidenced by that certain Loan and Security Agreement (the “DIP Credit Agreement”). The DIP Facility is comprised of a senior secured superpriority asset-based revolving credit facility composed of (a) up to \$125 million in revolving credit commitments available upon entry of the Interim DIP Order and (b) upon entry of the Interim DIP Order, a full “roll-up” of all obligations under the Prepetition ABL Facility (the “Prepetition ABL Obligations”) into DIP Loans (the “DIP Roll-Up”) in each case subject to the terms and conditions set forth in the Interim DIP Order and the DIP Documents.

5. Ultimately, the Debtors’ negotiating efforts resulted in final terms that position the Debtor to fund their operations in the same manner they did prepetition, fund chapter 11 administration costs, and avoid any value-destructive “priming” disputes. Additionally, the DIP Facility will allow the debtors full access to cash collateral within the meaning of section 363(a) of the Bankruptcy Code (“Cash Collateral”) on a consensual basis. The DIP Facility is the best available source of financing to meet the Debtors’ cash needs and enables the Debtors to implement the value-maximizing restructuring transactions contemplated by the RSA and Plan.

Performance under the DIP Documents is inextricably tied to the RSA transactions, which, taken together, present the value-maximizing solution available to the Company.

6. For these reasons and for the reasons set forth below, as well as in the Latif Declaration, the Rush Declaration, and the First Day Declaration, the Debtors believe that the DIP Facility will inure to the benefit of each of the Debtors' stakeholders, and entry into the DIP Documents is a valid exercise of the Debtors' sound business judgment. Accordingly, the Debtors respectfully request that the Court grant the relief requested in the motion.

Jurisdiction and Venue

7. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference to Bankruptcy Judges*, entered May 24, 2012, from the United States District Court for the Southern District of Texas. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

8. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

9. The bases for the relief requested herein are sections 105, 361, 362, 363, 364, 503, 506, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), rules 2002, 4001, and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), rules 2002-1, 4001-1, 4002-1, and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules"), and the *Procedures for Complex Cases in the Southern District of Texas* (the "Complex Case Procedures").

Relief Requested

10. The Debtors seek entry of an Interim DIP Order, substantially in the form attached hereto (the “Interim DIP Order”) and a final order (the “Final DIP Order,”³ and together with the Interim DIP Order, the “DIP Orders”):

- a. ***DIP Facility***: authorizing the Debtors to enter into the DIP Facility (such funding commitments thereunder, the “DIP Commitments”) in the aggregate principal amount of up to \$125 million (all amounts extended under the DIP Facility, the “DIP Loans”), which provides for the conversion of any and all Prepetition ABL Obligations to DIP Loans, including deeming all outstanding letters of credit issued under the Prepetition ABL Credit Agreement as being issued under the DIP Facility, in accordance with the terms and conditions of the DIP Orders and the DIP Credit Agreement attached to the Interim DIP Order as Exhibit 1, by and among Nine Energy Service, Inc., Nine Energy Canada Inc., CDK Perforating, LLC, Crest Pumping Technologies, LLC, RedZone Coil Tubing, LLC, and Nine Downhole Technologies, LLC, as borrowers (collectively, the “DIP Borrowers”), and Nine Energy Service, LLC, MOTI Holdco, LLC, Magnum Oil Tools GP, LLC, and Magnum Oil Tools International, LTD as guarantors (each, a “DIP Guarantor,” and collectively, the “DIP Guarantors,” and together with the DIP Borrowers, the “DIP Loan Parties”), White Oak Commercial Finance, LLC, as administrative agent (in such capacities, the “DIP Agent”), and the lender parties thereto (the “DIP Lenders,” and together with the DIP Agent, the “DIP Secured Parties”), which shall be available upon entry of the Interim DIP Order and borrowings thereunder shall be available immediately, in each case, subject to the terms and conditions set forth in the Interim DIP Order and DIP Documents (as defined below);
- b. ***DIP Obligations***: authorizing the DIP Borrowers to incur, and the DIP Guarantors to guarantee on a joint and several basis, the principal, interest, fees, premiums, interest on interest, costs, expenses, obligations (whether contingent, unmatured, or otherwise), incur all loans, advances, extensions of credit and financial accommodations, and pay all principal, interest, premiums or similar amounts, fees, costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, including, without limitation, the fees payable under the Fee Letter (as defined in the DIP Credit Agreement) with respect to the DIP Facility and all other “Obligations” as defined in the DIP Credit Agreement, whether or not such obligations arose before or after the Petition Date (including the Prepetition ABL Credit Agreement Premium (as defined in the DIP Credit Agreement)), whenever the same shall become due, whether at stated maturity, by mandatory prepayment, declaration, acceleration or

³ The Debtors will file the form of Final DIP Order prior to the Final Hearing.

otherwise, in each case, in accordance with the DIP Documents and the Interim DIP Order (collectively, the “DIP Obligations”)

- c. ***Use of Proceeds***: authorizing the Debtors to use proceeds of the DIP Facility for (i) working capital and corporate purposes of the Debtors; (ii) bankruptcy-related costs and expenses in respect to these chapter 11 cases, (iii) costs and expenses related to the DIP Facility, and (iv) refinancing of the Prepetition ABL Obligations;
- d. ***DIP Documents***: authorizing the Debtors to (i) execute, deliver, and perform under the DIP Credit Agreement, and each of the other DIP Documents (and any and all other documents related to the fronting or seasoning of the DIP Loans) (collectively, the “DIP Documents”); and (ii) and to perform such other and further acts as may be necessary, required, or desirable to implement and effectuate the terms of the Interim DIP Order and the DIP Documents, and the transactions contemplated thereby;
- e. ***DIP Intercreditor Agreement***: contemporaneously with the ABL Refinancing, deeming the DIP Agent to be party to the Prepetition Intercreditor Agreement in all respects, including as the “ABL Representative” and an “ABL Creditor” (as each of those terms are used in the Prepetition Intercreditor Agreement) thereunder, and further deeming the DIP Secured Parties as “ABL Creditors” thereunder and the Prepetition Intercreditor Agreement to be amended and restated mutatis mutandis with such terms as necessary to reflect the Interim Order and to give effect to the relationship between the DIP Agent and the DIP Secured Parties and their relative priority on the “ABL Priority Collateral” (as that term is used in the Prepetition Intercreditor Agreement), and the Prepetition Senior Secured Notes Secured Trustee and the Prepetition Senior Secured Notes Secured Parties and their relative priority on the “Notes Priority Collateral” (as that term is used in the Prepetition Intercreditor Agreement).
- f. ***DIP Liens***: subject to the Carve Out, the Permitted Prior Liens (as defined in the Interim DIP Order), and the relative priorities and limitations as set forth in the Interim DIP Order, granting to the DIP Agent, for the benefit of the DIP Lenders), automatically and validly perfected security interests in and liens on the DIP Collateral (as defined in the Interim DIP Order), including all property constituting Cash Collateral;
- g. ***Superpriority Claims***: subject to the Carve Out (as defined in the Interim DIP Order) and to the relative priorities provided in the Interim DIP Order, granting the DIP Obligations allowed superpriority administrative expense claim status in each of the chapter 11 cases, as and to the extent provided in the Interim DIP Order;
- h. ***Cash Collateral***: authorizing the Debtors to use the proceeds of the DIP Facility, the DIP Collateral, and Prepetition Collateral, including any Cash Collateral, in accordance with the terms and conditions set forth in the Interim Order, the Prepetition Loan Documents, and the DIP Documents. Including the Approved Budget, subject to any Permitted Variances;

- i. ***Adequate Protection***: providing adequate protection to the Prepetition Secured Parties as provided for in the Interim DIP Order for, solely to the extent of any Diminution in Value of the respective Prepetition Liens in the Prepetition Collateral (including Cash Collateral);
- j. ***Automatic Stay***: vacating or modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Documents and the Interim DIP Order, and waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of the Interim DIP Order, and providing for the immediate effectiveness of the Interim DIP Order;
- k. ***Stipulations and Releases***: approving certain stipulations and releases by the Debtors with respect to, among other things, (i) the DIP Secured Parties, the DIP Documents, the DIP Liens, and the DIP Obligations, and (ii) the Prepetition Secured Parties, the Prepetition Loan Documents, the Prepetition Liens, and the Prepetition Secured Obligations as set forth in the Interim DIP Order;
- l. ***Sections 506(c) and 552(b) Waivers***: subject to and effective upon the entry of the Final Order, authorizing the Debtors to waive (a) any right to surcharge the DIP Collateral as to the DIP Secured Parties and the Prepetition Collateral as to the Prepetition Secured Parties pursuant to sections 105(a) and 506(c) of the Bankruptcy Code or otherwise, (b) the equitable doctrine of marshaling and other similar doctrines, and (c) the “equities of the case” exception under section 552(b) of the Bankruptcy Code with respect to the Prepetition Collateral as to the Prepetition Secured Parties;
- m. ***Fees***: authorizing the Debtors to: (a) pay transaction fees and other costs and expenses of administration of the chapter 11 cases, and (b) pay the reasonable and invoiced fees and expenses (including reasonable and invoiced attorneys’ and advisors’ fees and expenses) and interest and other payments owed to the DIP Secured Parties pursuant to the DIP Documents and the Interim DIP Order;
- n. ***Final Hearing***: scheduling a final hearing (the “Final Hearing”) to consider the relief requested herein and approving the form of notice with respect to the Final Hearing; and
- o. ***Related Relief***: granting related relief.

**Concise Statement of the Material Terms
of the Interim DIP Order Pursuant to Bankruptcy Rule 4001
and the Procedures for Complex Cases in the Southern District of Texas**

11. The following chart contains a summary of the material terms of the proposed Interim DIP Order, together with references to the applicable sections of the Interim DIP Order and other relevant source documents, including the DIP Credit Agreement, as required by

Bankruptcy Rules 4001(b)(1)(B) and 4001(c)(1)(B) and paragraph 8 of the Complex Case Procedures (the “Significant Provisions”).⁴

Bankruptcy Rule	Summary of Material Terms
DIP Loan Parties Bankruptcy Rule 4001(c)(1)(B)	DIP Borrowers: Nine Energy Service, Inc.; Nine Energy Canada Inc.; CDK Perforating, LLC; Crest Pumping Technologies, LLC; Redzone Coil Tubing, LLC; and Nine Downhole Technologies, LLC DIP Guarantors: Magnum Oil Tools GP, LLC; Magnum Oil Tools International, LTD; MOTI Holdco, LLC; Nine Energy Service, LLC <i>See</i> DIP Credit Agreement, Preamble.
DIP Secured Parties Bankruptcy Rule 4001(c)(1)(B)	DIP Lenders: the lenders from time to time party to the DIP Credit Agreement DIP Agent: White Oak Commercial Finance, LLC <i>See</i> DIP Credit Agreement, Preamble.
Term Bankruptcy Rules 4001(c)(1)(B), (B)(iii)	The date that is one hundred twenty (120) days after the Closing Date. <i>See</i> DIP Credit Agreement, <u>Schedule A</u> “Scheduled Maturity Date.”
Commitments; Roll-Up Bankruptcy Rule 4001(c)(1)(B); Significant Provision ¶ 8(c)	A senior secured superpriority asset-based revolving credit facility composed of: (a) up to \$125 million in revolving credit commitments available upon entry of the Interim DIP Order; (b) a full “roll-up” all Prepetition ABL Obligations into DIP Loans upon entry of the Interim DIP Order; and (c) a \$5 million sublimit for the issuance of standby letters of credit. <i>See</i> DIP Credit Agreement, § 1.1.
Conditions of Borrowing Bankruptcy Rule 4001(c)(1)(B)	The DIP Orders and DIP Documents include usual and customary conditions precedent for facilities of this type and among others, (a) entry of DIP financing orders reasonably acceptable to the DIP Agent and the execution of the DIP Documents, (b) delivery of (i) the Initial Budget and (ii) the most recent financials required to be delivered to the administrative agent under the Prepetition ABL Credit Agreement and (c) payments or incurrence of applicable fees.

⁴ The summaries contained in this motion are qualified in their entirety by the provisions of the documents referenced. To the extent anything in this motion is inconsistent with such documents, the terms of the applicable documents shall control. Capitalized terms used in this summary chart but not otherwise defined have the meanings ascribed to them in the Prepetition ABL Credit Agreement, DIP Documents, or the Interim DIP Order, as applicable.

Bankruptcy Rule	Summary of Material Terms
	<i>See</i> DIP Credit Agreement, § 1.6.
Interest Rates Bankruptcy Rule 4001(c)(1)(B)	A percentage per annum equal to (i) SOFR Index Rate (1.50% floor) plus (ii) 4.00%. <i>See</i> DIP Credit Agreement, § 2.1.
Use and Limitations of Use of the DIP Facility and Cash Collateral Bankruptcy Rule 4001(b)(1)(B)(ii); Significant Provision ¶ 8(g)	All proceeds of all Loans made hereunder and of Letters of Credit issued hereunder shall be used by the Borrowers, solely on or after the Closing Date, (a) to provide working capital for the Loan Parties during their chapter 11 cases in accordance with the DIP Orders, and the then applicable Approved Budget (subject to Permitted Variances), and for the financing of the Borrowers' ordinary working capital, letters of credit and other general corporate needs including the payment of certain fees and expenses of professionals retained by the Loan Parties, subject to the Carve-Out, and for certain other prepetition and pre-filing expenses that are approved by the Bankruptcy Court (including adequate protection payments, if any) and permitted by the then applicable Approved Budget (subject to Permitted Variances) and to pay the Prepetition ABL Obligations of the Borrowers, (b) subject to and effective upon the entry of the Interim DIP Order, on the Closing Date, to convert and refinance in full the Indebtedness owing under the Prepetition ABL Credit Agreement as contemplated in Section 1.1(b), (c) subject to and upon entry of the Final DIP Order, convert any and all remaining Prepetition ABL Obligations into Revolving Loans hereunder and (d) for such other purposes not prohibited by the terms of the DIP Credit Agreement. All proceeds of all Loans and Letters of Credit will be used solely for lawful business purposes <i>See</i> DIP Credit Agreement, § 5.13.
Entities with Interests in Cash Collateral Bankruptcy Rule 4001(b)(1)(B)(i)	The Prepetition ABL Secured Parties and the Prepetition Senior Secured Notes Secured Parties. <i>See</i> Interim DIP Order ¶ F(a)(iii), (b)(iii).
Fees Bankruptcy Rule 4001(c)(1)(B)	The DIP Facility provides for fees that are usual and customary for credit facilities of that type and include: • <u>Letter of Credit Fees</u>: A rate per annum equal to the Applicable Margin then applicable to Revolving Loans whose interest rate is based on the SOFR Index Rate (i.e., 4.00% per annum), plus fronting or other customary fees, costs and expenses which may be charged by the applicable issuer of such letter of credit. • <u>Termination Fee</u>: Equal to the Early Payment/Termination Premium (as defined in the Prepetition ABL Credit Agreement) in the event the DIP Commitments under the DIP Facility are permanently reduced or terminated (i.e., 2.00% in year one, 1.00% in year two and 0.00% in year three, in each case, of the principal amount by which the aggregate commitments and/or loans are reduced or terminated, in each case, pursuant to an early termination event); <i>provided, however</i>, that upon emergence, such fee will be waived in the event the DIP Facility is rolled into the

Bankruptcy Rule	Summary of Material Terms
	Exit ABL Facility, so long as such Exit ABL Facility (a) is arranged by White Oak Commercial Finance, LLC, and its affiliates and (b) is consistent with the terms set forth in the Exit ABL Term Sheet attached as <u>Exhibit D</u> to the RSA. • <u>Unused Line Fee</u>: A percentage per annum equal to 0.50% of the amount by which (a) the aggregate principal amount of the DIP Commitments exceeds (b) the average daily outstanding principal balance of the Revolving Loans and letter of credit liabilities during the immediately preceding month (or part thereof), payable in arrears on the first day of each calendar month. • <u>Arrangement Fee</u>: An amount equal to 1.50% of the aggregate principal amount of the DIP Commitments as of the Closing Date. • <u>Collateral Monitoring Fee</u>: \$10,000 per month, paid monthly in advance. See DIP Credit Agreement § 2.2.
Budget Bankruptcy Rule 4001(c)(1)(B)	The Debtors will use the proceeds of the DIP Facility and Cash Collateral in accordance with the Initial Budget (subject to Permitted Variances), attached to the Interim DIP Order as <u>Exhibit 2</u> and as <u>Exhibit K</u> to the DIP Credit Agreement, and each subsequent Approved Budget. See Interim DIP Order ¶ 9(a), (b).
Variance Bankruptcy Rule 4001(c)(1)(B)	No later than 5:00 p.m. (New York City time) every second Friday following the Petition Date, commencing with the Friday of the second week following the week after the calendar week in which the Petition Date occurs (i.e., February 13, 2026) (each such Friday, the “<u>Variance Report Deadline</u>”), the DIP Loan Parties shall deliver to the DIP Agent a variance report, each in form, detail and substance satisfactory to the Required DIP Lenders in their sole discretion (each, a “<u>Variance Report</u>”), setting forth the difference between, on a line-by-line and aggregate basis, (i) actual operating receipts and budgeted operating receipts as set forth in the Approved Budget, as the case may be (the “<u>Receipts Variance</u>”), and (ii) actual operating disbursements and budgeted operating disbursements as set forth in the Approved Budget, as the case may be, excluding the professional fees and expenses of the Debtor Professionals (the “<u>Disbursements Variance</u>”), for the applicable period, together with a reasonably detailed explanation of such Receipts Variance and Disbursements Variance for such applicable period. See Interim DIP Order ¶ 9(c).
Chapter 11 Milestones Bankruptcy Rule 4001(c)(1)(B)(vi) Significant Provision ¶ 8(a)	The DIP Credit Agreement requires the Debtors to comply with the below milestones: • no later than 11:59 p.m. (Eastern Time) on March 16, 2026, subject to Court availability, the Court shall have entered the Final DIP Order and the Confirmation Order; and • no later than 11:59 p.m. (Eastern Time) on March 31, 2026, the effective date of the Plan shall have occurred and all the restructuring transactions contemplated therein shall have been implemented and consummated, including the payment in

Bankruptcy Rule	Summary of Material Terms
	full of the Obligations (including by means of the cashless rollover of the Obligations into the Exit ABL Facility as contemplated pursuant to Section 1.14). <i>See</i> DIP Credit Agreement, § 5.30.
Liens and Priorities Bankruptcy Rule 4001(c)(1)(B)(i); Significant Provision ¶ 8(a)	For each of the following categories of DIP Collateral, the priority of liens shall be as follows, subject to (a) the Carve Out and (b) the Permitted Liens: • <u>DIP Collateral that Constitutes or Would Otherwise Constitute ABL Priority Collateral</u>:⁵ (a) Carve Out; (b) Permitted Prior Liens; (c) DIP Liens; (d) Prepetition ABL Adequate Protection Liens; (e) Prepetition ABL Liens; (f) Prepetition Secured Notes and Adequate Protection Liens; and (g) Prepetition Secured Notes Liens • <u>DIP Collateral that Constitutes or Would Otherwise Constitute Notes Priority Collateral</u>: (a) Carve Out; (b) Permitted Prior Liens; (c) Prepetition Secured Notes Adequate Protection Liens; (d) Prepetition Secured Notes Liens; (e) DIP Liens; (f) Prepetition ABL Adequate Protection Liens; and (g) Prepetition ABL Liens • <u>Unencumbered Property</u>: (a) Carve Out; (b) DIP Liens; (c) Prepetition ABL Adequate Protection Liens (until the ABL Refinancing Effective Date); and (d) Prepetition Secured Notes Adequate Protection Liens • <u>Claims</u>: (a) Carve Out; (b) DIP Superpriority Claims; (c) Prepetition ABL Adequate Protection Claims (until the ABL Refinancing Effective Date); and (d) Prepetition Secured Notes Adequate Protection Claims <i>See</i> Interim DIP Order ¶ 6(c), <u>Exhibit 3</u>.
Non-Consensual Priming Lines Significant Provision ¶ 8(h)	The DIP Orders do not provide for non-consensual priming liens.
Carve Out Bankruptcy Rule 4001(c)(1)(B)	The Interim DIP Order provides for a “Carve Out” of certain statutory fees and allowed professional fees of the Debtors pursuant to section 1103 of the Bankruptcy Code. <i>See</i> Interim DIP Order ¶ 23.
Challenge Period Bankruptcy Rule 4001(c)(1)(B)	Prior to the Challenge Deadline, a party in interest with the requisite standing may commence an appropriate proceeding or contested matter challenging any of the Debtors’ Stipulations and all other admissions, agreements, and releases contained in the Interim DIP Order, including the Releases. The “<u>Challenge Deadline</u>” means the date that is the earlier of (i) the deadline set by the Court for the filing of objections to confirmation of any chapter 11 plan of

⁵ “ABL Priority Collateral” and “Notes Priority Collateral” shall have the meanings set forth in the Intercreditor Agreement (as defined in the Prepetition ABL Credit Agreement).

Bankruptcy Rule	Summary of Material Terms
	reorganization in these bankruptcy cases, and (ii) as to the Official Committee (if appointed), sixty (60) days from the date of the formation of the Official Committee, (iii) as to any other party-in-interest sixty (60) calendar days after entry of the Interim DIP Order. The Challenge Deadline may be extended by this Court for good cause shown pursuant to an application filed and served by a party in interest prior to the expiration of the Challenge Deadline. If these chapter 11 cases are converted to chapter 7, or a chapter 7 or chapter 11 trustee is appointed or elected prior to the expiration of the Challenge Deadline, the Challenge Deadline shall be extended for a period of 60 days from the date of such appointment or election solely with respect to any such trustee. <i>See Interim DIP Order ¶¶ 24(a), (d).</i>
Adequate Protection Bankruptcy Rules 4001(b)(1)(B)(ii), (iv)	The Prepetition Secured Parties are entitled to usual and customary adequate protection of their respective interests in the Prepetition Collateral, including Cash Collateral, to the extent of any Diminution in Value of their interests therein, including (i) adequate protection liens, (ii) adequate protection claims, (iii) payment of ABL Fees and Expenses and Senior Secured Notes Fees and Expenses; (iv) until the refinancing of Prepetition ABL Obligations; and (iv) reporting obligations required under the DIP Documents. <i>See Interim DIP Order ¶¶ 10, 12.</i>
Events of Default; Remedies Bankruptcy Rule 4001(c)(1)(B); Significant Provision ¶ 8(e)	The DIP Facility contain Events of Default that are usual and customary for debtor-in-possession financings. The Interim DIP Order provides a Remedies Notice Period of five (5) business days for all Events of Default. Upon the issuance of a Remedies Notice, the DIP Agent, acting at the request of the Required DIP Lenders, subject to the Intercreditor Agreements (if applicable), may (i) deliver to the Borrowers a notice declaring the occurrence of a DIP Termination Event, (ii) declare the termination, reduction or restriction of the commitments under the DIP Facility (to the extent any such commitment remains), (iii) declare the DIP Obligations, as applicable, then outstanding to be due and payable, (iv) declare the termination of the DIP Facility and the DIP Documents as to any further liability or obligation thereunder, but without affecting the DIP Liens or the DIP Obligations, (v) declare the reduction or restriction on the applicable DIP Facility or the applicable DIP Documents, (vi) declare the termination, restriction or revocation of the ability of the Debtors to use Cash Collateral, (vii) charge interest at the default rate under the DIP Facility, (viii) immediately exercise any and all rights of set-off, (ix) exercise any right or remedy against the DIP Collateral, including, without limitation, the disposition of DIP Collateral for application towards the DIP Obligations, or (x) take any other action or exercise any other right or remedy permitted under the DIP Loan Documents, this Interim Order or applicable law; <i>provided that</i>, prior to the exercise of any right set forth in clauses (viii), (ix), and (x) of this paragraph 21(b), the DIP Lender shall be required to file a motion with the Court seeking emergency relief from the automatic stay (the “<u>Stay Relief Motion</u>”) on not less than five (5) business days’ notice to the Remedies Notice Parties (which may run concurrently with the Remedies Notice Period) and the Court shall schedule an emergency hearing thereon at its earliest opportunity without the necessity of a motion to shorten (and the Prepetition Secured Parties, the Debtors, and the Official Committee, if any, consent to the shortened notice with respect to the Stay

Bankruptcy Rule	Summary of Material Terms
	Relief Motion). Prior to the expiration of the Remedies Notice Period, the Debtors and/or any Official Committee (if appointed) shall be entitled to seek an emergency hearing (solely to the extent such hearing is requested on an expedited basis) from the Court for the purpose of contesting whether an Event of Default has occurred and/or is continuing, and each of the DIP Secured Parties, the Prepetition Secured Parties, the Debtors, and the Official Committee (if any), as applicable, consent to such emergency hearing. If a request for such hearing is made prior to the end of the Remedies Notice Period, then the Remedies Notice Period shall be continued until the Court hears and rules with respect thereto. At the hearing on the Stay Relief Motion, the Court may fashion an appropriate remedy upon a determination that an Event of Default has occurred and is continuing, which may include permitting the DIP Lenders to exercise all rights and remedies available against the DIP Collateral permitted by law or equity, without further notice to, hearing on, or order from this Court, subject to the Carve Out; <i>provided</i> that, other than with respect to exercise of any right set forth in clauses (i)–(vii) in this paragraph 21(b), the automatic stay shall remain in effect until the Court has an opportunity to rule on the Stay Relief Motion. During the Remedies Notice Period, the Debtors are permitted to use Cash Collateral solely to meet payroll obligations and pay expenses associated with the Debtors’ business that are necessary to preserve the value of the Debtors’ businesses and fund the Carve Out. <i>See</i> Interim DIP Order ¶ 21.
Stipulations Bankruptcy Rule 4001(c)(1)(B)(iii)	The Interim Order contains customary stipulations with respect to the DIP Secured Parties. The Interim DIP Order contains customary stipulations with respect to (i) the outstanding Prepetition Secured Obligations as of the Petition Date, (ii) the validity, priority, enforceability, and non-avoidability of the Prepetition Liens on the Prepetition Collateral, (iii) the lack of claims or causes of actions existing against, or with respect to, the Prepetition Secured Parties under the Prepetition Loan Documents, and (iv) the extent to which the Debtors’ cash and other amounts on deposit or maintain in any account or accounts by the Debtors constitutes Cash Collateral; <i>provided</i> that the stipulations shall be subject to the Challenge Period. <i>See</i> Interim DIP Order ¶¶ E–F.
Releases Bankruptcy Rule 4001(c)(1)(B)(viii); Significant Provision ¶ 8(f)	Effective upon entry of the Interim Order, the Debtors, on behalf of themselves and their respective estates, to the maximum extent permitted by applicable law, hereby absolutely, unconditionally and irrevocably release and forever discharge and acquit the DIP Secured Parties and each of their respective Representatives (in their capacities as such) of and from any and all Causes of Action that the Debtors, their estates, predecessors, successors and assigns at any time had, now have or that their successors and assigns may have against any of the DIP Secured Parties and their respective Representatives for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time prior to the date of the Interim DIP Order, in each case, arising under, in connection with or related to the Interim DIP Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder, including,

Bankruptcy Rule	Summary of Material Terms
	without limitation, (i) any claim or Cause of Action seeking avoidance, whether under chapter 5 of the Bankruptcy Code, any applicable Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar state statute, common law or otherwise (“<u>Avoidance Actions</u>”), (ii) any so-called “lender liability” or equitable subordination claims or defenses, (iii) any claims or Causes of Action arising under the Bankruptcy Code, (iv) any claims or Causes of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge, recovery or any other challenge arising under the Bankruptcy Code or applicable non-bankruptcy law with respect to the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder, or (v) any claim or Cause of Action with respect to the validity, enforceability, extent, amount, perfection or priority of the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder; <i>provided, however</i>, that nothing contained in paragraph E(c) of the Interim DIP Order shall relieve the DIP Secured Parties from fulfilling any of their commitments under, and in accordance with, the DIP Documents. Effective as of the date of entry of this Interim Order, the Debtors, on behalf of themselves and their respective estates, to the maximum extent permitted by applicable law, hereby absolutely, unconditionally and irrevocably release and forever discharge and acquit the Prepetition Secured Parties, and their respective Representatives (in their capacities as such) of and from any and all Causes of Action that the Debtors, their estates, predecessors, successors and assigns at any time had, now have or that their successors and assigns may have against any of the Prepetition Secured Parties and their respective Representatives (in their capacities as such) for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time prior to the date of this Interim Order, in each case, arising under, in connection with or related to this Interim Order, the ABL Refinancing, the Prepetition Liens, the Prepetition Collateral, the Prepetition Secured Obligations, the Adequate Protection Liens (as defined below), the Adequate Protection Claims (as defined below), the Adequate Protection Obligations (as defined below), the Prepetition Loan Documents, or the transactions contemplated thereunder or hereunder, including, without limitation, (i) any Avoidance Actions, (ii) any so-called “lender liability” or equitable subordination claims or defenses, (iii) any claims or Causes of Action arising under the Bankruptcy Code, (iv) any claims or Causes of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge, recovery or any other challenge arising under the Bankruptcy Code or applicable non-bankruptcy law with respect to the Prepetition Liens, the Prepetition Collateral, the Prepetition Secured Obligations or the Prepetition Loan Documents, or (v) any claim or Cause of Action with respect to the validity, enforceability, extent, amount, perfection or priority of the ABL Refinancing, the Prepetition Liens, the Prepetition Secured Obligations, the Prepetition Collateral or the Prepetition Loan Documents. <i>See Interim DIP Order ¶¶ E, F.</i>

Bankruptcy Rule	Summary of Material Terms
Waiver/Modification of the Automatic Stay Bankruptcy Rule 4001(c)(1)(B)(iv)	The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified solely to the extent necessary to effectuate all of the terms and provisions of the Interim DIP Order, including: (a) permit the DIP Loan Parties to grant the DIP Liens and the DIP Superpriority Claims, and to perform such acts as the DIP Secured Parties may request to assure the perfection and priority of the DIP Liens; (b) permit the DIP Loan Parties to incur all liabilities and obligations, including all of the DIP Obligations, to the DIP Secured Parties as contemplated under the Interim DIP Order and the DIP Documents; (c) authorize the DIP Loan Parties to grant the Adequate Protection Liens and the Adequate Protection Claims, and to perform such acts as the Prepetition Agents may request to assure the perfection and priority of the Adequate Protection Liens; (d) authorize the DIP Loan Parties to incur all liabilities and obligations, including all Adequate Protection Obligations, to the Prepetition Secured Parties as contemplated under the Interim DIP Order and the Prepetition Loan Documents; (e) permit the DIP Loan Parties to pay all amounts required hereunder and under the DIP Documents; (f) permit the DIP Secured Parties and the Prepetition Secured Parties to retain and apply payments made in accordance with the terms of the Interim DIP Order, the Prepetition Intercreditor Agreement, the Prepetition Loan Documents, and the DIP Documents; (g) subject to paragraph 21 of the Interim DIP Order, the DIP Secured Parties and the Prepetition Secured Parties to exercise, upon the occurrence and during the continuance of any DIP Termination Event (as defined below), all rights and remedies provided for in the Interim DIP Order, the DIP Documents or applicable law; (h) authorizing the Debtors to perform under the Interim DIP Order and the DIP Documents, and to take any and all other actions that may be required, necessary, or desirable for the performance by the Debtors under the Interim DIP Order and the DIP Documents and the implementation of the transactions contemplated hereunder and thereunder; and (i) implement all of the terms, rights, benefits, privileges, remedies, and provisions of the Interim DIP Order and the DIP Documents. <i>See Interim DIP Order ¶ 15.</i>
Indemnification Bankruptcy Rule 4001(c)(1)(B)(ix)	Each Loan Party agrees to indemnify the Released Parties and hold them harmless from and against any and all claims, debts, liabilities, losses, demands, obligations, actions, causes of action, fines, penalties, costs and expenses (including reasonable attorneys' fees and consultants' fees), of every nature, character and description (including, without limitation, natural resources damages, property damage and claims for personal injury), which the Released Parties may sustain or incur based upon or arising out of any of the transactions contemplated by the DIP Credit Agreement or any other Loan Documents or any of the Obligations, including any transactions or occurrences relating to the issuance of any Letter of Credit, any Collateral relating thereto, any drafts thereunder and any errors or omissions relating thereto (including, without limitation, any loss or claim due to any action or inaction taken by the issuer of any Letter of Credit, Agent or any Lender) (and for this purpose any charges to Agent and/or any Lender by any issuer of Letters of Credit shall be conclusive as to their appropriateness and may be charged to the Loan Account), or any other matter, including any breach of any covenant or representation or warranty relating to any environmental and health and safety laws or an environmental release, cause or thing whatsoever occurred, done, omitted or suffered to be done by Agent or any Lender relating to any Loan Party or the Obligations (except any such amounts sustained or incurred solely as the result of the gross negligence or willful misconduct of such Released Parties, as finally determined by a court of competent jurisdiction). Notwithstanding any provision in the DIP Credit Agreement to the

Bankruptcy Rule	Summary of Material Terms
	contrary, Section 6.2 of the DIP Credit Agreement shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations. <i>See</i> DIP Credit Agreement, § 6.2.
Waiver of Section 506(c) and 552(b) Bankruptcy Rule 4001(c)(1)(B)(x)	Upon entry of the Final DIP Orders, the Prepetition Secured Parties and DIP Secured Parties shall have been granted a waiver of 506(c) of the Bankruptcy Code and a waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code. <i>See</i> Interim DIP Order ¶¶ 26, 27.
Cross Collateralization Significant Provision ¶ 8(b)	The DIP Orders do not authorize, and the DIP Facility does not provide for, any cross-collateralization of the Debtors’ funded debt. <i>See</i> Interim DIP Order ¶ 6.
Liens on Proceeds of Avoidance Actions Significant Provision ¶ 8(d)	The Interim DIP Order grants liens on the proceeds of claims and causes of action arising under chapter 5 of the Bankruptcy Code but not, for the avoidance of doubt, on the avoidance actions themselves. <i>See</i> Interim DIP Order ¶ 6(b).
Limitation on the Ability of Estate Fiduciaries to Fulfill their Duties Significant Provisions, ¶ 8(i)	The DIP Orders do not limit the ability of the estate fiduciaries to fulfill their duties under the Bankruptcy Code and applicable law.

Statement Regarding Significant Provisions

12. As required by paragraph 8 of the Complex Case Procedures, the inclusion of each of the applicable Significant Provisions in the DIP Facility is appropriate and necessary to permit the Debtors’ access to the DIP Facility. The terms and conditions of each of the Significant Provisions included in the DIP Orders are the result of arm’s-length negotiations between the Debtors and the DIP Lenders. The DIP Lenders are unwilling to provide the DIP Facility absent the inclusion of these provisions, which are fair and reasonable under the circumstances. As set

forth herein and in the Latif Declaration, the Rush Declaration, and the First Day Declaration, granting the relief requested pursuant to the Interim DIP Order is critical to the continued operation of the Debtors' business and will permit the Debtors to transition smoothly into these chapter 11 cases, preserving the value of the Debtors' estates for all parties in interest. In light of the foregoing, the Debtors submit that the Significant Provisions in the DIP Orders are appropriate and necessary under the facts and circumstances of these chapter 11 cases and should be approved.

I. The Debtors' Prepetition Capital Structure.

13. As of the Petition Date, the Debtors have approximately \$388 million in total funded debt obligations. The relative amounts and priorities of each funded debt obligation are as follows:

<i>Funded Debt</i>	<i>Maturity</i>	<i>Amount Outstanding (in millions)</i>
Prepetition ABL Facility	November 2, 2027	\$68.5 ⁶
Senior Secured Notes	February 1, 2028	\$319.5 ⁷
<i>Total Debt Obligations</i>		<i>\$388.0</i>

A. Prepetition ABL Facility.

14. On May 1, 2025, Nine Energy Service and certain other Debtors entered into that certain Loan and Security Agreement (as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition ABL Credit Agreement"), by and among White Oak Commercial Finance, LLC, as Agent (as defined therein) and lead arranger (the "Prepetition ABL Agent"), and the Prepetition ABL Lenders as the lenders thereunder. The Prepetition ABL Credit Agreement allowed the Debtors to access up to

⁶ Includes \$1.7 million in Letters of Credit.

⁷ Includes \$19.5 million in accrued interest.

\$125 million in asset-based, revolving credit loans (the “Prepetition ABL Facility”), subject to borrowing base calculations as provided therein.

15. The Prepetition ABL Facility and the Senior Secured Notes (as defined herein) are secured by crossing liens on the Debtors’ assets, as fully described in that certain Intercreditor Agreement, dated as of January 30, 2023, by and among, *inter alios*, the Prepetition ABL Agent, the Senior Secured Notes Trustee (as defined herein), and certain of the Debtors (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Prepetition Intercreditor Agreement”). The Prepetition ABL Facility is secured by a first-priority security interest in substantially all assets of Nine Energy Service and its U.S. and Canadian subsidiaries, subject to the first-priority liens granted in favor of the Senior Secured Noteholders in Notes Priority Collateral, which includes all Notes Collateral other than ABL Priority Collateral (each as defined in the Crossing Liens Intercreditor Agreement). ABL Priority Collateral includes, among other collateral and exclusions described in the Crossing Liens Intercreditor Agreement, all Accounts, Inventory, Controlled Accounts, Chattel Paper, Documents, Instruments, and all General Intangibles (other than equity interests in subsidiaries of the Debtors and intellectual property of the Debtors, which constitute Notes Priority Collateral) (the foregoing capitalized terms which are used herein but not defined have the meanings ascribed to thereto in the Crossing Liens Intercreditor Agreement or Prepetition ABL Credit Agreement, as applicable). The maturity date for the Prepetition ABL Facility is the earlier of (a) May 1, 2028, and (b) the date that 91 days prior to the maturity of the Senior Secured Notes. The Prepetition ABL Facility bears interest at a rate per annum ranging from SOFR + 4.00% to SOFR + 4.50%, based on the then applicable Fixed Charge Coverage Ratio (as defined in the Prepetition ABL Credit Agreement). As of the Petition Date, an aggregate amount of approximately \$68.5 million

is outstanding under the Prepetition ABL Facility. The Prepetition ABL Facility replaced the Company's prior ABL facility, the 2018 ABL Credit Facility.⁸

B. Senior Secured Notes.

16. On January 30, 2023, Nine Energy Service and certain other Debtors entered into that certain indenture (as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Senior Secured Notes Indenture"), by and among: (a) Nine Energy Service, as issuer; (b) certain of its subsidiaries pursuant to the 2028 Senior Secured Notes Indenture, as guarantors; and (c) U.S. Bank Trust Company, National Association, as trustee, collateral agent, paying agent, and registrar (in such capacities, collectively, the "Senior Secured Notes Trustee"). The Senior Secured Notes Indenture provided for the issuance of \$300 million aggregate principal amount of 13.000% Senior Secured Notes due 2028 (the "Senior Secured Notes" and the holders of the Senior Secured Notes, the "Senior Secured Noteholders"). The Senior Secured Notes are secured by a first-priority security interest in substantially all assets of Nine Energy Service and its U.S. subsidiaries, subject to the first-priority liens granted in favor of the Prepetition ABL Agent in ABL Priority Collateral (as defined in the Crossing Liens Intercreditor Agreement). As of the Petition Date, the Senior Secured Notes will mature on February 1, 2028 and accrue interest at a rate per annum equal to

⁸ On October 25, 2018, the Company entered into an asset-based loan provided by a syndicate of lenders (the "2018 ABL Credit Facility"). On May 1, 2025, the Company entered into the Prepetition ABL Credit Agreement, fully repaid borrowings outstanding under the 2018 ABL facility, and terminated it contemporaneously therewith.

13.0% cash payable on February 1 and August 1 of each year. As of the Petition Date, an aggregate amount of approximately \$319.5 million is outstanding under the Senior Secured Notes.

C. Letters of Credit.

17. The Company also maintains three letters of credit totaling approximately \$2.7 million. One letter of credit secures the Company's obligations to WEX, Inc., administrator of the Company's fuel card program for employee travel between work sites (the "Wex LC"). The Company renews the Wex LC annually. The Wex LC is scheduled to automatically renew in June 2026. Separately, the Company is subject to two letters of credit in connection with certain ongoing litigation.⁹ On April 18, 2020, the Company was named a defendant in a patent infringement lawsuit involving its Breakthru Casing Flotation Device and, on January 18, 2022, received an adverse judgment in that matter. The Debtors posted a \$775,000 supersedeas bond (the "Bond") in connection with the litigation, which is secured by a letter of credit issued by JPMorgan Chase Bank, N.A., to Trisura Insurance Company, the insurance company that funded the bond on behalf of the Debtors. The posting of the Bond allowed the Company to appeal the adverse judgment. Wells Fargo has also issued a separate letter of credit (the "Wells Fargo LC") which covers, among other things, supplemental damages, ongoing royalties, and interest ordered by the trial court judge in connection with the litigation. The total outstanding amount for the

⁹ For a more fulsome description of the Company's letters of credit, please refer to the Debtors' Emergency Motion for Entry of An Order (I) Authorizing the Debtors to (a) Maintain Insurance Covered Entered into Prepetition and Satisfy Prepetition Obligations Related thereto, (b) Renew, Amend, Supplement, Extend, Purchase, and Enter into New Insurance Policies, (c) Honor Prepetition Payment Arrangements, (d) Continue to Pay Broker Fees, and (e) Maintain the Surety Bond and the Letters of Credit and (II) Granting Related Relief [Docket No. 12].

letters of credit securing the Bond and the Wells Fargo LC is approximately \$2.44 million. The appeal remains pending.

D. Nine Energy Service Equity

18. Nine Energy Service is publicly traded, and shares of Nine Energy Service's common stock, par value \$0.01 per share ("Common Stock"), trade on the NYSE under the symbol "NINE." The Company's certificate of incorporation authorizes the Company's board of directors to issue 120 million shares of Common Stock. As of the Petition Date, approximately 43,326,339 shares of Common Stock were outstanding.

The DIP Facility

I. The Debtors Need Immediate Access to the DIP Facility.

19. Approval of the proposed DIP Facility and continued use of the Cash Collateral is essential for the Debtors to maintain operations, fund these chapter 11 cases, and pursue their ongoing restructuring efforts. As detailed in the Rush Declaration, the Debtors enter these chapter 11 cases with approximately \$5.5 million of unrestricted cash on hand, which is insufficient to support their operations while funding the administration of these chapter 11 cases. Rush Decl. ¶ 10. Absent the ability to use Cash Collateral and the asset-based loan facility (in the form of the DIP Facility), the Debtors would face a value-destructive interruption to their business and immediately lose support from key stakeholders, including employees, vendors, and customers on whom the Debtors' business depends. *See id.*

20. Together with FTI, the Debtors evaluated the postpetition financing needs that would be required to operate their business and fund the administrative costs of these chapter 11 cases. *Id.* ¶ 11. As part of this evaluation, FTI assisted in the development of the Initial Budget. *Id.* The Initial Budget anticipates, among other things, cash receipts and disbursements during a

thirteen-week projection period, fees and interest expenses associated with the DIP Facility, professional fees, customer contracts, and workforce and vendor obligations. *Id.* Based on this analysis, the Debtors determined that the Debtors would require continued access to an asset-based facility—or some other form of committed financing—to continue operations in the ordinary course on a postpetition basis and to implement the restructuring transactions contemplated by the RSA. *Id.* ¶ 10.

21. The proposed DIP Facility and use of the Cash Collateral are in the best interest of the Debtors' estates. *Id.* ¶ 12. The DIP Facility is essential to the preservation of the Debtors' estates and will provide the Debtors with sufficient liquidity to fund the administration of these chapter 11 cases while providing critical exit financing that will allow the Debtors to emerge from these chapter 11 cases as a stronger enterprise. *Id.* Without access to the DIP Facility, the Debtors would lack sufficient funds to operate their enterprise, continue paying their debts as they come due, and cover the projected costs of these chapter 11 cases. *Id.*

II. Alternative Sources of Financing Are Not Available on Better Terms.

22. The DIP Facility, taken as a whole, is the best financing option currently available to the Debtors under the circumstances. With the assistance of Moelis, the Debtors conducted a thorough marketing process to explore third-party debtor-in-possession financing options. In December 2025, Moelis reached out to a total of twenty-five sophisticated third-party financial institutions experienced in providing emergency debtor-in-possession financings in special situations. *See* Latif Decl. ¶ 20. Of the lenders contacted, fifteen signed non-disclosure agreements and received financial diligence from the Debtors. *Id.* ¶ 21. The Debtors received proposals for debtor-in-possession financing and exit facilities from the Prepetition ABL Lenders and two additional third-party prospective lenders. *Id.* ¶ 22. Notably, none of the prospective third-party lenders were willing to provide financing to the Debtors on an unsecured or *pari passu*

basis. *Id.* Of the two third-party debtor-in-possession financing proposals received by the Debtors, one was on terms substantially less favorable than those contained in the Prepetition ABL Lenders' proposal, including on structure, liquidity, fees, interest rate, covenants, and operational flexibility. *Id.* ¶ 23. The other third-party lender proposal initially had competitive terms, and the Company, with the assistance of Moelis, substantially progressed that proposal alongside the Prepetition ABL Lenders' proposal. *Id.* However, this third-party prospective lender ultimately declined to continue in the process following additional diligence and its internal investment committee process. *Id.* The Debtors continued negotiations with the Prepetition ABL Lenders over multiple rounds up to the Petition Date, and those negotiations were ultimately successful and resulted in the DIP Facility. *Id.* ¶ 24.

23. The DIP Facility, including the fees and interest rates thereunder, were the product of good faith, arm's-length negotiation among the Debtors and the DIP Lenders. *Id.* ¶ 25. As a result of several rounds of extensive, hard-fought negotiations and the exchange of several drafts of term sheets, the Interim DIP Order, and other DIP Documents, the Debtors were able to achieve more favorable terms, including reduced fees and less restrictive covenants. *Id.* ¶ 30. Under the current circumstances, the fees, interest rates, and other economics provided for in the DIP Facility are reasonable and in the Debtors' best interest, particularly in light of the absence of any alternatives. *Id.*

Basis for Relief

I. The Debtors Should Be Authorized to Obtain Postpetition Financing Through the DIP Documents.

A. Entry into the DIP Documents is an Exercise of the Debtors' Sound Business Judgment.

24. The Court should authorize the Debtors, as an exercise of their sound business judgment, to execute and deliver DIP Documents and obtain access to the DIP Facility and

continue using the Cash Collateral. Section 364 of the Bankruptcy Code authorizes a debtor to obtain secured or superpriority financing under certain circumstances discussed in detail below. *See* 11 U.S.C. § 364. Courts grant a debtor-in-possession considerable deference to act in accordance with its business judgment in obtaining postpetition secured credit, so long as the agreement to obtain such credit does not run afoul of the Bankruptcy Code or the policies that underlie it. *See, e.g., In re N Bay Gen. Hosp., Inc.*, No. 08-20368 (Bankr. S.D. Tex. July 11, 2008) (approving postpetition financing on an interim basis as exercise of debtors’ business judgment); *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (“[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender.”); *In re Latam Airlines Grp. S.A.*, 620 B.R. 722, 768 (Bankr. S.D.N.Y. 2020) (“Generally, in evaluating the merits of proposed post-petition financing, courts will defer to a debtor’s business judgment provided that the financing does not unduly benefit a party in interest at the expense of the estate.”).

25. To determine whether the business judgment standard is met, a court need only “examine whether a reasonable business person would make a similar decision under similar circumstances.” *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (holding that courts should not second guess a debtor’s business decision when that decision involves “a business judgment made in good faith, upon a reasonable basis, and within the scope of the debtor’s authority under the [Bankruptcy] Code”).

26. In considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *See In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003) (holding that DIP terms that favored the DIP lenders are reasonable when “taken in context, and considering the

relative circumstances of the parties”); *see also Unsecured Creditors’ Comm. Mobil Oil Corp. v. First Nat’l Bank & Trust Co. (In re Elingsen McLean Oil Co.)*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing a debtor may have to enter into “a ‘hard’ bargain” to acquire funds for its reorganization); *In re ION Media Networks, Inc.*, 2009 WL 2902568, at 4* (Bankr. S.D.N.Y. July 6, 2009) (“Relevant features of the financing must be evaluated, including non-economic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization.”).

27. The Debtors’ determination to move forward with the DIP Facility is a sound exercise of their business judgment following an arm’s-length negotiation and careful evaluation of available alternatives. The Debtors require continued access to an asset-based lending facility to support their working capital needs and to operate smoothly in chapter 11. *See* Rush Decl. ¶ 11. The DIP Facility will allow the Debtors to fund payroll obligations and administrative cost of these chapter 11 cases; it also provides, through the commitment of the DIP Lenders under the Plan, the provision of the Exit ABL Facility to ensure a stable path to emergence from these chapter 11 cases. *Id.* ¶ 12. As discussed herein, the Debtors and their advisors determined that the DIP Facility is the only reasonable financing option available to the Debtors, and no alternative financing is available on more favorable economic terms. The fees, rates, and other economic benefits provided for in the DIP Facility, taken as a whole, are in the Debtors’ best interests, and the DIP Facility is the best financing option currently available to the Debtors under the circumstances. *See* Latif Decl. ¶ 30. Accordingly, the Court should authorize the Debtors’ entry into the DIP Documents as a reasonable exercise of the Debtors’ business judgment.

B. The Debtors Should Be Authorized to Grant Liens and Superpriority Claims to the DIP Lenders.

28. The Debtors propose to obtain financing under the DIP Facility by providing security interests and liens as set forth in the DIP Documents pursuant to sections 364(c) and 364(d) of the Bankruptcy Code. Specifically, the Debtors propose to provide to the DIP Lenders postpetition security interests in and liens on the DIP Collateral that are valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination immediately upon entry of the Interim DIP Order.

29. The statutory requirement for obtaining postpetition credit under section 364(c) is a finding, made after notice and hearing, that a debtor is “unable to obtain unsecured credit allowable under Section 503(b)(1) of [the Bankruptcy Code].” 11 U.S.C. § 364(c); *see also In re Crouse Grp., Inc.*, 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (holding that, in order to receive secured credit under section 364(c) of the Bankruptcy Code, a debtor must first show it is unable to obtain unsecured credit). Courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

- (a) the debtor is unable to obtain unsecured credit under section 364(b) of the Bankruptcy Code—*i.e.*, by allowing a lender only an administrative claim;
- (b) the credit transaction is necessary to preserve the assets of the estate; and
- (c) the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and proposed lender.

See In re Crouse Grp., Inc., 71 B.R. at 549 (requiring the debtor to establish such requirements in order to obtain financing under section 364(c) of the Bankruptcy Code); *See also L.A. Dodgers LLC*, 457 B.R. at 312-13 (Bankr. D. Del. 2011) (same); *see also In re Ames Dep’t Stores*, 115 B.R.

34, 39 (Bankr. S.D.N.Y. 1990) (“[A] proposed financing will not be approved where it is apparent that the purpose of the financing is to benefit a creditor rather than the estate.”).

30. The Debtors satisfy each prong of this test. **First**, as described above and as set forth in the Latif Declaration, no third-party lender made an offer to provide postpetition DIP financing on an unsecured basis, or *pari passu* or junior to the DIP Lenders. Latif Decl. ¶ 22. Therefore, the Debtors, in consultation with their advisors, concluded that any workable financing likely would require the support of, or be provided by, the DIP Lenders. *See id.* ¶ 23. **Second**, the additional liquidity provided by the DIP Facility is critical for the Debtors to bridge to a successful value-maximizing transaction, and the Debtors do not have any other alternatives that are (a) on better terms or (b) supported by the Debtors’ secured creditors. *See id.* ¶ 37. Absent access to the DIP Facility, which will provide sufficient liquidity to administer these chapter 11 cases, the value of the Debtors’ estates would likely be significantly impaired to the detriment of all stakeholders. *See id.* ¶ 34. **Finally**, the DIP Facility is a market-tested product of good-faith, arm’s-length negotiations among the Debtors and the DIP Lenders. *Id.* ¶ 30. Given the Debtors’ circumstances, the Debtors believe that the terms of the DIP Facility, as set forth in the Interim DIP Order and the DIP Documents, is fair, reasonable, and adequate, all as more fully set forth below. For all these reasons, the Debtors have met the standard for obtaining postpetition financing.

31. In the event that a debtor is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, section 364(c) of the Bankruptcy Code provides that a court “may authorize the obtaining of credit or the incurring of debt (a) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of the Bankruptcy Code; (b) secured by a lien on property of the estate that is not otherwise subject to a lien; or (c) secured by a junior lien on property of the estate that

is subject to a lien.” 11 U.S.C. § 364(c). As described above, the Debtors are unable to obtain junior, let alone unsecured, credit. Therefore, pursuant to section 364(c) of the Bankruptcy Code, the Court may approve the granting of DIP Superpriority Claims in favor of the DIP Lenders.

32. Furthermore, section 364(d) of the Bankruptcy Code provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien, after notice and a hearing, where the debtor is “unable to obtain such credit otherwise” and “there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.” 11 U.S.C. § 364(d)(1). A debtor may incur “priming” liens under its debtor-in-possession facility if its prepetition secured parties have either (a) consented or (b) received adequate protection for their secured interests. *See Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989) (“[B]y tacitly consenting to the superpriority lien, those [undersecured] creditors relieved the debtor of having to demonstrate that they were adequately protected.”).

33. As described above, the Debtors are unable to obtain credit on account of any unencumbered assets or on a junior secured basis. *See* Latif Decl. ¶ 22. The Prepetition ABL Lenders and Agent who are also the DIP Secured Parties, have affirmatively consented to and actively participated in making available the DIP Facility, including the priming of their Prepetition Liens by the DIP Liens. The Senior Secured Noteholders have also affirmatively consented to the priming of their Prepetition Liens by the DIP Liens under the DIP Facility. Furthermore, as set forth more fully herein and in the Interim DIP Order, the Debtors propose to provide a variety of forms of adequate protection to protect the interests of the Prepetition Secured Parties. Without the DIP Liens, the Debtors would not have access to the DIP Facility and the necessary liquidity to administer these chapter 11 cases. *See id.* ¶ 34. Finally, the above-described

liens on the Debtors' unencumbered assets are common features of postpetition financing facilities and were a necessary feature to provide security for the proposed financings. Therefore, the relief requested pursuant to section 364(d)(1) of the Bankruptcy Code is appropriate.

C. No Comparable Alternative Is Reasonably Available on Terms More Favorable than Those Available Under the DIP Facility.

34. To obtain credit under section 364, a debtor need only demonstrate “by a good faith effort that credit was not available without” the inducements offered to post-petition lenders. *In re Snowshoe Co., Inc.*, 789 F.2d 1085, 1088 (4th Cir. 1986); *see also In re Plabell Rubber Prods., Inc.*, 137 B.R. 897, 900 (Bankr. N.D. Ohio 1992). Moreover, in circumstances where only a few lenders likely can or will extend the necessary credit to a debtor, “it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing.” *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff’d sub nom., Anchor Sav. Bank v. Sky Valley, Inc.*, 99 B.R. 117, 120 n.4 (N.D. Ga. 1989); *see also In re Snowshoe*, 789 F.2d at 1088 (demonstrating that credit was unavailable absent the senior lien by establishment of unsuccessful contact with other financial institutions in the geographic area); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (holding that the bankruptcy court’s finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that section 364 requirement was met). However, a debtor must conduct reasonable efforts to seek alternative sources of financing under section 364(a) and (b) of the Bankruptcy Code. *See In re Ames Dep’t Stores*, 115 B.R. at 37–39.

35. As noted above, the Debtors do not believe that a more favorable alternative DIP financing is reasonably available given the reality of the Debtors' existing capital structure and difficulty soliciting alternative financing proposals. *See* Latif Decl. ¶ 29. In the months leading to the Petition Date, Moelis reached out to a total of twenty-five sophisticated third-party financial

institutions that are capable of providing ABL financing. *Id.* ¶ 20. Of the lenders contacted, fifteen signed non-disclosure agreements and received financial diligence. *Id.* ¶ 21. Two of the fifteen submitted proposals, but none were on better terms than the DIP Facility provided by the Prepetition ABL Lenders. *Id.* ¶ 23. Thus, the Debtors have determined that the DIP Facility provides the only viable means through which the Debtors can secure financing to fund these chapter 11 cases. Simply put, the DIP Facility provides the Debtors with continued access to an asset-based lending facility they need at the lowest cost available while ensuring that the Debtors can successfully execute their reorganization and continue to operate their businesses. *See id.* ¶ 37. Therefore, the Debtors submit that the requirement of section 364 of the Bankruptcy Code that alternative credit on more favorable terms be unavailable to the Debtors is satisfied.

D. The Debtors Should Be Authorized to Use the Cash Collateral.

36. Section 363 of the Bankruptcy Code generally governs the use of estate property. Section 363(c)(2)(A) of the Bankruptcy Code permits a debtor in possession to use cash collateral with the consent of the secured party. Here, the Prepetition Secured Parties consent to the Debtors' use of the Cash Collateral, subject to the terms and limitations set forth in the Interim DIP Order. As described above and in the Rush Declaration and the Latif Declaration, and the First Day Declaration, access to Cash Collateral is essential to the continued operation of the Debtors' business and smooth entry into the chapter 11 cases. Use of the Cash Collateral is in the best interests of the Debtors' estates and their stakeholders, including the Prepetition Secured Parties. The Debtors' use of the Cash Collateral should be approved.

E. Adequate Protection Provided to the Prepetition Secured Parties Is Appropriate.

37. The Debtors' use of property of their estates, including the Cash Collateral, is governed by section 363 of the Bankruptcy Code. It provides in relevant part:

If the business of the debtor is authorized to be operated under section [1108] of this title and unless the court orders otherwise, the [debtor] may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

11 U.S.C. § 363(c)(1). Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may not use cash collateral unless “(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2). Further, section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. *See In re Cont’l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996) (en banc).

38. Generally, what constitutes adequate protection is decided on a case-by-case basis. While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes sufficient adequate protection in each case. *See In re Timbers of Inwood Forest Assocs., Ltd.*, 793 F.2d 1380, 1393 (5th Cir. 1986) (citing legislative history for proposition that the form of adequate protection is determined on a case-by-case basis); *In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) (explaining that the “determination of whether there is adequate protection is made on a case by case basis”); *In re Las Torres Dev., L.L.C.*, 413 B.R. 687, 696–97 (Bankr. S.D. Tex. 2009) (same). The concept of adequate protection is designed to shield a secured creditor from diminution in the value of its interest in collateral during the period of a debtor’s use. *See Timbers of Inwood*, 793 F.2d at 1412; *see also In re Cont’l Airlines, Inc.*, 154 B.R. 176, 180–81 (Bankr. D. Del. 1993) (holding that adequate protection for use of collateral under section 363 of the Bankruptcy Code is limited to use-based decline in value). Whether the debtor’s estate will benefit on the whole from its use of cash collateral is relevant to determining the sufficiency of

adequate protection. *See In re 495 Cent. Park Ave. Corp.*, 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992); *see also In re Salem Plaza Assocs.*, 135 B.R. 753, 758 (Bankr. S.D.N.Y. 1992) (holding that debtor's use of cash collateral to pay operating expenses, thereby "preserv[ing] the base that generates the income stream," provided adequate protection to the secured creditor).

39. As described herein and as set forth in the Interim DIP Order, the Debtors propose to provide the Prepetition Secured Parties with a variety of adequate protection to protect against the postpetition diminution in value of the Prepetition Collateral resulting from the Debtors' sale, lease, or use of the Prepetition Collateral, the imposition and enforcement of the automatic stay pursuant to section 362 of the Bankruptcy Code, and the priming of the Prepetition Secured Parties' respective interests in the Prepetition Collateral. The Adequate Protection package includes (a) the Adequate Protection Liens, (b) the 507(b) Claims, and (c) the Adequate Protection Fees and Expenses (collectively, the "Adequate Protection Package"). In light of the foregoing, the proposed Adequate Protection Package to be provided for the benefit of the Prepetition Secured Parties is appropriate. The Debtors' provision of the Adequate Protection Package is not only necessary to protect against any diminution in value but is fair and appropriate under the circumstances of these chapter 11 cases to ensure the Debtors are able to continue using the Prepetition Collateral, including DIP Collateral, subject to the terms and limitations set forth in the Interim DIP Order, for the benefit of all parties in interest and their estates.

40. The adequate protection is fair and reasonable, necessary to satisfy the requirements of sections 363(c)(2), 362(d)(1), and 363(e) of the Bankruptcy Code, and in the best interests of the Debtors and their estates. The importance of adequate protection packages in DIP facilities has been repeatedly recognized by courts in this district, which have granted relief similar to the relief requested herein. *See, e.g., In re Kleopatra Finco S.à r.l.*, No. 25-90642 (CML)

(Bankr. S.D. Tex. Dec. 2, 2025) (granting adequate protection liens, 507(b) claims, and adequate protection fees and expenses to prepetition secured parties); *In re Anthology Inc.*, No. 25-90498) (ARP) (Bankr. S.D. Tex. Nov. 12, 2025) (same); *In re Ascend Performance Materials Holdings, Inc.*, No. 25-90127 (CML) (Bankr. S.D. Tex. May 29, 2025) (same); *In re Global Clean Energy Holdings, Inc.*, (ARP) (Bankr. S.D. Tex. Apr. 16, 2025) (same); *In re Northvolt AB*, No. 24-90577 (ARP) (Bankr. S.D. Tex. Dec. 20, 2024) (same).

F. The Scope of the Carve Out Is Appropriate.

41. The proposed adequate protection is subject to the Carve Out contained in the DIP Orders. Without the Carve Out, the Debtors and other parties in interest may be deprived of certain rights and powers because the services for which professionals may be paid in these chapter 11 cases would be restricted. *See In re Ames Dep't Stores*, 115 B.R. at 40 (observing that courts insist on carve outs for professionals representing parties in interest because “[a]bsent such protection, the collective rights and expectations of all parties-in-interest are sorely prejudiced.”). The Carve Out does not directly or indirectly deprive the Debtors’ estates or other parties in interest of possible rights and powers. Additionally, the Carve Out protects against administrative insolvency during the course of the chapter 11 cases by ensuring that assets remain for the payment of the Clerk of the Court, U.S. Trustee fees, and professional fees of the Debtors and any statutory committee appointed under section 1102 of the Bankruptcy Code in these chapter 11 cases (if any).

G. Waiver of Section 506(c) and 552(b) of the Bankruptcy Code with Respect to DIP Collateral is Reasonable and Appropriate.

42. Section 506(c) of the Bankruptcy Code authorizes a debtor to “recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving, or disposing of, such property to the extent of any benefit to the holder of such claim.” 11 U.S.C. § 506(c). The underlying premise of this exception is that unsecured creditors should

not be required to bear the costs of preserving a secured creditor's collateral. *See In re Evanston Beauty Supply Inc.*, 136 B.R. 171, 175 (Bank. N.D. Ill. 1992). Section 552(b) of the Bankruptcy Code generally ensures that an entity's prepetition security interest in the proceeds of collateral does not extend to such proceeds acquired postpetition, subject to a limited exception from this general rule to the extent that the "equities of the case" so require. 11 U.S.C. § 552(b)(1). However, debtors can, and often do, waive the right to surcharge collateral and the "equities of the case" exception as bargaining chips that the debtor may use to facilitate negotiations with the secured creditor and provide such creditor protection against the diminution in value of its collateral. *See, e.g., MPM Silicones, LLC*, No. 14-22503 (Bankr. S.D.N.Y.), Hr'g Tr. 85:4–8, 93:21-25, May 23, 2014 (overruling committee's objection and holding that the section 552(b) equities of the case exception is "waived to the extent it's needed to protect against any diminution"); *In re Am. Media, Inc.*, No. 10-16149 (MG), 2010 WL 5141244, at *4 (Bankr. S.D.N.Y. Dec. 6, 2010) ("In light of the Prepetition Agent's and Prepetition Lenders' agreement to subordinate their liens and superpriority claims to the Carve Out . . . and to permit the use of their Cash Collateral as set forth herein, the Prepetition Agent and Prepetition Lenders are entitled to (a) a waiver of any 'equities of the case' claims under section 552(b) of the Bankruptcy Code and (b) a waiver of the provisions of section 506(c) of the Bankruptcy Code.")

43. In exchange for the proposed DIP Facility, as set forth herein, and after negotiations with the DIP Lenders, the Debtors have agreed to waive, upon entry of the Final DIP Order, certain rights to surcharge the DIP Collateral and Prepetition Collateral pursuant to sections 506(c) and 552(b) of the Bankruptcy Code with respect to the DIP Facility. This was an important concession given the immediate need for liquidity and the lack of other viable financing options. Further, as part of these negotiations, the Prepetition Secured Parties have agreed to a carve out from their

collateral to fund the Debtors' operations and fees and expenses of other parties, such as U.S. Trustee fees and a Committee's professional fees. Accordingly, the waivers of section 506(c) and 552(b) is reasonable and appropriate under the circumstances.

H. The Debtors Should Be Authorized to Pay the Interest and Fees Required by the DIP Lenders under the DIP Documents.

44. In connection with negotiating the DIP Facility, the Debtors have agreed, subject to Court approval, to pay certain interest, fees, and premiums to the DIP Lenders. In particular, as noted above, the Debtors have agreed to pay:

<i>DIP Facility</i>	
Interest Rate	A percentage per annum equal to (i) SOFR Index Rate (1.50% floor) plus (ii) 4.00%
Fees	The DIP Facility provides for fees that are usual and customary for credit facilities of that type and include: • <u>Letter of Credit Fees</u>: A rate per annum equal to the Applicable Margin then applicable to Revolving Loans whose interest rate is based on the SOFR Index Rate (i.e., 4.00% per annum), plus fronting or other customary fees, costs and expenses which may be charged by the applicable issuer of such letter of credit. • <u>Termination Fee</u>: Equal to the Early Payment/Termination Premium (as defined in the Prepetition ABL Credit Agreement) in the event the DIP Commitments under the DIP Facility are permanently reduced or terminated (i.e., 2.00% in year one, 1.00% in year two and 0.00% in year three, in each case, of the principal amount by which the aggregate commitments and/or loans are reduced or terminated, in each case, pursuant to an early termination event); <i>provided, however</i>, that upon emergence, such fee will be waived in the event the DIP Facility is rolled into the Exit ABL Facility, so long as such Exit ABL Facility (a) is arranged by White Oak Commercial Finance, LLC, and its affiliates and (b) is consistent with the terms set forth in the Exit ABL Term Sheet attached as <u>Exhibit D</u> to the RSA. • <u>Unused Line Fee</u>: A percentage per annum equal to 0.50% of the amount by which (a) the aggregate principal amount of the DIP Commitments exceeds (b) the average daily outstanding principal balance of the Revolving Loans and letter of credit liabilities during the immediately preceding month (or part thereof), payable in arrears on the first day of each calendar month. • <u>Arrangement Fee</u>: An amount equal to 1.50% of the aggregate principal amount of the DIP Commitments as of the Closing Date. • <u>Collateral Monitoring Fee</u>: \$10,000 per month, paid monthly in advance.

45. As set forth in the Latif Declaration, the interest and fees to be paid under the DIP Facility are fair under the circumstances of these chapter 11 cases and the marketing process undertaken, and represent the best terms available to the Debtors. Latif Decl. ¶ 30. The fees and

rates to be paid under the proposed DIP Facility were the subject of good faith, arm's length negotiation between the Debtors and the DIP Lenders and are an integral component of the overall terms of the proposed DIP Facility. *Id.*

46. The fees outlined above should not be viewed separately but rather as a part of the overall, substantial benefits provided under the DIP Facility. The Debtors considered the fees described above in determining in their sound business judgment that the DIP Facility is reasonable and constitute the best terms available for Debtors to obtain the financing necessary to continue operations and prosecute these chapter 11 cases. Accordingly, the Court should authorize the Debtors to pay the interest and fees provided under the DIP Documents in connection with the DIP Facility.

I. The DIP Lenders Should Be Afforded Good-Faith Protection under Section 364(e).

47. Section 364(e) of the Bankruptcy Code protects a good-faith lender's right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) of the Bankruptcy Code provides that:

The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

11 U.S.C. § 364(e).

48. The DIP Facility is the result of (a) the Debtors' reasonable and informed determination that the DIP Lenders offered the best available terms on which to obtain critical postpetition financing given the circumstances and (b) extensive good-faith, arm's-length

negotiations between the Debtors and the DIP Lenders. The terms and conditions of the DIP Facility are reasonable and appropriate under the circumstances, and the proceeds of the DIP Facility will be used only for purposes that are permissible under the Bankruptcy Code. The obligations arising under the DIP Facility and other financial accommodations made to the Debtors have been extended by the DIP Lenders in “good faith” within the meaning of section 364(e) of the Bankruptcy Code and, therefore, the DIP Lenders are entitled to all of the protections afforded thereby.

J. The DIP Roll-Up Is Appropriate.

49. Section 363(b) of the Bankruptcy Code permits a debtor to use, sell, or lease property, other than in the ordinary course of business, with court approval. *See* 11 U.S.C. § 363(b). Courts in the Fifth Circuit have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business’s going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (authorizing payment of certain prepetition claims pursuant to “doctrine of necessity”); *In re Equalnet Commc’ns Corp.*, 258 B.R. 368, 369–70 (Bankr. S.D. Tex. 2000) (stating that business transactions critical to the survival of the business of the debtor are exceptions to the general rule of nonpayment of prepetition claims prior to plan confirmation). The business judgment rule shields a debtor’s management from judicial second-guessing. *See In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“[T]he [Bankruptcy] Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a debtor’s management decisions.”)

50. As set forth above, the DIP Credit Agreement provides for, upon entry of the Interim DIP Order, a “roll-up” of the outstanding Prepetition ABL Obligations into Revolving Loans. The DIP Lenders expressly conditioned their DIP financing proposals on, among other

things, customary forms of adequate protection, including replacement liens and superpriority status for adequate protection claims, the payment of fees under the DIP Credit Agreement, and the DIP Roll-Up. *See* Latif Decl. ¶ 34. Specifically, the DIP Roll-Up is reasonable because (a) in exchange for the DIP Roll-Up the DIP Lenders are providing (i) availability under the DIP Facility to fund the chapter 11 cases, and (ii) a commitment to provide the Exit ABL Facility upon consummation of the Plan; (b) no superior alternative is currently available to the Debtors under the circumstances; and (c) the DIP Roll-Up is customary and within the range of roll-ups approved in this district and others. *See id.* ¶¶ 30–36. Accordingly, the proposed DIP Facility, taken as a whole, is the best source of financing currently available to address the Debtors’ liquidity needs while preserving value for the benefit of all stakeholders, and should be approved.

51. The Prepetition ABL Lenders also agreed to provide the Debtors with continued access to letters of credit on a postpetition basis and to allow the Debtors to maintain their prepetition commercial banking products in the ordinary course of business. *See id.* ¶ 25. Finally, the DIP Lenders have specifically permitted the use of certain Intercompany Transactions (as defined in the Cash Management Motion¹⁰) to allow indirect access by the Debtors to additional borrowing base maintained at non-Debtor affiliates Frac Technology AS and Nine Downhole Norway AS, effectively increasing Debtors Postpetition borrowing capacity.

52. The terms of the DIP Roll-Up were key negotiating points in the DIP Lender’s willingness to provide the bridge liquidity and the DIP Facility. Having exit financing in hand this early in the chapter 11 cases sends a strong and positive message to the Debtors’ constituencies

¹⁰ The “Cash Management Motion” means the Debtors’ *Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System and Maintain Existing Bank Accounts, (B) Continue to Perform Intercompany Transactions, and (C) Maintain Existing Business Forms and Books and Records, (II) Granting Administrative Expense to Postpetition Intercompany Claims, and (III) Granting Related Relief* [Docket No. 14].

that they are already beginning to lay the groundwork to emerge and implement their reorganization strategy. Furthermore, courts in this and other jurisdictions regularly approve roll-ups of Prepetition ABL Facility, both creeping and in full upon entry of the Interim DIP Order. *See, e.g., In re Container Store Group, Inc.*, 24-90627 (ARP) (Bankr. S.D. Tex. Dec. 23, 2024) [Docket No. 88] (approving the refinancing in full of all \$80 million in prepetition ABL obligations upon entry of the interim order); *In re Instant Brands Acquisition Holdings Inc.*, 23-90716 (DRJ) (Bankr. S.D. Tex. June 14, 2023) [Docket No. 96] (authorizing full roll-up of \$143.6 million in prepetition ABL obligations upon entry of the interim order); *In re Venator Materials PLC*, 23-90301 (DRJ) (Bankr. S.D. Tex. May 16, 2023) [Docket No. 98] (authorizing full roll-up of \$190 million in prepetition ABL obligations upon entry of the interim order); *In re ATD Corporation*, No. 18-12221 (KJC) (Bankr. D. Del. Oct. 26, 2018) (authorizing a full roll-up of the prepetition ABL outstanding principal of \$639 million pursuant to interim order); *In re Bon-Ton Stores, Inc.*, No. 18-10248 (MFW) (Bankr. D. Del. Feb. 6, 2018) [Docket No. 120] (authorizing a full roll-up of all outstanding prepetition ABL obligations pursuant to interim order); *In re Charming Charlie Holdings Inc.*, No. 17-12906 (CSS) (Bankr. D. Del. Dec. 13, 2017) [Docket No. 93] (same); *In re The Gymboree Corp.*, No. 17-32968 (KLP) (Bankr. E.D. Va. Jun. 12, 2017) [Docket No. 86] (same).

53. Further, the DIP Roll-Up will not adversely affect any party in interest and will benefit the Debtors because the Prepetition ABL Obligations are oversecured, such that the DIP Roll-Up solely affects the timing of recovery that would otherwise be available to the Prepetition ABL Lenders upon confirmation of a chapter 11 plan. Latif Decl. ¶ 35. The Debtors' Initial Budget projects the Debtors will have total outstanding DIP Facility borrowings shortly after the Petition Date of approximately \$68.5 million compared to new borrowing base availability of

approximately \$83.6 million. *Id.* This excess borrowing base availability demonstrates that the Prepetition ABL Lenders are oversecured. In light of these circumstances, the roll-up of the Prepetition ABL Obligations is reasonable, appropriate, and a sound exercise of the Debtors' business judgment.

K. The Automatic Stay Should Be Modified on a Limited Basis.

54. The proposed Interim DIP Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to allow the DIP Lender to file any financing statements, security agreements, notices of liens, and other similar instruments and documents to validate and perfect the liens and security interests granted to them under the Interim DIP Order. The proposed Interim DIP Order further provides that the automatic stay is modified as necessary to permit the Debtors to grant liens to the DIP Lender and to incur all liabilities and obligations set forth in the Interim DIP Order. The automatic stay should be modified to allow the Debtors and the DIP Lender to effectuate the terms of the Interim DIP Order.

J. Failure to Obtain Immediate Interim Access to the DIP Facility and the Cash Collateral Would Cause Immediate and Irreparable Harm.

55. Bankruptcy Rules 4001(b) and 4001(c) provide that a final hearing on a motion to obtain credit pursuant to section 364 of the Bankruptcy Code or to use Cash Collateral pursuant to section 363 of the Bankruptcy Code may not be commenced earlier than fourteen days after the service of such motion. Upon request, however, the Court may conduct a preliminary, expedited hearing on the motion and authorize the obtaining of credit and use of cash collateral to the extent necessary to avoid immediate and irreparable harm to a debtor's estate. *See* Bankruptcy Rule 4001(b)(2). Section 363(c)(3) of the Bankruptcy Code authorizes the court to conduct a preliminary hearing and to authorize the use of cash collateral "if there is a reasonable likelihood that the [debtor] will prevail at the final hearing under [section 363(e) of the Bankruptcy Code]."

11 U.S.C. § 363(c)(3). Furthermore, the Complex Case Procedures provide that “on motion by the debtors, a hearing . . . will routinely be conducted as a first-day hearing to consider either cash collateral use and/or interim debtor-in-possession financing” Complex Case Procedures, ¶ 5.

56. As set forth in the First Day Declaration, the Rush Declaration, and the Latif Declaration, the Debtors have an immediate postpetition need to use Cash Collateral and access the liquidity provided by the DIP Facility. *See* Latif Decl. ¶ 13; Rush Decl. ¶ 15. The Debtors cannot maintain the value of their estates during the pendency of these chapter 11 cases without access to cash. The Debtors entered these chapter 11 cases with approximately \$5.5 million in unrestricted cash on hand. Rush Decl. ¶ 10. Without immediate financing, the Debtors project that they will be unable to pay essential costs required to continue operating as a going concern, resulting in immediate and irreparable harm to the Debtors’ business. *Id.* ¶ 15. If unable to access the liquidity provided by the DIP Facility and the Cash Collateral, the Debtors will be unable to operate their business or otherwise fund these chapter 11 cases, causing immediate and irreparable harm to the Debtors’ estates. In short, the Debtors’ ability to administer these chapter 11 cases depends on approval of the DIP Facility.

57. Therefore, the Debtors request that the Court hold and conduct a hearing to consider entry of the Interim DIP Order authorizing the Debtors, from and after entry of the Interim DIP Order until the Final Hearing, to receive initial funding under the DIP Facility and to utilize the Cash Collateral. The Debtors require the initial funding under the DIP Facility prior to the Final Hearing and entry of the Final Order to continue operating, pay their administrative expenses, and to implement the relief requested in the Debtors’ other “first day” motions. This relief will enable the Debtors to preserve and maximize value and, therefore, avoid immediate and irreparable harm and prejudice to their estates and all parties in interest, pending the Final Hearing.

Emergency Consideration

58. The Debtors request emergency consideration of this motion in accordance with Bankruptcy Local Rule 9013-1 and pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case to the extent that “relief is needed to avoid immediate and irreparable harm.” An immediate and orderly transition into chapter 11 is critical to the viability of the Debtors’ operations. Failure to receive the requested relief during the first 21 days of these chapter 11 cases would imperil the Debtors’ restructuring and cause irreparable harm. The requested relief is necessary for the Debtors to operate their businesses in the ordinary course, preserve the ongoing value of their operations, and maximize the value of their estates for the benefit of all stakeholders. The Debtors have demonstrated that the requested relief is “needed to avoid immediate and irreparable harm” as contemplated by Bankruptcy Rule 6003, and request that the Court approve the relief requested in this motion on an emergency basis.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

59. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

Reservation of Rights

60. Notwithstanding anything to the contrary herein, nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or shall be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any particular claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim;

(d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission by the Debtors as to the validity, priority, enforceability, or perfection of any lien (contractual, common law, statutory, or otherwise) on, security interest in, or other encumbrance on property of the Debtors' estates and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfect or seek avoidance of all such liens; (g) a waiver or limitation of the Debtors' or any other party in interest's claims, causes of action, or other rights under the Bankruptcy Code or any other applicable law; or (h) a waiver of the obligation of any party in interest to file a proof of claim.

Notice

61. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the office of the attorney general for each of the states in which the Debtors operate; (d) the Internal Revenue Service; (e) the DIP Lenders; (f) the DIP Agent; (g) the Senior Secured Notes Trustee; (h) the ABL Agent; (i) the Ad Hoc Group; (j) the United States Securities and Exchange Commission; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, no other or further notice is required.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors request that the Court enter the Interim DIP Order and the Final DIP Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: February 2, 2026
Houston, Texas

/s/John. J. Kane

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Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ John J. Kane

John J. Kane

Certificate of Service

I certify that on February 2, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas. Additionally, the foregoing document will be served as set forth in a forthcoming affidavit filed by the Debtors' proposed claims agent.

/s/ John J. Kane

John J. Kane

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

-----	X	
	:	
In re:	:	Chapter 11
	:	
NINE ENERGY SERVICE, INC., <i>et al.</i> ,	:	Case No. 26-90295 (CML)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
-----	X	

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO
OBTAIN POSTPETITION FINANCING, (II) GRANTING
LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY
ADMINISTRATIVE EXPENSE STATUS, (III) AUTHORIZING THE
USE OF CASH COLLATERAL, (IV) MODIFYING THE AUTOMATIC STAY,
(V) SCHEDULING A FINAL HEARING, AND (VI) GRANTING RELATED RELIEF**

[Relates to Docket No. ____]

Upon the motion (the “***Motion***”)² of the debtors and debtors in possession (collectively, the “***Debtors***”) in the above-captioned chapter 11 cases (the “***Chapter 11 Cases***”), pursuant to sections 105, 361, 362, 363, 364, 503, 506, 507 and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “***Bankruptcy Code***”), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “***Bankruptcy Rules***”), Rules 2002-1, 4001-1, and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “***Bankruptcy Local Rules***”) of the United States Bankruptcy Court for the Southern District of Texas (the “***Court***”),

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/NineEnergy>. The location of Nine Energy Service, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 2001 Kirby Drive, Suite 200, Houston, TX 77019.

² Capitalized terms used but not defined herein have the meanings given to them in the Motion or DIP Credit Agreement (as defined below), as applicable.

and the Procedures for Complex Cases in the Southern District of Texas, seeking entry of an interim order (this “**Interim Order**”) and a Final Order (as defined below), among other things:

- (a) authorizing the Debtors to obtain postpetition financing on a senior secured super-priority priming basis in the form of a revolving credit facility in an aggregate principal amount of up to \$125 million (such facility, the “**DIP Facility**”, the loans advanced under the DIP Facility, the “**DIP Loans**”, the commitments thereunder, the “**DIP Commitments**”), providing, among other things, for the deemed refinancing in full of the Prepetition ABL Secured Obligations under the Prepetition ABL Loan Documents (defined below), including deeming all outstanding letters of credit issued under the Prepetition ABL Credit Agreement as being issued under the DIP Facility in a manner satisfactory to the DIP Agent (as defined below) and the LC Issuer (as defined in the Prepetition ABL Credit Agreement (as defined below)), pursuant to the terms and conditions set forth in this Interim Order (such terms, together with the Prepetition ABL Credit Agreement (as expressly modified herein), the other Loan Documents (as defined in the Prepetition ABL Credit Agreement) (as expressly modified herein), and together with any other documents evidencing the ABL Refinancing (as defined herein), to the extent provided herein, such documents, the “**Prepetition ABL Refinancing Documents**”), and the *Senior Secured Superpriority Asset-Based Debtor-In-Possession Loan and Security Agreement*, substantially in the form attached to this Interim Order as **Exhibit 1** (as may be amended, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof and thereof, the “**DIP Credit Agreement**”, and, together with all other agreements, guarantees, pledges, collateral and security documents, control agreements, instruments, certificates, notes, and other documents executed, filed and/or delivered in connection therewith, including the Loan Documents (as defined in the DIP Credit Agreement), each as amended, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof and thereof, together with the DIP Credit Agreement, collectively, the “**DIP Documents**”), by and among Nine Energy Service, Inc. (the “**Nine Energy**”), Nine Energy Canada Inc., CDK Perforating, LLC, Crest Pumping Technologies, LLC, RedZone Coil Tubing, LLC, and Nine Downhole Technologies, LLC, each as borrowers (collectively, the “**Borrowers**”), all subsidiaries of Nine Energy (other than (a) the Borrowers, (b) Nine Downhole Norway AS, and (c) Frac Technology AS), as secured guarantors (collectively, the “**Guarantors**”, and together with the Borrowers, the “**DIP Loan Parties**”), White Oak Commercial Finance, LLC, as administrative agent (in such capacity, together with its successors and permitted assigns, the “**DIP Agent**”) for the lenders party thereto from time to time (collectively, the “**DIP Lenders**”, and together with the DIP Agent, the “**DIP Secured Parties**”), which shall be available upon entry of this Interim Order and borrowings thereunder shall be available immediately, in each case, subject to the terms and conditions set forth in this Interim Order and the DIP Documents (each a “**DIP Borrowing**”);
- (b) authorizing the Borrowers to incur, and the Guarantors to jointly and severally, irrevocably and unconditionally, guarantee, on a super-priority basis, the payment

in full in cash of all DIP Obligations (as defined below), in each case, in accordance with this Interim Order and the DIP Documents;

- (c) authorizing the Borrowers to use proceeds of the DIP Facility for (i) working capital and corporate purposes of the Debtors, (ii) bankruptcy-related costs and expenses in respect of the Chapter 11 Cases, (iii) costs and expenses related to the DIP Facility, and (iv) the ABL Refinancing (as defined below) pursuant to the terms of the Prepetition ABL Refinancing Documents and, in each case, pursuant to this Interim Order;
- (d) authorizing the Debtors to: (i) execute, deliver, and perform under the DIP Credit Agreement, and each of the other DIP Documents (and any and all other documents related to the fronting or seasoning of the DIP Loans), (ii) incur all loans, advances, extensions of credit and financial accommodations, and pay all principal, interest, premiums or similar amounts, fees, costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, including, without limitation, the fees payable under the Fee Letter (as defined in the DIP Credit Agreement) with respect to the DIP Facility and all other “Obligations” as defined in the DIP Credit Agreement, whether or not such obligations arose before or after the Petition Date (including the Prepetition ABL Credit Agreement Premium (as defined in the DIP Credit Agreement)), whenever the same shall become due, whether at stated maturity, by mandatory prepayment, declaration, acceleration or otherwise, in each case, in accordance with the DIP Documents and this Interim Order (collectively, the “**DIP Obligations**”) and (iii) perform such other and further acts as may be necessary, required or desirable to implement and effectuate the terms of this Interim Order, the DIP Documents and the transactions contemplated hereunder and thereunder;
- (e) contemporaneously with the ABL Refinancing, deeming the DIP Agent to be party to the Prepetition Intercreditor Agreement in all respects, including as the “ABL Representative” and an “ABL Creditor” (as each of those terms are used in the Prepetition Intercreditor Agreement) thereunder, and further deeming the DIP Secured Parties as “ABL Creditors” thereunder and the Prepetition Intercreditor Agreement to be amended and restated *mutatis mutandis* with such terms as necessary to reflect the foregoing and to give effect to the relationship between the DIP Agent and the DIP Secured Parties and their relative priority on the “ABL Priority Collateral” (as that term is used in the Prepetition Intercreditor Agreement), and the Prepetition Senior Secured Notes Secured Trustee and the Prepetition Senior Secured Notes Secured Parties and their relative priority on the “Notes Priority Collateral” (as that term is used in the Prepetition Intercreditor Agreement) (the Prepetition Intercreditor Agreement, as amended and restated to reflect the foregoing, the “**DIP Intercreditor Agreement**”, and together with the Prepetition Intercreditor Agreement, the “**Intercreditor Agreements**”);
- (f) authorizing the DIP Loan Parties to grant to the DIP Agent, for the benefit of itself and the other applicable DIP Secured Parties, the applicable DIP Liens (as defined below) in all DIP Collateral (as defined below), as set forth in this Interim Order,

subject to the Carve Out, and subject to the relative priorities set forth in this Interim Order;

- (g) authorizing the DIP Loan Parties to grant to the DIP Agent, for the benefit of itself and the other applicable DIP Secured Parties, allowed super-priority administrative expense claims against each of the DIP Loan Parties, on a joint and several basis, in respect of all applicable DIP Obligations, subject in each case to the Carve Out, as set forth in this Interim Order;
- (h) authorizing the DIP Loan Parties to use the proceeds of the DIP Facility, the DIP Collateral, and the Prepetition ABL Collateral including Cash Collateral (each as defined below) in accordance with the terms and conditions set forth in this Interim Order and the DIP Documents, including the Approved Budget, subject to any variances expressly permitted under the DIP Credit Agreement (the “***Permitted Variances***”);
- (i) granting adequate protection, as and to the extent set forth herein, to the Prepetition Secured Parties (as defined below) to protect against any Diminution in Value (as defined below) of their respective Prepetition Liens (as defined below) in the Prepetition Collateral (including Cash Collateral);
- (j) modifying or vacating the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise, to the extent necessary, required or desirable to implement and effectuate the terms and provisions of this Interim Order and the DIP Documents, as set forth herein, waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order;
- (k) approving certain stipulations, waivers, and releases by the Debtors with respect to, *inter alia*, (i) the DIP Secured Parties, the DIP Documents, the DIP Liens, and the DIP Obligations, and (ii) subject to paragraph 24 hereof, the Prepetition Secured Parties, the Prepetition Loan Documents, the Prepetition Liens and the Prepetition Secured Obligations (each as defined herein);
- (l) subject to entry of the Final Order granting such relief, approving the DIP Loan Parties’ waiver of the right to surcharge the DIP Collateral as to the DIP Secured Parties and the Prepetition Collateral as to the Prepetition Secured Parties, pursuant to section 506(c) of the Bankruptcy Code or otherwise, in each case, upon the terms set forth herein;
- (m) subject to entry of the Final Order granting such relief, approving (i) the DIP Loan Parties’ waiver of the equitable doctrine of “marshaling” and other similar doctrines with respect to the DIP Collateral as to the DIP Secured Parties, and the Prepetition Collateral as to the Prepetition Secured Parties, and (ii) the DIP Loan Parties’ waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code, with respect to the Prepetition Collateral as to the Prepetition Secured Parties, in each case, upon the terms set forth in this Interim Order; and

- (n) scheduling a final hearing (the “**Final Hearing**”) on the Motion to consider entry of a final order (the “**Final Order**”) authorizing and directing the relief requested in the Motion on a final basis and approving the form of notice with respect to such Final Hearing, which order shall be in form and substance and on terms and conditions acceptable in all respects to the Required DIP Lenders³ and the DIP Agent.

The Court, having considered the Motion, the DIP Documents, the exhibits attached thereto, the *Declaration of Guy Sirkes, Executive Vice President and Chief Financial Officer of Nine Energy Service, Inc., in Support of First Day Motions* [Docket No. 4] (the “**First Day Declaration**”), the *Declaration of Bassam J. Latif in Support of the Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Authorizing the Use of Cash Collateral, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* [Docket No. [•]] (the “**Latif Declaration**”), and the *Declaration of David Rush in Support of the Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Authorizing the Use of Cash Collateral, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* [Docket No. [•]] (the “**Rush Declaration**”), and together with the First Day Declaration and Latif Declaration, the “**DIP Declarations**”), the evidence submitted and arguments proffered or adduced at the Interim Hearing held before this Court on February 3, 2026, at 4:00 p.m. (prevailing Central Time) (the “**Interim Hearing**”), and upon the record of the Chapter 11 Cases; and due and proper notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b)-(d) and 9014 and

³ As used herein, the term “**Required DIP Lenders**” means the “Required Lenders” under the DIP Credit Agreement.

all applicable Bankruptcy Local Rules; and it appearing that no other or further notice need be provided; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; the Court having determined that the legal and factual bases set forth in the Motion and at the Interim Hearing established just cause for the relief granted herein; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and otherwise is fair and reasonable and in the best interests of the Debtors, their estates, and their creditors, represents a sound exercise of the Debtors' business judgment, and is necessary for the continued operation of the Debtors' businesses; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:⁴

A. *Petition Date.* On February 1, 2026 (the "*Petition Date*"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing these Chapter 11 Cases.

B. *Debtors in Possession.* The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Chapter 11 Cases.

⁴ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. *Committee Formation.* As of the date hereof, the Office of the United States Trustee (the “*U.S. Trustee*”) has not appointed an official statutory committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (the “*Official Committee*”).

D. *Jurisdiction and Venue.* This Court has jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. This Court’s consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Court may enter a final order consistent with Article III of the United States Constitution. Venue for these Chapter 11 Cases and the proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief set forth herein are sections 105, 361, 362, 363, 364, 503, 506, 507 and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, 9013 and 9014, Bankruptcy Local Rules 2002-1, 4001-1 and 9013-1, and the Procedures for Complex Cases in the Southern District of Texas.

E. *Debtors’ Stipulations, Releases and Acknowledgements Regarding DIP Secured Parties.* In requesting the DIP Facility, and in exchange for and as a material inducement to the DIP Lenders to provide the DIP Facility, the Debtors, for themselves, their estates and all representatives of such estates, admit, stipulate, acknowledge and agree as follows (subject to paragraph 24 of this Interim Order):

(a) *No Control.* None of the DIP Secured Parties control the Debtors or their properties or operations, has authority to determine the manner in which any of the Debtors’ operations are conducted, or is a control person or insider (as defined in the Bankruptcy Code) of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder.

(b) *No Claims, Defenses, or Causes of Action.* As of the date hereof, there exist no claims, defenses or any other Cause of Action⁵ of any nature or description whatsoever that may be asserted by the Debtors, their respective estates, predecessors, successors and assigns, against any of the DIP Secured Parties or any of their respective current, former and future affiliates, subsidiaries, funds or managed accounts, officers, directors, managers, members, equity holders, partners, principals, employees, representatives, agents, attorneys, advisors, consultants and other professionals, and the predecessors in interest, successors and assigns of each of the foregoing (collectively, the “**Representatives**”), in their capacities as such, in each case, arising from, in connection with, or related to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder.

(c) *Releases.* Effective as of the date of entry of this Interim Order, the Debtors, on behalf of themselves and their respective estates, to the maximum extent permitted by applicable law, hereby absolutely, unconditionally and irrevocably release and forever discharge and acquit the DIP Secured Parties and each of their respective Representatives (in their capacities as such) of and from any and all Causes of Action that the Debtors, their estates, predecessors, successors and assigns at any time had, now have or that their successors and assigns may have against any of the DIP Secured Parties and their respective Representatives for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time prior to the date of this Interim Order, in each case, arising under, in connection with or related to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder, including, without limitation, (i) any claim or Cause of Action seeking avoidance, whether under chapter 5 of the Bankruptcy Code, any applicable Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar state statute, common law or otherwise (“**Avoidance Actions**”), (ii) any so-called “lender liability” or equitable subordination claims or defenses, (iii) any claims or Causes of Action arising under the Bankruptcy Code, (iv) any claims or Causes of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge, recovery or any other challenge arising under the Bankruptcy Code or applicable non-bankruptcy law with respect to the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder, or (v) any claim or Cause of Action with respect to the validity, enforceability, extent, amount, perfection or priority of the DIP Facility, the

⁵ The term “**Cause of Action**” means any action, cause of action, claim, counter-claim, cross-claim, defense, account, objection, challenge, offset, setoff, demand, liability, responsibility, dispute, remedy, indebtedness, obligation, guaranty, right, interest, indemnity, assertion, allegation, suit, controversy, proceeding, loss, damage, injury, reimbursement obligation, attorneys’ fees, costs, expenses or judgments of every type, whether known or unknown, asserted or unasserted, suspected or unsuspected, foreseen or unforeseen, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, pending or threatened, whether assertable directly or derivatively, including, without limitation, all legal and equitable theories of recovery, arising under the Bankruptcy Code or applicable non-bankruptcy law, whether local, state or federal U.S. or foreign common law, statute, law, rule, regulation, or by contract, of every nature or description whatsoever.

DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Documents or the transactions contemplated thereunder or hereunder; provided, however, that nothing contained in this subparagraph (c) shall relieve the DIP Secured Parties from fulfilling any of their commitments under, and in accordance with, the DIP Documents.

F. *Debtors' Stipulations, Releases and Acknowledgements Regarding Prepetition Secured Parties.* In requesting the DIP Facility and the use of Cash Collateral, and in exchange for and as a material inducement to the DIP Lenders to provide the DIP Facility, and in exchange for and in recognition of the priming of the Prepetition Liens and the consent (and/or deemed consent) of the Prepetition Secured Parties to the use of their Cash Collateral, the Debtors, for themselves, their estates and all representatives of such estates, admit, stipulate, acknowledge and agree as follows (subject to paragraph 24 of this Interim Order) (collectively, the admissions, stipulations, and acknowledgments and agreements set forth in this paragraph F, the “**Stipulations**”):

(a) *Prepetition ABL Facility*

(i) *Prepetition ABL Credit Agreement.* Pursuant to that certain *Loan and Security Agreement*, dated as of May 1, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the Petition Date, the “**Prepetition ABL Credit Agreement**” and together with all other agreements, guarantees, pledges, collateral and security documents, control agreements, instruments, certificates, notes, and other documents executed, recorded and/or delivered in connection therewith, including, without limitation, the Prepetition Intercreditor Agreement (as defined below), collectively, the “**Prepetition ABL Loan Documents**”), by and among Nine Energy, Nine Energy Canada Inc., CDK Perforating, LLC, Crest Pumping Technologies, LLC, RedZone Coil Tubing, LLC, and Nine Downhole Technologies, LLC, each as borrowers (collectively, the “**Prepetition ABL Borrowers**”), certain subsidiaries of Nine Energy, as secured guarantors (collectively, the “**Prepetition ABL Guarantors**” and together with the Prepetition ABL Borrowers, collectively, the “**Prepetition ABL Loan Parties**”), White Oak Commercial Finance, LLC, as administrative agent (in such capacity, together with its successors and assigns, the “**Prepetition ABL Agent**”), and the lenders party thereto from time to time (collectively, the “**Prepetition ABL Lenders**” and together with the Prepetition ABL Agent, the “**Prepetition ABL Secured Parties**”), the Prepetition ABL Lenders provided a senior secured asset-based revolving credit facility (the “**Prepetition ABL Facility**”) to the Prepetition ABL Loan Parties. Pursuant to the Prepetition ABL Loan Documents, each of the Prepetition ABL Guarantors, among other things, unconditionally and irrevocably guaranteed, on a joint and several basis, the payment in full in cash of all of the Prepetition ABL Secured Obligations (as defined below).

(ii) *Prepetition ABL Secured Obligations.* As of the Petition Date, the Prepetition ABL Loan Parties were justly and lawfully indebted to the Prepetition ABL Secured Parties, on a joint and several basis, without defense, claim, counterclaim, challenge or offset of any kind, in the aggregate amount of approximately: (A) \$66,850,159.07 in outstanding aggregate principal amount under the Prepetition ABL Facility *plus* \$2.5 million in respect of the Prepetition ABL Credit Agreement Premium, and (B) \$1,661,064.66 in maximum aggregate amounts available to be drawn under outstanding letters of credit (the “***Prepetition ABL Letters of Credit***”) issued and outstanding thereunder, *plus* all other interest, fees, costs, expenses (including attorneys’, financial advisors’ and other professionals’ fees and expenses), charges, disbursements, indemnification and reimbursement obligations (contingent or otherwise), including all “Obligations” (as defined in the Prepetition ABL Credit Agreement), and all other amounts that may be due or owing under the Prepetition ABL Loan Documents (collectively, the “***Prepetition ABL Secured Obligations***”).

(iii) *Prepetition ABL Liens.* Pursuant to the Prepetition ABL Loan Documents, each of the Prepetition ABL Loan Parties granted to the Prepetition ABL Agent, for the benefit of itself and the other Prepetition ABL Secured Parties, valid and properly perfected continuing liens on and security interests in (the “***Prepetition ABL Liens***”) substantially all of the assets of the Prepetition ABL Loan Parties, including, without limitation, all “Collateral” (as defined in the Prepetition ABL Credit Agreement) (collectively, the “***Prepetition ABL Collateral***”) and the “ABL Priority Collateral” (as defined in the Prepetition Intercreditor Agreement).

(b) *Prepetition Senior Secured Notes.*

(i) *13.000% Senior Secured Notes due 2028.* Pursuant to that certain *Indenture*, dated as of January 30, 2023 (as supplemented from time to time prior to the Petition Date, the “***Prepetition Senior Secured Notes Indenture***” and together with all other agreements, guarantees, pledges, collateral and security documents, control agreements, instruments, certificates, notes, and other documents executed, recorded and/or delivered in connection therewith, including, without limitation, the “Notes Documents” (as defined in the Prepetition Secured Notes Indenture) and the Prepetition Intercreditor Agreement (as defined below), collectively, the “***Prepetition Senior Secured Notes Documents***” and together with the Prepetition ABL Loan Documents, the “***Prepetition Loan Documents***”), among Nine Energy, as issuer, the guarantors party thereto from time to time (the “***Prepetition Senior Secured Notes Guarantors***” and together with Nine Energy, the “***Prepetition Senior Secured Notes Loan Parties***” and together with the Prepetition ABL Loan Parties, the “***Prepetition Loan Parties***”), and U.S. Bank Trust Company, National Association, as trustee and collateral agent (in such capacities, together with its successors and assigns, the “***Prepetition Senior Secured Notes Trustee***” and together with the Prepetition ABL Agent, the “***Prepetition Agents***”), Nine Energy issued 13.000% senior secured notes due 2028 (the “***Prepetition Senior Secured Notes***” and the holders thereof, the “***Prepetition Senior Secured Noteholders***” and together with the Prepetition Senior Secured Notes Trustee, the “***Prepetition Senior Secured Notes Secured Parties***” and together with the Prepetition ABL Secured Parties, the “***Prepetition Secured Parties***”). Pursuant to the Prepetition Senior Secured Notes Documents, each of

the Prepetition Senior Secured Notes Guarantors, among other things, unconditionally and irrevocably guaranteed, on a joint and several basis, the payment in full in cash of all of the Prepetition Senior Secured Notes Secured Obligations (as defined below).

(ii) *Prepetition Senior Secured Notes Secured Obligations.* As of the Petition Date, the Prepetition Senior Secured Notes Loan Parties were justly and lawfully indebted to the Prepetition Senior Secured Notes Secured Parties, on a joint and several basis, without defense, claim, counterclaim, challenge or offset of any kind, in the aggregate amount of not less than \$319.5 million on account of principal amounts outstanding under the Prepetition Senior Secured Notes, including accrued interest (including default interest, if applicable) thereon, *plus* all fees, costs, expenses (including attorneys', financial advisors' and other professionals' fees and expenses), charges, disbursements, indemnification and reimbursement obligations (contingent or otherwise), including all "Secured Obligations" (as defined in the Prepetition Senior Secured Notes Indenture), and all other amounts that may be due or owing under the Prepetition Senior Secured Notes Documents (collectively, the "***Prepetition Senior Secured Notes Secured Obligations***") and together with the Prepetition ABL Secured Obligations, the "***Prepetition Secured Obligations***").

(iii) *Prepetition Senior Secured Notes Liens.* Pursuant to the Prepetition Senior Secured Notes Documents, each of the Prepetition Senior Secured Notes Loan Parties granted to the Prepetition Senior Secured Notes Trustee, for the benefit of itself and the other Prepetition Senior Secured Notes Secured Parties, valid and properly perfected continuing liens on and security interests in (the "***Prepetition Senior Secured Notes Liens***" and together with the Prepetition ABL Liens, the "***Prepetition Liens***") substantially all of the assets of the Prepetition Senior Secured Notes Loan Parties, including, without limitation, all "Collateral" (as defined in the Prepetition Senior Secured Notes Indenture) (collectively, the "***Prepetition Senior Secured Notes Collateral***" and together with the Prepetition ABL Collateral, the "***Prepetition Collateral***") and the "Notes Priority Collateral" (as defined in the Prepetition Intercreditor Agreement).

(c) *Validity and Enforceability of Prepetition Secured Obligations and Prepetition Liens.* As of the Petition Date, (i) the Prepetition Liens in the Prepetition Collateral (A) have been properly recorded and were valid, binding, enforceable, non-avoidable and fully perfected liens and security interests in the Prepetition Collateral, (B) were granted to or for the benefit of the Prepetition Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with, or covenanted to be provided as an inducement for, the making of the loans and/or the financial commitments and other financial accommodations or consideration secured or obtained thereby, and (C) are senior with priority over any and all other liens on or security interests in the Prepetition Collateral, subject only to (1) liens and security interests that were expressly permitted to be senior in priority to the Prepetition Liens and incurred under the Prepetition Loan Documents (solely to the extent such permitted liens and security interests were (x) in existence on the Petition Date, (y) valid, non-avoidable and properly perfected as of the Petition Date (or were properly perfected subsequent to the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code), and (z) senior in priority to the Prepetition Liens (such liens described in this paragraph F(c)(i)(C)(1), the "***Permitted Prior***

Liens’’),⁶ and (2) the relative rights and priorities set forth in the Prepetition Intercreditor Agreement; (ii) the Prepetition Secured Obligations constitute legal, valid, non-avoidable and binding obligations of each of the Prepetition Loan Parties, enforceable in accordance with the terms of the Prepetition Loan Documents (other than in respect of the stay of enforcement arising under section 362 of the Bankruptcy Code); (iii) no portion of the Prepetition Liens or the Prepetition Secured Obligations, and no payments made at any time to any of the Prepetition Secured Parties, is subject to any contest, attack, objection, challenge, defense, claim, counterclaim or Cause of Action, including, without limitation, any Avoidance Action or any claim or Cause of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge, recovery, or any other claim or Cause of Action of any nature or description, whether arising under the Bankruptcy Code, applicable non-bankruptcy law, any other domestic or foreign statute, law, rule or regulation or otherwise, in each case, that may be asserted by the Debtors, their respective estates or any other person or entity; and (iv) the Prepetition Secured Obligations constitute allowed secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code against each of the Prepetition Loan Parties and their respective estates.

(d) *Enforceability of the Prepetition Intercreditor Agreement.*

(i) The Prepetition ABL Agent and the Prepetition Senior Secured Notes Trustee are party to that certain *Intercreditor Agreement*, dated as of January 30, 2023 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the Petition Date in accordance with the terms thereof, the “***Prepetition Intercreditor Agreement***”), which sets forth the relative payment and lien priorities and other rights and remedies of the Prepetition ABL Secured Parties, on the one hand, and the Prepetition Senior Secured Notes Secured Parties, on the other hand, with respect to “Common Collateral” (as defined in the Prepetition Intercreditor Agreement). Pursuant to the Prepetition Intercreditor Agreement, the parties thereto agreed, among other things: (a) that the Prepetition ABL Liens on the ABL Priority Collateral are senior to the Prepetition Senior Secured Notes Liens on such collateral, and (b) that the Prepetition Senior Secured Notes Liens on the Notes Loan Priority Collateral are senior to the Prepetition ABL Liens on such collateral.

(ii) Pursuant to section 510(a) of the Bankruptcy Code, the Prepetition Intercreditor Agreement, and any other applicable intercreditor or subordination provisions contained in any of the Prepetition Loan Documents, (A) shall

⁶ Nothing contained herein shall constitute a finding or ruling by this Court that any alleged Permitted Prior Lien is valid, senior, enforceable, prior, perfected or non-avoidable. Moreover, nothing contained herein shall prejudice the rights of any party in interest, including, but not limited to the Debtors, the DIP Secured Parties, the Prepetition Secured Parties, or any Official Committee, in each case, to the extent such party has standing to challenge the validity, priority, enforceability, seniority, avoidability, perfection or extent of any alleged Permitted Prior Lien (subject to the terms of this Interim Order). For the purposes hereof, any alleged claim arising or asserted as a right of reclamation or return (whether asserted under section 546(c) of the Bankruptcy Code or otherwise) is not a Permitted Prior Lien.

remain in full force and effect, (B) continue to govern the relative obligations, priorities, rights, and remedies of the Prepetition Secured Parties with respect to any shared or common Prepetition Collateral, and (C) shall not be deemed to be amended, altered, or modified by the terms of this Interim Order except to the extent expressly set forth herein.

(e) *No Claims, Defenses, or Causes of Action.* As of the date hereof, there exist no claims, defenses or any other Cause of Action of any nature or description whatsoever that may be asserted by the Debtors, their respective estates, predecessors, successors and assigns, against any of the Prepetition Secured Parties or any of their respective Representatives, in each case, arising from, in connection with, or related to this Interim Order, the Prepetition Liens, the Prepetition Secured Obligations, the Prepetition Loan Documents or the Prepetition Collateral.

(f) *Releases.* Effective as of the date of entry of this Interim Order, the Debtors, on behalf of themselves and their respective estates, to the maximum extent permitted by applicable law, hereby absolutely, unconditionally and irrevocably release and forever discharge and acquit the Prepetition Secured Parties, and their respective Representatives (in their capacities as such) of and from any and all Causes of Action that the Debtors, their estates, predecessors, successors and assigns at any time had, now have or that their successors and assigns may have against any of the Prepetition Secured Parties and their respective Representatives (in their capacities as such) for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time prior to the date of this Interim Order, in each case, arising under, in connection with or related to this Interim Order, the ABL Refinancing, the Prepetition Liens, the Prepetition Collateral, the Prepetition Secured Obligations, the Adequate Protection Liens (as defined below), the Adequate Protection Claims (as defined below), the Adequate Protection Obligations (as defined below), the Prepetition Loan Documents, or the transactions contemplated thereunder or hereunder, including, without limitation, (i) any Avoidance Actions, (ii) any so-called “lender liability” or equitable subordination claims or defenses, (iii) any claims or Causes of Action arising under the Bankruptcy Code, (iv) any claims or Causes of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge, recovery or any other challenge arising under the Bankruptcy Code or applicable non-bankruptcy law with respect to the Prepetition Liens, the Prepetition Collateral, the Prepetition Secured Obligations or the Prepetition Loan Documents, or (v) any claim or Cause of Action with respect to the validity, enforceability, extent, amount, perfection or priority of the ABL Refinancing, the Prepetition Liens, the Prepetition Secured Obligations, the Prepetition Collateral or the Prepetition Loan Documents.

(g) *Cash Collateral.* Any and all of the DIP Loan Parties’ cash, whether existing on the Petition Date or thereafter, wherever located (including, without limitation, all cash, cash equivalents and other amounts on deposit or maintained by the DIP Loan Parties in any accounts with any depository institution), whether as original Prepetition Collateral, arising from the sale or other disposition of Prepetition Collateral, or proceeds of other Prepetition Collateral, or cash, rents, income, offspring, products, proceeds or profits generated from the Prepetition Collateral, constitutes “cash collateral” of the

Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the “*Cash Collateral*”).

G. Findings Regarding Corporate Authority.

(a) Each of the DIP Loan Parties has all requisite power and authority to execute and deliver the DIP Documents to which it is a party and to perform its obligations thereunder.

H. Findings Regarding DIP Facility and Use of Cash Collateral.

(a) *Good Cause.* Good and sufficient cause has been shown for the entry of this Interim Order.

(b) *Need for Postpetition Financing and Use of Cash Collateral.* The Debtors have an immediate and critical need to use Cash Collateral and to obtain postpetition financing pursuant to the DIP Facility, in each case, on an interim basis, in order to, among other things, permit the orderly continuation and operation of their businesses, maintain business relationships with customers, vendors and suppliers, make payroll, pay the costs of administering the Chapter 11 Cases, effectuate the ABL Refinancing, and satisfy other working capital and operational needs of the Debtors, in the case of each of the foregoing, in accordance with and subject to the terms and conditions of this Interim Order and the DIP Documents, including the Approved Budget (subject to Permitted Variances). The Debtors’ access to sufficient working capital and liquidity through the incurrence of loans and other financial accommodations under the DIP Facility and the use of Cash Collateral is necessary and vital to, among other things, preserve and maintain the going concern values of the Debtors. The Debtors and their estates will be immediately and irreparably harmed if the financing under the DIP Facility is not obtained pursuant to the terms of this Interim Order and, as applicable, the DIP Documents, or if the Debtors are unable to use Cash

Collateral. Entry of this Interim Order is necessary and appropriate to avoid such harm to the Debtors, their estates, and other parties in interest.

(c) *Prepetition Senior Secured Notes Secured Parties Consent to DIP Facility.*

In consideration for the protections afforded to the Prepetition Senior Secured Notes Secured Parties under this Interim Order, holders of a majority in aggregate principal amount of the Prepetition Senior Secured Notes outstanding as of the Petition Date (the “**Majority Prepetition Senior Secured Noteholders**”) have consented to (i) the ABL Refinancing, (ii) the Debtors’ entry into the DIP Facility and use of Cash Collateral, and (iii) all rights and remedies of the DIP Lenders under the DIP Documents and this Interim Order, in the case of each of clauses (i) through (iii) on the terms and conditions set forth in this Interim Order.

(d) *No Credit Available on More Favorable Terms.* The Debtors are unable to obtain financing or other financial accommodations from sources other than the DIP Lenders on terms more favorable than those provided under the DIP Facility, the DIP Documents and this Interim Order. The Debtors are unable to obtain adequate unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtors are also unable to obtain adequate secured credit for money borrowed under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the DIP Loan Parties granting (i) the DIP Liens on all DIP Collateral, (ii) the DIP Superpriority Claims, (iii) the rights, benefits and protections to the DIP Secured Parties, and (iv) the Adequate Protection Liens, Adequate Protection Claims and other Adequate Protection Obligations to the Prepetition Secured Parties, in the case of each of the foregoing, upon the terms and conditions set forth in this Interim Order and in the DIP Documents. After considering all available alternatives, the Debtors have properly concluded, in the exercise of their sound business judgment, that the DIP Facility represents the best source of debtor-in-

possession financing available to them at this time and is in the best interests of all of their stakeholders.

(e) *Use of Proceeds of DIP Facility and Cash Collateral.* As a condition to providing the DIP Facility and their consent to the use of Cash Collateral, each of the DIP Secured Parties and the Prepetition Secured Parties require, and the Debtors have agreed, that all proceeds of the DIP Loans and all Cash Collateral shall be used and/or applied solely for the purposes expressly permitted in the Approved Budget (subject to Permitted Variances), including, without limitation, (i) to pay the costs of administration of the Chapter 11 Cases, (ii) for general corporate and working capital purposes, (iii) to pay adequate protection payments to the extent set forth herein, (iv) to consummate the ABL Refinancing in accordance with the Prepetition ABL Refinancing Documents, (v) to fund the Carve Out; and (vi) to pay professional fees and expenses in accordance with this Interim Order, in the case of each of the foregoing, in accordance with and subject to the terms and conditions of this Interim Order, the Prepetition ABL Refinancing Documents, and the DIP Documents, including the Approved Budget (subject to Permitted Variances).

(f) *Adequate Protection.* Pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code, the Prepetition Secured Parties are entitled to adequate protection of the Prepetition Secured Parties' respective liens and interests in the Prepetition Collateral (including Cash Collateral) for the aggregate diminution in the value of their respective liens and interests in the Prepetition Collateral (including Cash Collateral) from and after the Petition Date for any reason provided for under the Bankruptcy Code including, without limitation, (i) the use, sale or lease by the Debtors of such collateral, (ii) the market value decline of such collateral, (iii) the use of Cash Collateral by each of the Debtors, (iv) the imposition of the automatic stay, (v) the

subordination of the Prepetition Liens and Prepetition Secured Obligations to the Carve Out, the DIP Liens and the DIP Obligations, in each case, as set forth in this Interim Order, and (vi) any other act or omission which causes diminution in the value of their respective liens or interests in the Prepetition Collateral (collectively, the “*Diminution in Value*”), as set forth in this Interim Order and the DIP Documents; provided, however, that nothing in this Interim Order shall (x) be construed as the affirmative consent by any of the Prepetition Secured Parties for the use of Cash Collateral or other Prepetition Collateral other than on the terms set forth in this Interim Order (including the Approved Budget), (y) be construed as a consent by any party to the terms of any other financing or any other lien encumbering the DIP Collateral or the Prepetition Collateral (whether senior, *pari passu* or junior) other than on the terms expressly set forth in this Interim Order, or (z) prejudice, limit or otherwise impair the rights of any of the Prepetition Secured Parties (subject to the Intercreditor Agreements) to seek new, different or additional adequate protection after the date hereof or assert the interests of any of the Prepetition Secured Parties. Based on the Motion, the DIP Declarations and the other evidence filed in support of the Motion, and the record presented to the Court in connection with the Interim Hearing, the terms of the adequate protection arrangements and the use of Prepetition Collateral (including Cash Collateral) set forth herein are fair and reasonable, reflect the Debtors’ prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the use of Prepetition Collateral (including Cash Collateral); provided, further, that the right to adequate protection shall immediately and automatically cease and any adequate protection granted under this Interim Order shall be deemed immediately and automatically terminated and released (i) in regard to Prepetition ABL Secured Parties, upon consummation of the ABL Refinancing in accordance with the terms and conditions set forth in the Prepetition ABL Refinancing Documents (the “*ABL Refinancing Effective Date*”)

(unless such repayment is subsequently required to be disgorged or otherwise avoided and the Prepetition ABL Secured Obligations have not been Paid in Full), and (ii) in regard to the Prepetition Senior Secured Notes Secured Parties, as and when the Prepetition Senior Secured Notes Secured Obligations are indefeasibly Paid in Full.

(g) *Consent.* The Prepetition ABL Secured Parties and the Majority Prepetition Senior Secured Noteholders have consented to the Debtors' use of Prepetition Collateral (including Cash Collateral) solely to the extent expressly permitted under this Interim Order, including under the Approved Budget (subject to Permitted Variances), the DIP Loan Parties' entry into the DIP Facility, the incurrence of the DIP Liens, the DIP Obligations, the DIP Superpriority Claims, the Adequate Protection Liens, the Adequate Protection Claims and the other Adequate Protection Obligations, in each case, in accordance with and subject to the terms and conditions set forth in this Interim Order and the DIP Documents.

(h) *Limitation on Charging Expenses against Collateral; Section 552(b) Waiver.* As a material inducement to the DIP Lenders' agreement to provide the DIP Facility, and in exchange for (i) the DIP Secured Parties' agreement to subordinate their DIP Liens to the Carve Out and Permitted Prior Liens, (ii) the Prepetition Secured Parties' agreement to subordinate their Prepetition Liens and Adequate Protection Liens to the DIP Liens and the Carve Out to the extent set forth herein, and (iii) certain of the Prepetition Secured Parties' consent to the use of Prepetition Collateral (including Cash Collateral), (a) subject to entry of the Final Order granting such relief, the DIP Loan Parties have waived their right to surcharge any costs or expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Secured Parties or the Prepetition Secured Parties upon, the DIP Collateral or the Prepetition Collateral (as applicable), whether pursuant to section 506(c) of the Bankruptcy Code or otherwise, (b) subject

to entry of the Final Order granting such relief, the DIP Secured Parties and the Prepetition Secured Parties shall not be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral (as applicable), and (c) subject to entry of the Final Order granting such relief, each of the Prepetition Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties or the Prepetition Collateral, in the case of each of the foregoing, to the extent set forth herein.

(i) *Proper Exercise of Business Judgment.* Based on the Motion, the DIP Declarations, and the record presented to the Court at the Interim Hearing, (a) the terms of the DIP Facility, (b) the terms of adequate protection granted to the Prepetition Secured Parties hereunder, and (c) the terms on which the Debtors may continue to use Prepetition Collateral (including Cash Collateral) pursuant to this Interim Order, (i) were negotiated in good faith and at arm’s length among the Debtors, the DIP Secured Parties, and the Prepetition Secured Parties, (ii) are fair, reasonable, and the best available to the Debtors under the circumstances, (iii) reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties, and (iv) are supported by reasonably equivalent value and fair consideration. Absent access to the DIP Facility and the ability to continue to use Cash Collateral upon the terms set forth in this Interim Order and the DIP Documents, including the Approved Budget (subject to Permitted Variances), the Debtors, their estates, their creditors and other parties-in-interest will be seriously, immediately and irreparably harmed.

(j) *Good Faith.* The DIP Facility and the terms of the DIP Documents, the terms on which the Prepetition Secured Parties have consented to the Debtors’ use of Cash

Collateral, and this Interim Order have been negotiated in good faith and at arm's length among the Debtors, the DIP Secured Parties, the Prepetition Secured Parties, and each of their respective Representatives, and all of the Debtors' obligations and indebtedness arising under, in respect of, or in connection with, the DIP Facility, the DIP Documents and this Interim Order, including, without limitation, all loans, advances, extensions of credit and other financial accommodations made to and guarantees issued by the Debtors pursuant to the DIP Documents, shall each be deemed to have been extended by the DIP Secured Parties, the Prepetition Secured Parties (as applicable), and each of their respective affiliates, in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by sections 364(e) and/or 363(m) of the Bankruptcy Code, and each of the claims, liens and security interests, rights, remedies, benefits and protections granted to the DIP Secured Parties and the Prepetition Secured Parties (and each of their successors and assigns thereof) pursuant to this Interim Order and the DIP Documents (including, without limitation, all DIP Obligations, DIP Liens, DIP Superpriority Claims, Adequate Protection Liens, Adequate Protection Claims, Adequate Protection Obligations, and adequate protection payments provided under this Interim Order), shall be entitled to the full protection of sections 364(e) and/or 363(m) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed, or modified, on appeal.

(k) *Refinancing of Prepetition ABL Secured Obligations.* The full and immediate payoff of the Prepetition ABL Secured Obligations, and the cash collateralization of any issued and outstanding letters of credit under, and in accordance with the terms of, the Prepetition ABL Facility with the proceeds of borrowings under the DIP Facility in accordance with this Interim Order (but subject to the provisions of paragraph 24 of this Interim Order) and

the Prepetition ABL Refinancing Documents are necessary as the Prepetition ABL Secured Parties have not otherwise consented to the extension of credit to fund the Debtors' critical working capital needs in the form of the DIP Facility. Moreover, as set forth in the DIP Declarations, in light of the aggregate net availability to the Debtors under the DIP Facility for the period of the duration of the Approved Budget, the availability of the DIP Facility confers a material benefit to the Debtors.

(l) *Initial Budget.* The Debtors have prepared and delivered to the DIP Secured Parties and the Ad Hoc Group (as defined below) the initial itemized cash flow forecast set forth on **Exhibit 2** attached hereto (the "*Initial Budget*"), reflecting, on a line item, cumulative and aggregate basis, (i) the Debtors' projected cash receipts expected to be collected, and necessary disbursements and expenditures (including debt service costs) expected to be incurred or made, by the Debtors, in each case, for each calendar week during the period from the calendar week ending on the Saturday of the calendar week in which the Petition Date occurs through and including the end of the thirteenth (13th) calendar week thereafter, (ii) the sum of weekly unused availability under the DIP Facility, plus unrestricted cash on hand, (iii) the weekly outstanding principal balance of amounts outstanding under the DIP Facility, and (iv) a professional fee accrual budget with respect to the anticipated professional fees and expenses to be incurred by each applicable professional advisor during such period. The Initial Budget is an integral part of this Interim Order, and the DIP Secured Parties and the Prepetition Secured Parties (as applicable) are relying, in part, upon the Debtors' agreement to comply (subject to Permitted Variances) with the Approved Budget, in determining to enter into the DIP Facility and to allow the Debtors' use of proceeds of the DIP Facility and Cash Collateral in accordance with the terms of this Interim Order and the DIP Documents.

(m) *Notice.* Notice of the Motion and the Interim Hearing constitutes due, sufficient and appropriate notice and complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(b) and (c), and 9014, and the Bankruptcy Local Rules, and no other or further notice of the Motion with respect to the relief requested at the Interim Hearing or the entry of this Interim Order shall be required.

(n) *Immediate Entry.* The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2), 4001(c)(2), and 6003 and the Bankruptcy Local Rules. Unless the relief set forth in this Interim Order is granted, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Facility and the use of Prepetition Collateral (including Cash Collateral) upon the terms set forth in this Interim Order and the DIP Documents are in the best interests of the Debtors' estates and consistent with the Debtors' exercise of their fiduciary duties. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2) and the Bankruptcy Local Rules. The Motion and this Interim Order comply with the requirements of Bankruptcy Local Rule 4001-1(b).

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the DIP Declarations, the evidence adduced at the Interim Hearing and the record before the Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. *Motion Granted.* The Motion is hereby granted, on an interim basis, upon the terms and conditions set forth in this Interim Order and the DIP Documents. Any objections or other statements with respect to any of the relief set forth in this Interim Order that have not been withdrawn, waived, or settled, and all reservations of rights inconsistent with this Interim Order,

are hereby denied and overruled. This Interim Order shall become effective and enforceable immediately upon its entry.

2. *Authorization of DIP Facility and DIP Documents.*

(a) *Authorization of DIP Documents.* The DIP Facility is hereby approved on an interim basis. The DIP Loan Parties are hereby authorized to (i) execute, deliver and perform all of their obligations under the DIP Documents and this Interim Order; and (ii) execute, deliver and perform under any and all other instruments, certificates, agreements and other documents (including, without limitation, the execution and/or recordation of collateral, pledge and security documents, mortgages and deeds of trust (if applicable) and financing statements), and perform all such other and further acts that, may be necessary, required or desirable for the Debtors to perform their obligations under the DIP Facility, the DIP Documents and this Interim Order and to implement the transactions contemplated thereunder and hereunder.

(b) *Authorization to Borrow; Use of Cash Collateral.* The Borrowers are hereby authorized to borrow, and the Guarantors are hereby authorized to guarantee, on a joint and several basis, up to the principal amount of \$125,000,000 (plus applicable interest, premiums, fees (including professional fees and expenses), costs, expenses, charges and other amounts payable hereunder and under the DIP Documents), subject to the terms and conditions (including any borrowing base and availability limitations and conditions precedent to such DIP Borrowing) set forth in the DIP Documents and this Interim Order. The Debtors are hereby authorized to use the proceeds of the DIP Borrowing under the DIP Facility and all Cash Collateral solely in the manner and for the purposes expressly permitted in the Approved Budget (subject to Permitted Variances) and the DIP Documents.

(c) *Refinancing of Prepetition ABL Secured Obligations.*

(i) Upon entry of this Interim Order and the satisfaction or waiver of all other closing conditions in the DIP Credit Agreement, without any further action by the Debtors, the Court or any other party, (i) each Prepetition ABL Letter of Credit shall be deemed to be issued under, and subject to the terms of, DIP Credit Agreement, (ii) all revolving loans under the Prepetition ABL Facility and all other Prepetition ABL Secured Obligations shall automatically be deemed exchanged and converted on a cashless basis into and constitute “Obligations” under the DIP Credit Agreement, and (iii) the Debtors shall be (A) authorized to execute and perform under the Prepetition ABL Refinancing Documents, (B) subject to the provisions of paragraph 2(c)(v), immediately upon occurrence of the ABL Refinancing Effective Date (as defined herein), deemed to have amended and restated the Prepetition Intercreditor Agreement to be amended and restated into the DIP Intercreditor Agreement, and (C) subject to the provisions of paragraph 2(c)(v), immediately upon occurrence of the ABL Refinancing Effective Date, deemed to have fully satisfied and repaid all Prepetition ABL Secured Obligations except to the extent set forth in the Prepetition ABL Refinancing Documents (clauses (i), (ii), (iii), (iv) and (v), together, the “***ABL Refinancing***”); provided, however, for the avoidance of doubt, solely for purposes of the Intercreditor Agreements, the ABL Refinancing shall be deemed to be a refinancing and replacement of the Prepetition ABL Secured Obligations with the DIP Obligations and shall not constitute the discharge of Prepetition ABL Secured Obligations or an “ABL Obligations Payment Date” thereunder for the purposes of the DIP Obligations. Subject to the provisions of paragraph 2(c)(iii) and paragraph 2(c)(v), immediately and automatically, upon the ABL Refinancing Effective Date, (1) all Prepetition ABL Secured Obligations and Adequate Protection Obligations (including, without limitation, the Adequate Protection Claims) owing to the Prepetition ABL Secured Parties shall be deemed fully repaid and satisfied in full, (2) all liens and security interests in favor of the Prepetition ABL Secured Parties or in respect of the Prepetition ABL Secured Obligations (including, without limitation, the Prepetition ABL Liens and the ABL Adequate Protection Liens) shall be deemed released and terminated, and (3) all Prepetition ABL Loan Documents (other than the Prepetition Intercreditor Agreement and the Prepetition ABL Refinancing Documents, including, without limitation, provisions incorporated by reference therein) shall be deemed terminated.

(ii) Upon entry of this Interim Order, the LC Issuers are hereby authorized to deliver notices of non-renewal with respect to any Prepetition ABL Letters of Credit in accordance with the terms of the applicable Prepetition ABL Letter of Credit. The Debtors shall pay all Prepetition ABL Letter of Credit fees in cash as they come due in accordance with the applicable cash collateral agreement or the Prepetition ABL Credit Agreement, if applicable.

(iii) Notwithstanding the ABL Refinancing, any indemnities or other obligations that by their terms survive the termination of the Prepetition ABL Loan

Documents shall remain in full force and effect and enforceable by the Prepetition ABL Secured Parties against the Debtors and other parties subject thereto.

(iv) To the extent the Debtors require any documents to be prepared and filed to evidence the release of liens as a result of the ABL Refinancing, the Debtors shall reimburse the Prepetition ABL Secured Parties for any reasonable and documented fees, costs and expenses (including fees of counsel) incurred in connection the drafting and registration of any lien termination in any domestic or foreign jurisdiction.

(v) Nothing in this Interim Order or the DIP Documents shall prejudice the rights, remedies and privileges of the Prepetition ABL Agent and the Prepetition ABL Lenders granted in the Bankruptcy Code or as set forth in the Prepetition ABL Loan Documents to the extent the Prepetition ABL Secured Obligations are, after repayment, required to be disgorged or otherwise avoided or reinstated, and all of the Prepetition ABL Agent's and Prepetition ABL Lenders' rights, remedies and priorities under the Bankruptcy Code and the Prepetition ABL Loan Documents (including the Prepetition Intercreditor Agreement) are hereby fully preserved, including, their right to seek additional or further adequate protection or to terminate the consensual use of cash collateral. The rights of all other parties in interest to, subject to the Prepetition Intercreditor Agreement, object to such further request of adequate protection or the Debtors right to seek non-consensual use of cash collateral are expressly reserved.

(d) *DIP Fees and Expenses; Indemnification.* The DIP Loan Parties are hereby authorized and directed to pay, as and when due, any and all (i) fees, premiums or other payments payable under the DIP Documents (including, without limitation, under the DIP Credit Agreement and the Fee Letter referred to therein), and in any separate letter agreements between any of the DIP Loan Parties, on the one hand, and the DIP Agent and/or DIP Lenders, on the other hand, including, without limitation, put option premiums, "seasoning" fees, commitment payments, unused facility payments, early termination, prepayment or exit payments, fees of the DIP Agent, or other amounts referred to therein, (ii) amounts due (or that may become due) in respect of the indemnification obligations under the DIP Documents, which are hereby approved, and (iii) costs, expenses and disbursements of the DIP Secured Parties payable under the DIP Documents and this Interim Order, including, without limitation, the reasonable and documented fees and expenses of (A) Paul Hastings LLP, as counsel to the DIP Agent and the DIP Lenders, (B) Blake, Cassels &

Graydon LLP, as Canadian counsel to the DIP Agent, and (C) any other accountants, consultants, attorneys, advisors, appraisers, or other professionals that may be retained by the DIP Agent and DIP Lenders with the consent of the Borrower, such consent not to be unreasonably withheld or delayed, in the case of each of the foregoing clauses (i)-(iii), and (iv) subject to the Approved Budget, reasonable and documented fees and expenses of foreign local counsel to the Debtors for their assistance in preparation of the DIP Documents in accordance with any applicable engagement letters, in each case, whether or not such payments, premiums, fees, costs, expenses or other amounts arose before or after the Petition Date and whether or not the transactions contemplated herein or in the DIP Documents are consummated, without the need to file fee or retention applications with the Court, without the need to comply with the U.S. Trustee's fee guidelines, and all such payments, premiums, fees, costs, expenses and other amounts are hereby approved (and, to the extent paid prior to the entry of this Interim Order, ratified in full), shall be non-refundable and irrevocable, and shall not be subject to any contest, attack, objection, challenge, defense, claim, counterclaim or Cause of Action, including any Avoidance Action, or any other claim or Cause of Action seeking the reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, surcharge, recovery, or any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law or otherwise.

3. *DIP Obligations.*

(a) Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute valid, binding, enforceable, and non-avoidable obligations of each of the DIP Loan Parties, and shall be fully enforceable against each of the DIP Loan Parties, their estates, and any

successors thereto, including, without limitation, any estate representative or trustee appointed in any of the Chapter 11 Cases or in any case under Chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or relating to any of the foregoing and/or upon the dismissal of any of the Chapter 11 Cases or any such successor cases (collectively, the “***Successor Cases***”), in each case, in accordance with the terms of the DIP Documents and this Interim Order.

(b) Upon execution and delivery of the DIP Documents, the DIP Loan Parties shall be jointly and severally liable for all DIP Obligations, including, without limitation, all loans, advances, extensions of credit, financial accommodations, principal, interest, premiums or similar amounts, fees, costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts (including without limitation, all “Obligations” as defined in the DIP Credit Agreement), whether or not such obligations arose before or after the Petition Date, whenever the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, in each case, which may now or from time to time be owing by any of the DIP Loan Parties to the DIP Agent, for the benefit of itself and the DIP Secured Parties, or any of the DIP Lenders under the DIP Documents or this Interim Order. The DIP Obligations shall be due and payable, without notice or demand, and the use of Cash Collateral shall automatically cease, on the DIP Termination Date (as defined below) (subject to paragraph 21 hereof).

(c) All obligations incurred, payments made, and transfers or grants of security and liens set forth in this Interim Order and the DIP Documents by the DIP Loan Parties are granted to or for the benefit of the DIP Secured Parties or Prepetition Secured Parties for fair consideration and reasonably equivalent value and are granted contemporaneously with the making of the loans

and commitments and other financial accommodations secured thereby. Except as otherwise set forth in this Interim Order, no obligation, payment, transfer, or grant of liens and security interests under this Interim Order or the DIP Documents to the DIP Secured Parties or the Prepetition Secured Parties (including, without limitation, the DIP Obligations, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, the Adequate Protection Claims, the Adequate Protection Obligations, or any adequate protection payments provided hereunder) shall be limited, stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law, or subject to any contest, attack, objection, challenge, defense, claim, counterclaim or Cause of Action, including any Avoidance Action or any other claim or Cause of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge, recovery, or any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law or otherwise (in each case, to the extent applicable, in accordance with and subject to the fee review procedures set forth in paragraph 11 of this Interim Order).

4. *No Obligation to Extend Credit.* The DIP Secured Parties shall have no obligation to make any loan or advance available under the applicable DIP Documents unless all of the conditions precedent to the making of such loan or advance by the applicable DIP Secured Parties under the applicable DIP Documents and this Interim Order have been satisfied in full (or waived) in accordance with the terms of the DIP Documents and this Interim Order, as applicable. Notwithstanding anything contained in this Interim Order or the DIP Documents to the contrary, unless otherwise consented to by the Required DIP Lenders, as applicable, in accordance with the applicable DIP Credit Agreement and subject to Court approval, in no event shall (i) the aggregate

principal amount of the DIP Loans available or outstanding under the DIP Credit Agreement at any time (after giving effect to all outstanding DIP Borrowings previously made or requested) exceed the total DIP Commitments, or (ii) the aggregate principal amount of the outstanding DIP Loans from any DIP Lender exceed such DIP Lender's DIP Commitment.

5. *No Duty to Monitor Compliance.* None of the DIP Secured Parties or the Prepetition Secured Parties shall have any obligation or responsibility to monitor the DIP Loan Parties' use of DIP Collateral, Prepetition Collateral, or Cash Collateral, and each of the DIP Secured Parties and Prepetition Secured Parties may rely upon the Debtors' representations that the use of DIP Collateral, Prepetition Collateral, and Cash Collateral complies with and is in accordance with the requirements of this Interim Order and the DIP Documents.

6. *DIP Liens.*

(a) *DIP Liens.* Effective upon entry of this Interim Order, and without the necessity of the execution, recordation or filing of any pledge, collateral or security documents, mortgages, deeds of trust, financing statements, notations of certificates of title for titled goods, or other document or instrument, or the taking of any other action (including, without limitation, entering into any lockbox or deposit account control agreements or other action to take possession or control of any DIP Collateral), as security for the prompt and complete payment and performance of all DIP Obligations when due (whether at stated maturity, by required prepayment, acceleration or otherwise), the DIP Agent, for the benefit of itself and the other DIP Secured Parties, is hereby granted valid, binding, enforceable, non-avoidable, and automatically and properly perfected liens and security interests (collectively, the "***DIP Liens***") in all DIP Collateral, subject and subordinate to the Carve Out, and subject to the relative priorities and provisions set

forth in paragraph 6(c) of this Interim Order, **Exhibit 3** of this Interim Order, and the DIP Intercreditor Agreement.

(b) The term “***DIP Collateral***” means all assets and properties of each of the DIP Loan Parties and their estates, of any kind or nature whatsoever, whether tangible or intangible, real, personal or mixed, whether now owned or consigned by or to, or leased from or to, or hereafter acquired by, or arising in favor of, any of the DIP Loan Parties (including under any trade names, styles or derivations thereof), whether prior to or after the Petition Date, and wherever located, including, without limitation, (i) all of the DIP Loan Parties’ rights, title and interests in all “Collateral” (as defined in the DIP Credit Agreement), Prepetition Collateral (including Cash Collateral), ABL Priority Collateral and Notes Priority Collateral (each as defined in the Prepetition Intercreditor Agreement), (ii) all money, cash and cash equivalents, all funds in any deposit accounts, securities accounts, commodities accounts or other accounts (together with any and all money, cash and cash equivalents, instruments and other property deposited therein or credited thereto from time to time), all accounts receivable and other receivables (including those generated by intercompany transactions), all rights to payment, contracts and contract rights, all instruments, documents and chattel paper, all securities (whether or not marketable), all goods, furniture, machinery, plants, equipment, vehicles, inventory and fixtures, all real property interests, all interests in leaseholds (to the extent permitted herein), all franchise rights, all patents, tradenames, trademarks, copyrights, licenses and all other intellectual property, all general intangibles, tax or other refunds, or insurance proceeds, all equity interests, capital stock, limited liability company interests, partnership interests and financial assets, all investment property, all supporting obligations, all letters of credit and letter of credit rights, all commercial tort claims (including, for the avoidance of doubt, any Cause of Action related thereto), all books and records

(including, without limitation, customers lists, credit files, computer programs, printouts and other computer materials and records), and all rents, products, offspring, profits, and proceeds of each of the foregoing and all accessions to, substitutions and replacements for, each of the foregoing, including any and all proceeds of any insurance (including any business interruption and property insurance), indemnity, warranty or guaranty payable to any DIP Loan Party from time to time with respect to any of the foregoing, and (iii) subject to entry of the Final Order, all proceeds of and property that is recovered from or becomes unencumbered as a result of, whether by judgment, settlement or otherwise, Avoidance Actions (“***Avoidance Action Proceeds***”). Notwithstanding anything to the contrary set forth herein, neither (x) Excluded Collateral (as defined in the DIP Credit Agreement) nor (y) security deposits of landlords with respect to non-residential real property leases shall be subject to the DIP Liens or Adequate Protection Liens to the extent that such deposits sit outside of the DIP Loan Parties’ bankruptcy estates; provided that such DIP Liens and Adequate Protection Liens shall attach to any reversionary interest of a DIP Loan Party in such security deposit in accordance with the priorities set forth on **Exhibit 3** hereto.

(c) *Priority of DIP Liens.* The DIP Liens shall have the following ranking and priorities (subject in all cases to the Carve Out):

(i) *First Priority Liens on Unencumbered Property.* Subject to the priorities set forth in **Exhibit 3** attached hereto, pursuant to section 364(c)(2) of the Bankruptcy Code, the DIP Liens shall be valid, binding, continuing, enforceable, non-avoidable, fully and automatically perfected first priority liens and security interests in all DIP Collateral that is not subject to Permitted Prior Liens, including, for the avoidance of doubt, subject to entry of the Final Order, Avoidance Action Proceeds (collectively, the “***Unencumbered Property***”).

(ii) *Priming ABL DIP Liens and Junior ABL DIP Liens.* Pursuant to sections 364(c)(3) and 364(d)(1) of the Bankruptcy Code, the DIP Liens shall be valid, binding, continuing, enforceable, non-avoidable, fully and automatically perfected liens and security interests in all DIP Collateral (other than as described in clause (c)(i) of this paragraph 6), which DIP Liens (A) shall be subject and subordinate to (1) Permitted Prior Liens, (2) solely with respect to ABL Priority Collateral (as defined in the DIP Intercreditor Agreement) and DIP Collateral of a type that would otherwise constitute ABL Priority

Collateral, the ABL Adequate Protection Liens (until the ABL Refinancing Effective Date) and the Prepetition ABL Liens (until the ABL Refinancing Effective Date), and (3) solely with respect to Notes Priority Collateral (as defined in the DIP Intercreditor Agreement) and DIP Collateral of a type that would otherwise constitute Notes Priority Collateral, the Prepetition Senior Secured Notes Liens and the Senior Secured Notes Adequate Protection Liens, (B) shall be subject to the DIP Intercreditor Agreement and the priorities set forth in **Exhibit 3** attached hereto, and (C) shall be senior to any and all other liens and security interests in the DIP Collateral, including, without limitation, all liens and security interests in the ABL Priority DIP Collateral (as defined in the DIP Intercreditor Agreement) or any DIP Collateral that would otherwise constitute ABL Priority Collateral.

(iii) *DIP Liens Senior to Other Liens.* Except to the extent expressly permitted hereunder, the DIP Liens and the DIP Superpriority Claims shall not be made subject or subordinate to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any Successor Cases, including any lien, security interest or claim granted in favor of any federal, state, municipal, or other governmental unit (including any regulatory body), commission, board or court for any liability of the DIP Loan Parties, (B) any lien or security interest that is avoided and preserved for the benefit of the DIP Loan Parties and their estates under section 551 of the Bankruptcy Code or otherwise, (C) any intercompany or affiliate claim, lien or security interest of the DIP Loan Parties or their affiliates, or (D) any other lien, security interest or claim arising under section 363 or 364 of the Bankruptcy Code granted on or after the date hereof.

7. *DIP Superpriority Claims.* Pursuant to sections 364(c)(1) and 364(e) of the Bankruptcy Code, subject and subordinate to the Carve Out, (A) the DIP Obligations shall constitute allowed superpriority administrative expense claims against each of the Debtors in each of the Chapter 11 Cases and any Successor Cases on account of the DIP Obligations, with priority over any and all other administrative expense claims and all other claims against the Debtors, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, the Adequate Protection Claims and all administrative expense claims of the kind specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, or any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment (the “*DIP Superpriority Claims*”). The DIP Superpriority Claims shall be payable by each of the Debtors, on a joint and several basis, and shall have recourse to all DIP

Collateral, subject only to the Carve Out. The DIP Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, including in the event that this Interim Order or any provision hereof is reversed or modified, on appeal or otherwise.

8. *Use of DIP Collateral, Prepetition Collateral and Cash Collateral.*

(a) The DIP Loan Parties are hereby authorized to use the proceeds of DIP Loans and all Cash Collateral solely to the extent permitted under the Approved Budget (subject to Permitted Variances) and subject to the terms and conditions set forth in the DIP Documents and this Interim Order. Except on the terms and conditions of this Interim Order and the DIP Documents, the Debtors shall not be permitted to use Cash Collateral absent further order of the Court.

(b) Without the prior written consent of the DIP Agent or Prepetition Senior Secured Notes Trustee, in each case subject to the DIP Intercreditor Agreement, the Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so), except as permitted by the DIP Documents and this Interim Order or as otherwise contemplated under the DIP Intercreditor Agreement. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnation, or otherwise, will be deposited and applied in accordance with the DIP Intercreditor Agreement, this Interim Order and the DIP Documents (subject to paragraph 36 hereof and the priorities set forth on **Exhibit 3** hereto). Except as may be provided in the DIP Documents, and subject to the terms of the DIP Intercreditor Agreement and the priorities set forth on **Exhibit 3** hereto, the Debtors are authorized, upon the closing of a sale of any of the DIP Collateral, to immediately pay all proceeds of any such sale to the DIP Agent, for the benefit of itself and the DIP Secured Parties, to satisfy the DIP Obligations in accordance

with this Interim Order and the DIP Documents, in each case, subject to the DIP Intercreditor Agreement, until the DIP Obligations are Paid in Full,⁷ and any order approving the sale of such DIP Collateral shall provide that the sale is conditioned upon such payment of DIP Obligations (except to the extent otherwise agreed in writing by the applicable DIP Agent).

9. *Budget and Variance Reporting.*

(a) The Initial Budget sets forth, on a line item, cumulative and aggregate basis, (i) the Debtors' projected cash receipts expected to be collected, and necessary disbursements and expenditures (including debt service costs) expected to be incurred or made, by the Debtors, in each case, for each calendar week during the period from the calendar week ending on the Friday of the calendar week in which the Petition Date occurs through and including the end of the thirteenth (13th) calendar week thereafter, (ii) the sum of weekly unused availability under the DIP Facility, plus unrestricted cash on hand, (iii) the weekly outstanding principal balance of amounts outstanding under the DIP Facility, and (iv) a professional fee accrual budget with respect to the anticipated professional fees and expenses to be incurred by each applicable professional advisor during such period.

(b) *Updated Budgets.* No later than 5:00 p.m. (New York City time) every second Friday following the Petition Date, commencing with the Friday of the second week following the week after the calendar week in which the Petition Date occurs (i.e., February 13,

⁷ The term "***Paid in Full***" or "***Payment in Full***" means the indefeasible payment in full in cash of all DIP Obligations, Prepetition ABL Secured Obligations, or Prepetition Senior Secured Notes Secured Obligations, as the case may be, other than contingent indemnification and expense reimbursement obligations for which no claim or demand has been asserted, and all commitments thereunder have been terminated or expired. For purposes of the Prepetition Intercreditor Agreement and the DIP Intercreditor Agreement, upon the ABL Refinancing Effective Date, the discharge of Prepetition ABL Secured Obligations or an "ABL Obligations Payment Date" (as defined in the Prepetition Intercreditor Agreement) shall not be deemed to have occurred with respect to the DIP Obligations as a result of the occurrence of the ABL Refinancing and the refinancing of the Prepetition ABL Secured Obligations with the DIP Obligations.

2026) (each such Friday, the “**Updated Budget Deadline**”), the DIP Loan Parties shall deliver to the DIP Agent a supplement to the Initial Budget (each, an “**Updated Budget**”), covering the 13-week period commencing with the Saturday of the calendar week immediately preceding such Updated Budget Deadline, in each case consistent with the form and detail set forth in the Initial Budget and including a forecasted unrestricted cash balance as well as a line-item report setting forth the estimated fees and expenses to be incurred by each professional advisor on a weekly basis; provided, however, that (x) no Updated Budget will be deemed approved unless the DIP Agent (at the direction of the Required DIP Lenders) provides affirmative approval thereof in writing (which notice may be provided by the DIP Agent or its advisors via e-mail), and, during such period, the Initial Budget or most recent Approved Budget, as applicable, shall remain in effect, and (y) following the DIP Agent’s approval of an Updated Budget in accordance with the foregoing, such Updated Budget shall be in full force and effect and shall constitute the “Approved Budget” for all purposes hereunder (which Approved Budget shall be the Initial Budget until superseded by an approved Updated Budget); provided, further that no Updated Budget will constitute the Approved Budget unless such Updated Budget is reasonably acceptable to the Required Consenting Noteholders (as defined in the RSA); provided, further, that the Updated Budget shall be deemed automatically approved by the Required Consenting Noteholders if the DIP Loan Parties have not received a written objection to such materials from the Required Consenting Noteholders within four (4) Business Days following receipt of such Updated Budget.

(c) No later than 5:00 p.m. (New York City time) every second Friday following the Petition Date, commencing with the Friday of the second week following the week after the calendar week in which the Petition Date occurs (i.e., February 13, 2026) (each such Friday, the “**Variance Report Deadline**”), the DIP Loan Parties shall deliver to the DIP Agent a

variance report, each in form, detail and substance satisfactory to the Required DIP Lenders in their sole discretion (each, a “**Variance Report**”), setting forth the difference between, on a line-by-line and aggregate basis, (i) actual operating receipts and budgeted operating receipts as set forth in the Approved Budget, as the case may be (the “**Receipts Variance**”), and (ii) actual operating disbursements and budgeted operating disbursements as set forth in the Approved Budget, as the case may be, excluding the professional fees and expenses of the Debtor Professionals (the “**Disbursements Variance**”), for the applicable period, together with a reasonably detailed explanation of such Receipts Variance and Disbursements Variance for such applicable period.

10. *Adequate Protection.* The Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363(e) and 507 of the Bankruptcy Code, to adequate protection of their respective Prepetition Liens in Prepetition Collateral (including Cash Collateral), as follows (the liens, security interests, payments and other obligations set forth in this paragraph 10, are collectively referred to herein as the “**Adequate Protection Obligations**”):

(a) *Adequate Protection for Prepetition ABL Secured Parties.* Prior to and until the ABL Refinancing Effective Date, the Prepetition ABL Secured Parties are hereby granted the following adequate protection of their Prepetition ABL Liens in the Prepetition ABL Collateral (including Cash Collateral):

(i) *ABL Adequate Protection Claims.* The Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Lenders, is hereby granted, to the extent and in the amount of any Diminution in Value of the Prepetition ABL Liens in the Prepetition ABL Collateral (including Cash Collateral), superpriority administrative expense claims contemplated by section 507(b) of the Bankruptcy Code against each of the DIP Loan Parties in each of their respective Chapter 11 Cases and any Successor Cases (the “**ABL Adequate Protection Claims**”), which shall be payable by each of the DIP Loan Parties, on a joint and several basis, and shall have recourse to all DIP Collateral. The ABL Adequate Protection Claims shall be (a) subject and subordinate to the Carve Out and the DIP Superpriority Claims, (b) subject to the DIP Intercreditor Agreement and the relative

priorities set forth in **Exhibit 3** attached hereto, and (c) senior to any and all other administrative expense claims and all other claims against the DIP Loan Parties and their estates, now existing or hereafter arising, of any kind or nature whatsoever.

(ii) *ABL Adequate Protection Liens.* The Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Lenders, is hereby granted, effective and automatically perfected as of the Petition Date, and without the necessity of the execution, recordation or filing of any pledge, collateral or security documents, mortgages, deeds of trust, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any lockbox or deposit account control agreement or other action to take possession or control of any DIP Collateral), to the extent and in the amount of any Diminution in Value of the Prepetition ABL Liens in the Prepetition ABL Collateral, valid, binding, enforceable and perfected post-petition liens and security interests in all DIP Collateral (the “**ABL Adequate Protection Liens**”). The ABL Adequate Protection Liens (a) shall be subject to the Carve Out, Permitted Prior Liens, and the DIP Liens, and with respect to Notes Priority Collateral, to the DIP Liens, Senior Secured Notes Adequate Protection Liens and the Prepetition Senior Secured Notes Liens, (b) shall be subject to the relative priorities set forth in **Exhibit 3** attached hereto, and (c) shall be senior to any and all other liens and security interests in the DIP Collateral.

(iii) *Fees and Expenses.* The Debtors are authorized to pay, without the necessity of filing formal fee applications or compliance with the U.S. Trustee’s fee guidelines, the reasonable and documented out-of-pocket costs and expenses of the Prepetition ABL Agent, whether arising prior to or after the Petition Date, including, without limitation, the reasonable and documented fees and expenses of (A) Paul Hastings LLP, as counsel to the Prepetition ABL Agent, and (B) Blake, Cassels & Graydon LLP, as Canadian counsel to the Prepetition ABL Agent (the “**ABL Fees and Expenses**”), in each case, whether arising prior to or after the Petition Date, through and including the ABL Refinancing Effective Date to the extent set forth in the Prepetition ABL Refinancing Documents. Notwithstanding the foregoing, if the ABL Refinancing is reversed, disgorged, or does not occur, the ABL Fees and Expenses shall not be limited by the ABL Refinancing Documents.

(iv) *Interest.* From and after entry of this Interim Order, until the repayment in full of the Prepetition ABL Secured Obligations pursuant to the ABL Refinancing or otherwise, the Prepetition ABL Agent, on behalf of itself and the Prepetition ABL Lenders, shall receive current cash payment during the Chapter 11 Cases of all accrued interest on the Prepetition ABL Secured Obligations under the Prepetition ABL Credit Agreement as such interest becomes due and payable and as set forth in the following sentence, at the Default Rate (as defined in the Prepetition ABL Credit Agreement) thereunder and in the amounts specified in the Prepetition ABL Credit Agreement. Interest shall be payable on the first business day of every calendar month.

(v) *Reporting.* Until the repayment in full of the Prepetition ABL Secured Obligations pursuant to the ABL Refinancing or otherwise, the Debtors shall provide the Prepetition ABL Agent and its advisors with all reports, documents and other

information required to be delivered to the DIP Secured Parties and the Prepetition ABL Secured Parties under the DIP Documents and the Prepetition ABL Loan Documents, respectively, and this Interim Order contemporaneously with the delivery of such information to the DIP Secured Parties to the Prepetition ABL Secured Parties, as applicable.

(b) *Adequate Protection for Prepetition Senior Secured Notes Secured Parties.*

The Prepetition Senior Secured Notes Secured Parties are hereby granted the following adequate protection of their Prepetition Senior Secured Notes Liens in the Prepetition Senior Secured Notes Collateral (including Cash Collateral):

(i) *Senior Secured Notes Adequate Protection Claims.* The Prepetition Senior Secured Notes Trustee, for the benefit of itself and the Prepetition Senior Secured Noteholders, is hereby granted, to the extent and in the amount of any Diminution in Value of the Prepetition Senior Secured Notes Liens in the Prepetition Senior Secured Notes Collateral (including Cash Collateral), superpriority administrative expense claims contemplated by section 507(b) of the Bankruptcy Code against each of the DIP Loan Parties in each of their respective Chapter 11 Cases and any Successor Cases (the “**Senior Secured Notes Adequate Protection Claims**”), which shall be payable by each of the DIP Loan Parties, on a joint and several basis, and shall have recourse to all DIP Collateral. The Senior Secured Notes Adequate Protection Claims shall be (a) subject and subordinate to the Carve Out, the DIP Superpriority Claims, and the ABL Adequate Protection Claims, (b) subject to the DIP Intercreditor Agreement and the relative priorities set forth in **Exhibit 3** attached hereto, and (c) senior to any and all other administrative expense claims and all other claims against the DIP Loan Parties and their estates, now existing or hereafter arising, of any kind or nature.

(ii) *Senior Secured Notes Adequate Protection Liens.* The Prepetition Senior Secured Notes Trustee, for the benefit of itself and the Prepetition Senior Secured Noteholders, is hereby granted, effective and automatically perfected as of the Petition Date, and without the necessity of the execution, recordation or filing of any pledge, collateral or security documents, mortgages, deeds of trust, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any lockbox or deposit account control agreement or other action to take possession or control of any DIP Collateral), to the extent and in the amount of any Diminution in Value of the Prepetition Senior Secured Notes Liens in the Prepetition Senior Secured Notes Collateral, valid, binding, enforceable and perfected post-petition liens on and security interests in all DIP Collateral (the “**Senior Secured Notes Adequate Protection Liens**”, and together with the ABL Adequate Protection Liens, the “**Adequate Protection Liens**”). The Senior Secured Notes Adequate Protection Liens shall be (a) subject to the Carve Out, Permitted Prior Liens, and the DIP Liens, and with respect to ABL Priority

Collateral, to the DIP Liens, ABL Adequate Protection Liens and the Prepetition ABL Liens, (b) subject to the relative priorities set forth in **Exhibit 3** attached hereto, and (c) senior to any and all other liens and security interests in the DIP Collateral.

(c) *Additional Adequate Protection for Prepetition Senior Secured Notes Secured Parties.* As additional adequate protection of the Prepetition Senior Secured Notes Liens in the Prepetition Senior Secured Notes Collateral (including Cash Collateral), the Debtors are hereby authorized to provide, and the Prepetition Senior Secured Notes Secured Parties are hereby granted, additional adequate protection in the form of the following:

(i) *Fees and Expenses.* The Debtors are authorized and directed to pay, without the necessity of filing formal fee applications or compliance with the U.S. Trustee's fee guidelines, whether arising prior to or after the Petition Date, the reasonable and documented out-of-pocket fees, costs and expenses of (a) the Prepetition Senior Secured Notes Trustee, including, without limitation, the reasonable and documented fees and expenses of (x) counsel to the Prepetition Senior Secured Notes Trustee and (y) a single firm as local counsel to the Prepetition Senior Secured Notes Trustee and (b) the ad hoc group of certain Prepetition Senior Secured Noteholders (the "**Ad Hoc Group**"), including, without limitation, the reasonable and documented fees and expenses of (w) Milbank LLP, as counsel to the Ad Hoc Group ("**Ad Hoc Group Counsel**"), (x) Houlihan Lokey Capital, Inc., as investment banker for the Ad Hoc Group (together with Ad Hoc Group Counsel, the "**Ad Hoc Group Advisors**"), (y) Porter Hedges, LLP, as local counsel to the Ad Hoc Group, and (z) any other counsel or advisor engaged by the Ad Hoc Group in its reasonable discretion, including any local counsel, board search consultant, or operational or industry advisors ((a) and (b) collectively, the "**Senior Secured Notes Fees and Expenses**"), in each case, as follows: (1) promptly following the entry of this Interim Order, the Debtors shall pay in full in cash all Senior Secured Notes Fees and Expenses arising on or prior to the Petition Date, (2) upon the ABL Refinancing Effective Date, the Debtors shall pay in full in cash all Senior Secured Notes Fees and Expenses arising after the Petition Date through the ABL Refinancing Effective Date, and (3) thereafter, subject in the case of professional fees to the procedures set forth in paragraph 11 of this Interim Order, the Debtors shall pay in full in cash all Senior Secured Notes Fees and Expenses that arise following the ABL Refinancing Effective Date.

(ii) *Reporting.* The Debtors shall provide the Prepetition Senior Secured Notes Trustee and the Ad Hoc Group Advisors with all reports, documents and other information required to be delivered to the DIP Secured Parties under the DIP Loan Documents and this Interim Order contemporaneously with the delivery of such information to the DIP Secured Parties.

11. *Fees and Expenses.* The invoices with respect to the professional fees and expenses payable under paragraphs 2(d)(iii) and 10(c)(i)(3) of this Interim Order shall not be required to comply with the U.S. Trustee guidelines, nor shall the applicable professionals be required to file fee applications with the Court with respect to any fees or expenses payable hereunder, and all invoices therefor may be in summary form only (and shall not be required to contain individual time entries, and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work product doctrine), and shall, by email, be provided to counsel to lead restructuring counsel for the Debtors, counsel to any Official Committee (if any), and the U.S. Trustee (the “***Fee Notice Parties***”); provided, however, if no objection to payment of the requested fees and expenses is made in writing by any of the Fee Notice Parties within 10 calendar days after delivery of such invoices (the “***Fee Objection Period***”), then, upon the expiration of the Fee Objection Period, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors and, in any event, no later than three (3) Business Days after expiration of the Fee Objection Period; provided, further, however, if an objection is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, the undisputed portion shall promptly be paid by the Debtors, and in any event, no later than three (3) Business Days after expiration of the Fee Objection Period, and the disputed portion shall only be paid upon resolution of such objection by the applicable parties or by order of the Court. Any hearing on an objection to the payment of any fees, costs or expenses set forth in a professional fee invoice shall be limited to reasonableness of the fees, costs and expenses that are the subject

of such objection. Subject to this paragraph 11, none of the adequate protection payments required to be made pursuant to this Interim Order shall be subject to claim, counterclaim, challenge, setoff, subordination, recharacterization, defense, avoidance or disgorgement in the Chapter 11 Cases or any Successor Cases.

12. *Adequate Protection Reservation of Rights of Prepetition Secured Parties.*

Notwithstanding any other provision hereof, the grant of adequate protection to the Prepetition Secured Parties pursuant to this Interim Order shall not be deemed an admission that the interests of such Prepetition Secured Parties are indeed adequately protected, and is without prejudice to the right of the Prepetition Secured Parties (subject to the Prepetition Intercreditor Agreement) to seek additional relief with respect to the use of Prepetition Collateral (including Cash Collateral), or to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection, and without prejudice to the right of the Debtors or any other party in interest to contest any such modification. Except as otherwise provided herein, nothing herein shall be deemed to waive, modify or otherwise impair the respective rights of the Prepetition Secured Parties under the Prepetition Loan Documents, the Prepetition Intercreditor Agreement, or under applicable law, and the Prepetition Secured Parties expressly reserve all of their respective rights and remedies whether now existing or hereafter arising under the Prepetition Loan Documents and applicable law. Without limiting the foregoing, nothing contained in this Interim Order shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided hereunder is insufficient to compensate the Prepetition Secured Parties for any Diminution in Value during the Chapter 11 Cases.

13. *Reservation of Rights.* Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or

implicitly: (a) the rights of the DIP Secured Parties or the Prepetition Secured Parties (subject to the Prepetition Intercreditor Agreement and this Interim Order) to seek any other or supplemental relief in respect of the Debtors; (b) subject to the Prepetition Intercreditor Agreement, the rights of the DIP Secured Parties or the Prepetition Secured Parties under the DIP Documents or the Prepetition Loan Documents (including the Prepetition Intercreditor Agreement), the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code; (ii) request dismissal of any of the Chapter 11 Cases, conversion of any or all of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers; or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties or the Prepetition Secured Parties (in each case, subject to the Prepetition Intercreditor Agreement). Notwithstanding anything contained herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors' or any party in interest's right to oppose (on an emergency basis if need be) any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order and subject to the Prepetition Intercreditor Agreement.

14. *Amendments.* Without the need for further notice to or approval of this Court, the Debtors are authorized to execute, deliver and perform under, one or more amendments, waivers, consents, or other modifications (including, for the avoidance of doubt, the payment of any amendment fee, consent fee, extension fee, upfront fee, waiver fee or similar fee paid or payable in connection therewith) to and under the DIP Documents, in each case, in accordance with the provisions of the DIP Credit Agreement governing amendments thereto (and otherwise in form

and substance acceptable to the Required DIP Lenders) and to the extent reasonably acceptable to the Required Consenting Noteholders; provided, however, that any amendment that (a) shortens the maturity of the extensions of credit thereunder; (b) increases the aggregate commitments thereunder; or (c) increases the rate of interest or any fee (other than any amendment fee, consent fee, extension fee, upfront fee, waiver fee or similar fee paid or payable in connection with such amendment) payable thereunder (each, a “**Material DIP Amendment**”) shall be provided (which may be by electronic mail) to counsel for any Official Committee, the U.S. Trustee, counsel to the Ad Hoc Group, and to any other party that has filed a request for notice in the Chapter 11 Cases and filed with the Court no later than three (3) Business Days prior to the anticipated date of effectiveness of any such Material DIP Amendment (or such shorter period if authorized by the Court following the filing of a motion to shorten notice), and if no formal objection to the Material DIP Amendment is made by the U.S. Trustee, any Official Committee, or any other party-in-interest within such three (3) Business Day period, then, without further notice or order of the Court, such Material DIP Amendment shall automatically be deemed approved and effective; provided, however, if a formal objection is made by the U.S. Trustee, any Official Committee, or any party-in-interest within such three (3) Business Day period, then such Material DIP Amendment shall be subject to approval of the Court.

15. *Modification of Automatic Stay.* The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified solely to the extent necessary to effectuate all of the terms and provisions of this Interim Order, including: (a) permit the DIP Loan Parties to grant the DIP Liens and the DIP Superpriority Claims, and to perform such acts as the DIP Secured Parties may request to assure the perfection and priority of the DIP Liens; (b) permit the DIP Loan Parties to incur all liabilities and obligations, including all of the DIP Obligations, to the DIP Secured Parties

as contemplated under this Interim Order and the DIP Documents; (c) authorize the DIP Loan Parties to grant the Adequate Protection Liens and the Adequate Protection Claims, and to perform such acts as the Prepetition Agents may request to assure the perfection and priority of the Adequate Protection Liens; (d) authorize the DIP Loan Parties to incur all liabilities and obligations, including all Adequate Protection Obligations, to the Prepetition Secured Parties as contemplated under this Interim Order and the Prepetition Loan Documents; (e) permit the DIP Loan Parties to pay all amounts required hereunder and under the DIP Documents; (f) permit the DIP Secured Parties and the Prepetition Secured Parties to retain and apply payments made in accordance with the terms of this Interim Order, the Prepetition Intercreditor Agreement, the Prepetition Loan Documents, and the DIP Documents; (g) subject to paragraph 21, the DIP Secured Parties and the Prepetition Secured Parties to exercise, upon the occurrence and during the continuance of any DIP Termination Event (as defined below), all rights and remedies provided for in this Interim Order, the DIP Documents or applicable law; (h) authorizing the Debtors to perform under this Interim Order and the DIP Documents, and to take any and all other actions that may be required, necessary, or desirable for the performance by the Debtors under this Interim Order and the DIP Documents and the implementation of the transactions contemplated hereunder and thereunder; and (i) implement all of the terms, rights, benefits, privileges, remedies, and provisions of this Interim Order and the DIP Documents.

16. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) This Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of all liens and security interests granted hereunder and under the DIP Documents, including, without limitation, the DIP Liens and the Adequate Protection Liens, without the necessity of the execution, recordation or filing of any pledge,

collateral or security agreements, mortgages, deeds of trust, lockbox or control agreements, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any DIP Collateral), to attach, validate, perfect or prioritize such liens and security interests, or to entitle the DIP Secured Parties and the Prepetition Secured Parties to the priorities granted herein (each, a “**Perfection Act**”) (other than, to the extent applicable, any such filings required under applicable non-U.S. law to attach, validate, perfect or prioritize such liens).

(b) Without in any way limiting the automatically effective perfection of the liens granted hereunder and the DIP Documents (including, without limitation, the DIP Liens and the Adequate Protection Liens), the DIP Agent, at the direction of the Required DIP Lenders, and the Prepetition Agents (acting at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents), respectively, are hereby authorized, but not required, in the case of the DIP Agent, at the direction of the Required DIP Lenders, and in the case of the Prepetition Agents (acting at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents) as they may determine for any reason, to execute, file and record (and to execute in the name of the DIP Loan Parties, as their true and lawful attorneys, with full power of submission, to the maximum extent permitted under applicable law) or otherwise effectuate any Perfection Act or to take any other action in order to attach, validate, perfect, preserve and enforce the liens and security interests granted to them hereunder or under the DIP Documents to otherwise evidence such liens and security interests in all DIP Collateral; provided, however, that, whether or not the DIP Agent, at the direction of the Required DIP Lenders, or the Prepetition Agents (acting at the direction of the requisite Prepetition Secured Parties under the

applicable Prepetition Loan Documents), determine to execute, file, record or otherwise effectuate any Perfection Act with respect to any liens or security interests granted hereunder, such liens and security interests shall nonetheless be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to objection, challenge, dispute, avoidance, recharacterization or subordination as of the entry of this Interim Order. Upon the request of the DIP Agent, at the direction of the Required DIP Lenders, without any further consent of any party, the DIP Agent and the Debtors are authorized and directed to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the DIP Agent, each for the benefit of itself and the DIP Lenders, to further validate, perfect, preserve and enforce the applicable DIP Liens. All such documents will be deemed to have been recorded and filed as of the entry of this Interim Order.

(c) A certified copy of this Interim Order may, as to the DIP Agent, at the direction of the Required DIP Lenders, or as to the Prepetition Agents (acting at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents), be (but need not be) filed with or recorded in filing or recording offices in addition to or in lieu of any security documents, and all filing offices are hereby authorized and directed to accept such certified copy of this Interim Order for filing and/or recording, as applicable. The automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the DIP Agent, at the direction of the Required DIP Lenders, or the Prepetition Agents (acting at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents) to take all actions, as applicable, referenced in this paragraph.

17. *Protection of DIP Lenders' Rights.*

(a) Until the DIP Obligations are Paid in Full, the Prepetition Secured Parties, subject to the terms of the Intercreditor Agreements and the terms hereof, shall: (i) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens or security interests granted to the Prepetition Secured Parties pursuant to the Prepetition Loan Documents or this Interim Order or otherwise seek to exercise or enforce any rights or remedies against any DIP Collateral, Prepetition Collateral, or Prepetition Loan Party (as applicable), including, without limitation, any exercise of setoff or recoupment; (ii) be deemed to have consented to any transfer, disposition or sale of, or release of liens or claims on, such DIP Collateral or and the proceeds thereof, to the extent such transfer, disposition, sale, or release is authorized hereunder or under the applicable DIP Documents; (iii) not file any further financing statements, patent filings, trademark filings, copyright filings, mortgages, notices of lien, or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral unless, solely as to this clause (iii), any of the applicable DIP Secured Parties have filed financing statements or other documents in respect of the liens granted pursuant to this Interim Order or as may be required by applicable state law to continue the perfection of valid and unavoidable liens or securities interests as of the Petition Date; and (iv) deliver or cause to be delivered, at the Debtors' cost and expense (for which the Prepetition Agents, as applicable, shall be reimbursed upon submission to the Debtors of invoices or billing statements), any termination statements, releases and/or assignments in favor of the DIP Agent and the DIP Secured Parties or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of DIP Collateral subject to any sale or disposition authorized hereunder or under the DIP Documents and as contemplated under the Prepetition ABL Refinancing Documents in connection with the ABL

Refinancing. No Prepetition Secured Party may, directly or indirectly, (A) contest, or support any other Person in contesting, in any proceeding, the extent, validity, attachment, priority, or enforceability of any DIP Lien held by or on behalf of any of the DIP Secured Parties in the DIP Collateral (or the extent, validity, allowability, or enforceability of any DIP Obligations secured thereby or purported to be secured thereby) or the provisions of the DIP Documents or this Interim Order, (B) take any action that would restrain, hinder, limit, delay or otherwise interfere with the exercise of any rights or remedies by any of the DIP Secured Parties, or (C) contest, object to or support any other Person in contesting or objecting to the manner in which any DIP Secured Party seeks to enforce or collect the DIP Obligations, the DIP Superpriority Claims or the DIP Liens or any amendment, waiver or modification of any DIP Document; provided that nothing in this Interim DIP Order shall limit the ability of any Consenting Stakeholder (as defined in the Restructuring Support Agreement) to exercise any rights or remedies under the Restructuring Support Agreement in accordance with the terms thereof, including, without limitation, any termination or consent right.

(b) Except with respect to the Prepetition ABL Secured Parties and the Prepetition Intercreditor Agreement solely as provided herein, to the extent any Prepetition Secured Party has been noted as a secured party on any security document or otherwise has possession of or control with respect to any Prepetition Collateral, then such Prepetition Secured Party shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Agent, for the benefit of itself and the other DIP Secured Parties, and the DIP Lenders, and such Prepetition Secured Party shall comply with the instructions of the DIP Agent, at the direction of the DIP

Required Lenders, with respect to the exercise of such possession or control, subject to the priorities set forth on **Exhibit 3**.

(c) In the event that any person or entity that holds a lien on or security interest in DIP Collateral that is junior or otherwise subordinate to the DIP Liens receives any DIP Collateral or proceeds of DIP Collateral, or receives any payment on account of such lien or security interest in the DIP Collateral (whether in connection with the exercise of any right or remedy (including setoff), payment or distribution from the Debtors, mistake, or otherwise), prior to the Payment in Full of all DIP Obligations, such person or entity shall be deemed to have received, and shall hold, any such payment or proceeds of DIP Collateral in trust for the benefit of the DIP Secured Parties, and shall immediately turn over all such proceeds to the DIP Agent, for the benefit of itself and the DIP Secured Parties, in the same form as received, with any necessary endorsements, for application in accordance with the DIP Documents, this Interim Order, and the DIP Intercreditor Agreement. The DIP Agent, at the direction of the Required DIP Lenders, is hereby authorized to make any such endorsement as agent for each of the Prepetition Agents or any Prepetition Secured Party. This authorization is coupled with an interest and is irrevocable.

(d) Except as expressly provided herein or in the DIP Documents, no claim or lien having a priority senior to or *pari passu* with those granted to any of the DIP Secured Parties or Prepetition Secured Parties by this Interim Order shall be granted or permitted while any of the DIP Obligations, Adequate Protection Obligations or the Prepetition Secured Obligations, respectively, remain outstanding. Except as expressly provided in this Interim Order or the DIP Documents, each of the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens and the Adequate Protection Claims: (A) shall not be made junior or subordinated to or *pari passu* with (i) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter

11 Cases or any Successor Cases, whether under section 364(d) of the Bankruptcy Code or otherwise, (ii) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (iii) any lien arising after the Petition Date including, without limitation, any lien or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Debtors, or (iv) any intercompany or affiliate lien or claim; and (B) shall not be subject to sections 506(c) (subject to entry of the Final Order granting such relief), 510, 549, 550 or 551 of the Bankruptcy Code.

18. *Maintenance of DIP Collateral.* Until such time as all DIP Obligations are Paid in Full (or as otherwise agreed in writing by the Required DIP Lenders, as applicable, in respect of the applicable obligations owed to them), the Debtors shall continue to maintain all property, operational, and other insurance as required and as specified in the DIP Documents and, prior to the ABL Refinancing Effective Date, the Prepetition ABL Loan Documents and the DIP Documents. Upon the entry of this Interim Order, the DIP Agent, for the benefit of itself and the applicable DIP Secured Parties, shall automatically be deemed to be named as additional insured and lender loss payee under each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral (to the extent enforceable under applicable non-bankruptcy law).

19. *Cash Management.* Until such time as all DIP Obligations and Prepetition Secured Obligations are Paid in Full, the Debtors shall maintain the cash management system in effect as of the Petition Date, as modified by this Interim Order and any order of the Court authorizing the continued use of the cash management system that is reasonably acceptable to the DIP Agent, the Prepetition ABL Agent, and the Required Consenting Noteholders. Except as permitted by the DIP Documents, the Debtors shall not open any new deposit or securities account that is not subject

to the liens and security interests of Senior Secured Notes Secured Parties and, prior to the ABL Refinancing, the Prepetition ABL Secured Parties (in which case they shall be subject to the lien priorities and other provisions set forth in this Interim Order).

20. *Reporting; Access to Records.* The Debtors shall provide the DIP Lenders and their advisors with all reporting, management calls, access (at reasonable times during normal business hours) to books and records and other information reasonably required to be provided to any of the DIP Secured Parties under the DIP Documents. Without limiting the requirements contained herein or in the DIP Documents, the Debtors shall (a) provide the DIP Agent, the Ad Hoc Group, and any Official Committee (and each of their respective advisors) with (i) all reports, documents, and information required to be delivered under the DIP Documents (contemporaneously when the same is required to be delivered thereunder), and (ii) reasonable access, upon reasonable notice and during regular business hours, to the Debtors' books and records, assets and properties, for purposes of monitoring the Debtors' businesses and operations and the value of the DIP Collateral, and (b) provide information reasonably requested by, and reasonably cooperate and consult with the DIP Agent, the Ad Hoc Group, and any Official Committee (and each of their respective advisors) concerning the Debtors' businesses, financial condition, properties, business operations and assets; *provided, however*, that nothing in this paragraph 20 shall require the Debtors to provide any materials or disclose any information subject to attorney-client privilege, constituting attorney work product doctrine, or any other applicable or similar privilege and, notwithstanding anything to the contrary contained herein, the Debtors do not waive any right to attorney-client, work product, or similar privilege.

21. *DIP Termination Events; Exercise of Remedies.*

(a) *DIP Termination Events.* The occurrence of any of the following shall constitute a “DIP Termination Event” under this Interim Order (each a “***DIP Termination Event***”, and the date upon which such DIP Termination Event occurs, the “***DIP Termination Date***”), unless, in each case, waived in writing (email being sufficient) by the Required DIP Lenders: (i) the occurrence of an “Event of Default” under, and as defined in, the DIP Credit Agreement, (ii) the occurrence of the “Maturity Date” under, and as defined in, the DIP Credit Agreement, (iii) the effective date of a chapter 11 plan of any of the Debtors, (iv) any of the Debtors seeks authorization from the Court for (or the Court enters an order authorizing or approving) any amendment, modification, extension of this Interim Order or the DIP Documents without the prior written consent of the Required DIP Lenders (and no such consent shall be implied by any other action, inaction, or acquiescence of any of the DIP Secured Parties), (v) the failure of the Debtors to make any payment required under this Interim Order or the DIP Documents to any of the DIP Secured Parties as and when due and payable hereunder or thereunder; or (vi) the failure by any of the Debtors to timely perform or comply with any of the other terms, provisions, conditions or other obligations under this Interim Order.

(b) *Remedies Upon DIP Termination Event.* Upon the occurrence and during the continuation of a DIP Termination Event that has not been waived by Required DIP Lenders, and following delivery by the DIP Agent (at the direction of the Required DIP Lenders) of written notice (a “***Remedies Notice***”)⁸ (including by e-mail), on not less than five (5) Business Days’ notice (such five (5) Business Day period, the “***Remedies Notice Period***”) to (w) lead restructuring

⁸ For the avoidance of doubt, the Remedies Notice, or any other notice contemplated under this paragraph may be included in the Carve Out Trigger Notice (as defined below).

counsel for the Debtors, (x) counsel for any Official Committee, (y) the U.S. Trustee, and (z) counsel to the Ad Hoc Group, (the “***Remedies Notice Parties***”), the DIP Agent, acting at the request of the Required DIP Lenders, subject to the Intercreditor Agreements (if applicable), may

(i) deliver to the Borrowers a notice declaring the occurrence of a DIP Termination Event, (ii) declare the termination, reduction or restriction of the commitments under the DIP Facility (to the extent any such commitment remains), (iii) declare the DIP Obligations, as applicable, then outstanding to be due and payable, (iv) declare the termination of the DIP Facility and the DIP Documents as to any further liability or obligation thereunder, but without affecting the DIP Liens or the DIP Obligations, (v) declare the reduction or restriction on the applicable DIP Facility or the applicable DIP Documents, (vi) declare the termination, restriction or revocation of the ability of the Debtors to use Cash Collateral, (vii) charge interest at the default rate under the DIP Facility, (viii) immediately exercise any and all rights of set-off, (ix) exercise any right or remedy against the DIP Collateral, including, without limitation, the disposition of DIP Collateral for application towards the DIP Obligations, or (x) take any other action or exercise any other right or remedy permitted under the DIP Loan Documents, this Interim Order or applicable law; provided that, prior to the exercise of any right set forth in clauses (viii), (ix), and (x) of this paragraph 21(b), the DIP Lender shall be required to file a motion with the Court seeking emergency relief from the automatic stay (the “Stay Relief Motion”) on not less than five (5) business days’ notice to the Remedies Notice Parties (which may run concurrently with the Remedies Notice Period) and the Court shall schedule an emergency hearing thereon at its earliest opportunity without the necessity of a motion to shorten (and the Prepetition Secured Parties, the Debtors, and the Official Committee, if any, consent to the shortened notice with respect to the Stay Relief Motion). Prior to the expiration of the Remedies Notice Period, the Debtors and/or any Official Committee (if

appointed) shall be entitled to seek an emergency hearing (solely to the extent such hearing is requested on an expedited basis) from the Court for the purpose of contesting whether an Event of Default has occurred and/or is continuing, and each of the DIP Secured Parties, the Prepetition Secured Parties, the Debtors, and the Official Committee (if any), as applicable, consent to such emergency hearing. If a request for such hearing is made prior to the end of the Remedies Notice Period, then the Remedies Notice Period shall be continued until the Court hears and rules with respect thereto. At the hearing on the Stay Relief Motion, the Court may fashion an appropriate remedy upon a determination that an Event of Default has occurred and is continuing, which may include permitting the DIP Lenders to exercise all rights and remedies available against the DIP Collateral permitted by law or equity, without further notice to, hearing on, or order from this Court, subject to the Carve Out; provided that, other than with respect to exercise of any right set forth in clauses (i)–(vii) in this paragraph 21(b), the automatic stay shall remain in effect until the Court has an opportunity to rule on the Stay Relief Motion. During the Remedies Notice Period, the Debtors are permitted to use Cash Collateral solely to meet payroll obligations and pay expenses associated with the Debtors’ business that are necessary to preserve the value of the Debtors’ businesses and fund the Carve Out.

(c) Following the Payment in Full of all DIP Obligations, subject to funding the Carve Out (which shall apply to any Remedies Notice delivered by the Prepetition Senior Secured Notes Trustee following the occurrence of any applicable DIP Termination Event), unless otherwise ordered by the Court during the Remedies Notice Period, the automatic stay of section 362 of the Bankruptcy Code shall automatically be modified to the extent necessary to permit the Prepetition Senior Secured Notes Trustee (acting at the direction of the requisite Prepetition Senior Secured Notes Secured Parties under the Prepetition Senior Secured Notes Documents), to exercise

all rights and remedies available under the Prepetition Senior Secured Notes Documents, this Interim Order, and applicable law. If at any time the DIP Facility is not outstanding but the Prepetition ABL Facility is outstanding, then subject to the Prepetition Intercreditor Agreement, the Prepetition ABL Agent shall control remedies with respect to the ABL Priority Collateral to the same extent set forth herein with respect to the DIP Agent.

22. *No Waiver by Failure to Seek Relief.* The rights and remedies of the DIP Secured Parties and the Prepetition Secured Parties specified herein, are cumulative and not exclusive of any rights or remedies that the DIP Secured Parties or the Prepetition Secured Parties may have under the DIP Documents, the Prepetition Loan Documents, applicable law or otherwise. The failure or delay on the part of any of the DIP Secured Parties or the Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order, the DIP Documents, the Prepetition Loan Documents or applicable law, as the case may be, shall not constitute a waiver of any of their respective rights hereunder, thereunder or otherwise. No delay on the part of any party in the exercise of any right or remedy under this Interim Order, the DIP Documents or the Prepetition Loan Documents shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. Except as otherwise set forth in the DIP Intercreditor Agreement, none of the rights or remedies of any party under this Interim Order, the DIP Documents and the Prepetition Loan Documents shall be deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is express, in writing and signed by the requisite parties under the DIP Documents and the requisite parties under the Prepetition Loan Documents, as applicable. No consents required hereunder by any of the DIP Secured Parties or the Prepetition Secured Parties shall be implied by

any inaction or acquiescence by any of the DIP Secured Parties or the Prepetition Secured Parties (as applicable).

23. *Carve Out.*

(a) As used in this Interim Order, the “***Carve Out***” means an amount equal to the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate pursuant to 31 U.S.C. § 3717 (without regard to the notice set forth in clause (iii) below); (ii) all reasonable fees and expenses up to \$100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in clause (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the “***Allowed Professional Fees***”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the “***Debtor Professionals***”) and the Official Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (the “***Committee Professionals***” and, together with the Debtor Professionals, the “***Professional Persons***”) at any time before or on the first business day following the date of delivery by the DIP Agent of a Carve Out Trigger Notice (as defined herein), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice (and in the case of the Committee Professionals, if any, not to exceed the aggregate amounts set forth for the Committee Professionals in the Approved DIP Budget); and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$1,000,000 incurred after the first business day following the date of delivery by the DIP Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the “***Post-Carve Out Trigger Notice Cap***,” of which the foregoing \$1,000,000

shall be funded into the Funded Reserve Account (as defined herein) from proceeds of the DIP Facility); provided, however, that nothing herein shall be construed to impair the ability of any party in interest to object to the fees, expenses, reimbursement, or compensation described in clauses (i) through (iv) of this paragraph 23 on any grounds. For purposes of the foregoing, “**Carve Out Trigger Notice**” shall mean a written notice delivered by email (or other electronic means) by the DIP Agent, acting at the direction of the Requisite DIP Lenders, to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Official Committee (if any), which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event (as defined herein), and acceleration of the DIP Obligations under the DIP Facility or termination of the Debtors’ right to use Cash Collateral, as applicable, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) *Delivery of Weekly Fee Statements.* Not later than 7:00 p.m. (New York time) on the Wednesday of each week starting with the first full calendar week following the Petition Date, each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses (collectively, “**Estimated Fees and Expenses**”) incurred during the preceding week by such Professional Person (through Saturday of such week, the “**Calculation Date**”), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a “**Weekly Statement**”); provided that, within one (1) business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver one additional statement (the “**Final Statement**”) setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the

most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date (and the Debtors shall cause each such Weekly Statement and Final Statement to be delivered on the same day received to the DIP Agent). If any Professional Person fails to deliver a Weekly Statement or Final Statement within three (3) calendar days after such Weekly Statement is due, such Professional Person's entitlement (if any) to any funds in the Pre-Carve Out Trigger Notice Reserve (as defined below) with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement or Final Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Approved DIP Budget for such period for such Professional Person.

(c) *Carve Out Reserves.*

(i) Commencing with the week ended February 6, 2026, and on or before the Thursday of each week thereafter, the Debtors shall utilize all cash on hand as of such date and, to the extent insufficient, any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the sum of (A) the greater of (1) the aggregate unpaid amount of all Estimated Fees and Expenses reflected in the Weekly Statements delivered on the immediately prior Wednesday to the Debtors and the DIP Agent, and (2) the aggregate amount of unpaid Allowed Professional Fees contemplated to be incurred in the Approved DIP Budget during such week, *plus* (B) the Post-Carve Out Trigger Notice Cap, *plus* (C) an amount equal to the amount of Allowed Professional Fees set forth in the DIP Budget for the two weeks occurring after the most recent Calculation Date. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust (the “**Funded Reserve Account**”) to pay such Allowed Professional Fees (the “**Funded Reserves**”) prior to any and all other claims, and all payments of Allowed Professional Fees incurred prior to the Termination Declaration Date shall be paid first from such Funded Reserve Account.

(ii) On the day on which a Carve Out Trigger Notice is delivered in accordance with this paragraph 23 of this Interim Order (the “**Termination Declaration Date**”), the Carve Out Trigger Notice shall constitute a demand to the Debtors to, and the Debtors shall utilize all cash on hand as of such date, including cash in the Funded Reserve Account, and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust to pay such then unpaid

Allowed Professional Fees (the “***Pre-Carve Out Trigger Notice Reserve***”) prior to any other claims. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtors to utilize all cash on hand as of such date, including cash in the Funded Reserve Account, and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the “***Post-Carve Out Trigger Notice Reserve***” and, together with the Pre-Carve Out Trigger Notice Reserve, the “***Carve Out Reserves***”) prior to any and all other claims.

(d) *Application of Carve Out Reserves.*

(i) All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (a)(i) through (a)(iii) of the definition of Carve Out set forth above (the “***Pre-Carve Out Amounts***”), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until the Pre-Carve Out Amounts are indefeasibly paid in full. If the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to paragraph 23(d)(iii) below, all remaining funds shall be distributed first to the DIP Agent for the benefit of itself and the other DIP Secured Parties, for application to the DIP Obligations in accordance with the DIP Credit Agreement, unless and until the DIP Obligations are indefeasibly Paid in Full, in which case, any remaining excess shall be paid to the Prepetition Secured Parties (subject to the terms of the DIP Intercreditor Agreement) in accordance with their rights and priorities set forth in the DIP Intercreditor Agreement, as of the Petition Date and as otherwise set forth in this Interim Order, (unless the DIP Agent, at the direction of the Required DIP Lenders, and the Prepetition Agents, at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents, respectively, have otherwise agreed in writing in respect of the applicable obligations owed to each of them); provided that, unless the ABL Refinancing has been disgorged or otherwise reversed in whole or in part, then any remaining excess shall be paid to the DIP Secured Parties in lieu of the Prepetition ABL Secured Parties.

(ii) All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (a)(iv) of the definition of Carve Out set forth above (the “***Post-Carve Out Amounts***”). If the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to paragraph 23(d)(iii) below, all remaining funds shall be distributed to the DIP Agent for the benefit of itself and the other DIP Secured Parties, for application to the DIP Obligations in accordance with the DIP Credit Agreement, unless and until the DIP Obligations have been indefeasibly Paid in Full, in which case any remaining excess shall be paid to the Prepetition Secured Parties in accordance with their rights and priorities set forth in the DIP Intercreditor Agreement, as of the Petition Date (unless the DIP Agent, at the direction of the Required DIP Lenders, and the Prepetition Agents, at the direction of the requisite Prepetition Secured Parties under the applicable

Prepetition Loan Documents, respectively, have otherwise agreed in writing in respect of the applicable obligations owed to each of them); provided that, unless the ABL Refinancing has been disgorged or otherwise reversed in whole or in part, then any remaining excess shall be paid to the DIP Secured Parties in lieu of the Prepetition ABL Secured Parties.

(iii) Notwithstanding anything to the contrary in the DIP Documents or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in paragraph 23(c), then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively (subject to the limits contained in the Post-Carve Out Trigger Notice Cap), shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in paragraph 23(c), prior to making any payments to the DIP Agent for the benefit of itself and the other DIP Secured Parties, or the Prepetition Secured Parties, or any of the Debtors' creditors, as applicable.

(iv) Notwithstanding anything to the contrary in the DIP Documents, the Prepetition Loan Documents, or this Interim Order, following delivery of a Carve Out Trigger Notice, the DIP Agent, and the Prepetition Agents (as applicable) shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a first-lien and automatically perfected security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP Agent for application in accordance with the DIP Documents.

(v) Further, notwithstanding anything to the contrary in this Interim Order, (A) disbursements by the Debtors from the Carve Out Reserves shall not constitute Revolving DIP Loans or increase or reduce the DIP Obligations, (B) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out with respect to any shortfall (as described below), and (C) in no way shall the Initial DIP Budget, any subsequent Approved DIP Budget, Carve Out, Post-Carve Out Trigger Notice Cap or Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order or the DIP Documents, the Carve Out shall be senior to all liens and claims securing the DIP Obligations, the Adequate Protection Obligations, the Prepetition Secured Obligations, the DIP Superpriority Claims, and any and all other forms of adequate protection, liens, or claims securing the DIP Obligations and the Prepetition Secured Obligations.

(e) *Payment of Allowed Professional Fees Prior to the Termination*

Declaration Date. Any payment or reimbursement made prior to the occurrence of the

Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(f) *No Direct Obligation To Pay Allowed Professional Fees.* None of the DIP Secured Parties or the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any Successor Case. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Secured Parties or the Prepetition Secured Parties in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(g) *Payment of Allowed Professional Fees on or After the Termination Declaration Date.* Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

24. *Effect of the Debtors' Stipulations on Third Parties.*

(a) The Debtors' Stipulations contained in paragraph F of this Interim Order shall be binding upon the Debtors and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases) in all circumstances and for all purposes immediately upon entry of this Interim Order. The Debtors' Stipulations shall be binding upon any Official Committee, all other creditors, and all parties-in-interest and each of their respective successors and assigns, in all circumstances and for all purposes, unless (i) the Official Committee or such party-in-interest (subject in all respects to any agreement or applicable law which may limit or affect such entity's right or ability to do so) obtains requisite standing pursuant to an order

of the Court entered prior to the Challenge Deadline (as defined below) and has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein) (each, a “**Challenge Proceeding**”) by no later than the Challenge Deadline, (A) objecting to or challenging the amount, validity, perfection, enforceability, priority or extent of the Prepetition Loan Documents, the Prepetition Secured Obligations, the Prepetition Liens or the Prepetition Collateral, or otherwise objecting to or challenging any of the admissions, stipulations, findings or releases included in the Debtors’ Stipulations, (B) asserting or prosecuting any so-called “lender liability” claims, Avoidance Actions or any contest, attack, objection, challenge, defense, claim, counterclaim or Cause of Action seeking reduction, setoff, offset, recoupment, avoidance, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge or recovery with respect to the Prepetition Liens, the Prepetition Secured Obligations or the Prepetition Loan Documents, and (C) asserting or prosecuting any other claim or Cause of Action of any nature or description whatsoever, whether arising under the Bankruptcy Code, applicable law or otherwise, against any of the Prepetition Secured Parties or their Representatives (clauses (A)-(C), collectively, the “**Challenges**”, and each, a “**Challenge**”), and (ii) there is entered a final non-appealable order by a court of competent jurisdiction in favor of the plaintiff sustaining any such timely Challenge in any duly-filed Challenge Proceeding; provided, however, that as to the Debtors, any and all such Challenges are hereby irrevocably waived and relinquished; provided, further, however, that any pleadings filed in connection with any Challenge Proceeding, including any motion filed with the Court seeking requisite standing and authority to pursue a Challenge, shall include a draft complaint attached thereto and shall set otherwise forth with specificity the basis for each such Challenge, and any Challenge not so specified in a Challenge Proceeding timely and properly filed

prior to the Challenge Deadline shall be deemed forever, waived, released and barred. Notwithstanding anything to the contrary herein, Challenges may be brought against the ABL Refinancing, and the Court may order appropriate relief in the event of any successful Challenge to the ABL Refinancing.

(b) If no such Challenge Proceeding is timely and properly filed by the Challenge Deadline, or if the Court does not rule in favor of the plaintiff in any such Challenge Proceeding, then, without further notice or order of the Court, (i) each of the admissions, stipulations, findings and releases contained in the Debtors' Stipulations shall be binding on all parties-in-interest, including, without limitation, any Official Committee, any non-statutory committees appointed or formed in the Chapter 11 Cases, or any other party-in-interest (including, without limitation, any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases), (ii) the Prepetition Secured Obligations shall constitute allowed claims against each of the Debtors party to the Prepetition Loan Documents in the Chapter 11 Cases and any Successor Cases, and the Prepetition Liens shall be deemed to be legal, valid, non-avoidable, binding, continuing, perfected and enforceable, as of the Petition Date, against each of the Debtors party to the Prepetition Loan Documents in the Chapter 11 Cases and any Successor Cases, (iii) the Prepetition Secured Obligations, the Prepetition Liens and the Prepetition Loan Documents shall not be subject to any other or further Challenge, contest, attack, objection, challenge, defense, claim, counterclaim, reduction, setoff, offset, recoupment, avoidance, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharge or recovery, whether under the Bankruptcy Code, applicable non-bankruptcy law or otherwise, by any Official Committee, any non-statutory committees appointed or formed in the

Chapter 11 Cases, or any other party-in-interest (including, without limitation, any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases), and (iv) all Challenges against any of the Prepetition Secured Parties or any of their Representatives (in their capacities as such) shall be deemed forever waived, released and barred.

(c) If any such Challenge Proceeding is timely filed by the Challenge Deadline, the Debtors' Stipulations shall nonetheless remain binding and preclusive on any Official Committee, any non-statutory committees appointed or formed in the Chapter 11 Cases, or any other party-in-interest (including, without limitation, any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases), except to the extent that any of the admissions, stipulations, findings or releases contained in the Stipulations were expressly challenged in such Challenge Proceeding (and solely as to the plaintiff party that timely filed such Challenge Proceeding and not, for the avoidance of doubt, any other party-interest).

(d) The "***Challenge Deadline***" means the date that is the earlier of (i) the deadline set by the Court for the filing of objections to confirmation of any chapter 11 plan of reorganization in these bankruptcy cases, and (ii) as to the Official Committee (if appointed), sixty (60) days from the date of the formation of the Official Committee, (iii) as to any other party-in-interest sixty (60) calendar days after the entry of this Interim Order. The Challenge Deadline may be extended by this Court for good cause shown pursuant to an application filed and served by a party in interest prior to the expiration of the Challenge Deadline. If these chapter 11 cases are converted to chapter 7, or a chapter 7 or chapter 11 trustee is appointed or elected prior to the

expiration of the Challenge Deadline, the Challenge Deadline shall be extended for a period of 60 days from the date of such appointment or election solely with respect to any such trustee.

(e) Nothing in this Interim Order vests or confers on any person or entity, including any Official Committee, standing or authority to pursue any Challenge belonging to the Debtors or their estates, and all rights to object to any request for such standing are expressly reserved.

25. *Limitations on Use of DIP Collateral, Cash Collateral, Carve Out or Other Funds:* Notwithstanding anything contained in this Interim Order or any other order of the Court to the contrary, except with respect to enforcement of the DIP Documents, including during the Remedies Notice Period, to the extent set forth therein or in this Interim Order, no DIP Collateral, Prepetition Collateral, DIP Loans, Cash Collateral, proceeds of any of the foregoing, any portion of the Carve Out or any other funds may be used (nor shall any professional fees, costs, or expenses be paid or applied in connection therewith) by any of the Debtors, any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases, or any other party-interest (including without limitation any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Debtors in the Chapter 11 Cases or any Successor Cases), directly or indirectly:

(a) to investigate (including by way of examinations or discovery proceedings, whether formal or informal), prepare, initiate, assert, commence, or prosecute (or finance the initiation or prosecution of) any claim, counterclaim, cross-claim, Cause of Action, suit, arbitration, proceeding, application, motion, contested matter, objection, defense, adversary proceeding, litigation or other proceeding of any nature or description (whether for monetary, injunctive, affirmative relief or otherwise) against any of the DIP Secured Parties or the Prepetition Secured Parties or their respective Representatives, including, without limitation, (i) any objection or challenge to the amount, validity, enforceability, extent, perfection or priority the DIP Documents, the DIP Obligations, the DIP Liens, the DIP Collateral, the Adequate Protection Liens, the Adequate Protection Claims and the other Adequate Protection Obligations, the Prepetition Loan Documents, the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Collateral, (ii) any Avoidance Actions, (iii) any so-called “lender liability” claims, (iv) any claim or Cause of Action seeking the invalidation, reduction, setoff, offset, recoupment, avoidance,

recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshalling, surcharging or recovery with respect to the DIP Liens, the DIP Obligations, the DIP Documents, the DIP Collateral, the Adequate Protection Liens, the Adequate Protection Claims and the other Adequate Protection Obligations, the Prepetition Liens, the Prepetition Secured Obligations, the Prepetition Loan Documents or the Prepetition Collateral, or (v) any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law, any other domestic or foreign statute, law, rule or regulation or otherwise, against any of the DIP Secured Parties or the Prepetition Secured Parties or their respective Representatives;

(b) objecting to, appealing or otherwise challenging this Interim Order, the DIP Facility, the DIP Obligations, the DIP Liens, the DIP Documents or the transactions contemplated hereunder or thereunder;

(c) objecting to or seeking to impair, modify or interfere with any of the rights, remedies, priorities, privileges, protections or benefits granted to the DIP Secured Parties or the Prepetition Secured Parties under this Interim Order or the DIP Documents (other than to contest whether a DIP Termination Event has occurred and is continuing);

(d) objecting to or seeking to prevent, hinder, interfere with or otherwise delay any of the DIP Secured Parties' or the Prepetition Secured Parties' assertion, enforcement, exercise of remedies or realization upon any DIP Collateral or Prepetition Collateral (as applicable) in accordance with this Interim Order, the DIP Documents or the Prepetition Loan Documents (as applicable) (other than to contest whether a DIP Termination Event has occurred and is continuing);

(e) seeking or requesting authorization to obtain postpetition financing (whether equity or debt) or other financial accommodations pursuant to sections 364(c) or (d) of the Bankruptcy Code, or otherwise, unless such financing is sufficient to cause the Payment in Full of all DIP Obligations and Prepetition Secured Obligations contemporaneously with the closing of such financing (or as otherwise agreed in writing by the Required DIP Lenders and the requisite Prepetition Secured Parties, as applicable);

(f) seeking or requesting authorization to obtain superpriority claims or liens or security interests (other than liens or security interests expressly permitted under the DIP Documents) in any portion of the DIP Collateral that are senior to or *pari passu* with the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, the Adequate Protection Claims, the Prepetition Liens or the Prepetition Secured Obligations unless all DIP Obligations and Prepetition Secured Obligations have been Paid in Full (or as otherwise agreed in writing by the Required DIP Lenders or the requisite Prepetition Secured Parties, as applicable);

(g) seeking or requesting to use Cash Collateral or sell or otherwise dispose of DIP Collateral (without the prior written consent of the Required DIP Lenders) other than as provided herein and in the DIP Documents; or

(h) seeking to pay any amount on account of any claims arising prior to the commencement of these Chapter 11 Cases, unless such payments have been approved by

the Court or are agreed to in writing by the Required DIP Lenders (or are otherwise included in the Approved Budget);

provided, however, that no more than \$75,000 of the DIP Collateral, Prepetition Collateral, DIP Loans, Cash Collateral, or proceeds of any of the foregoing any other funds may be used for allowed fees and expenses incurred by any Official Committee prior to the Challenge Deadline to investigate (but not to litigate, contest, initiate, assert, join, commence, support or prosecute any claim, Cause of Action or Challenge, including by way of discovery, with respect to), the validity, enforceability, extent, perfection or priority of the Prepetition Liens, the Prepetition Secured Obligations, and the Prepetition Loan Documents; provided further that nothing herein shall prohibit the Debtors' use of the DIP Collateral, Prepetition Collateral, DIP Loans, Cash Collateral, or proceeds of any of the foregoing to respond to investigations by the Official Committee.

26. *Limitation on Charging Expenses.* No costs or expenses of administration of the Chapter 11 Cases or any Successor Cases at any time, including, without limitation, any costs and expenses incurred in connection with the preservation, protection, or enhancement of realization by the DIP Secured Parties or the Prepetition Secured Parties, respectively, upon the DIP Collateral or the Prepetition Collateral, respectively, shall be charged against or recovered from the DIP Collateral as to DIP Secured Parties, the Prepetition Collateral as to the Prepetition Secured Parties, whether pursuant to section 506(c) of the Bankruptcy Code, any other legal or equitable doctrine (including unjust enrichment) or otherwise, without the prior written consent of the Required DIP Lenders with respect to the DIP Collateral, the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents with respect to the Prepetition Collateral, each in their sole discretion, and no such consent shall be implied, directly or indirectly, from anything contained in this Interim Order (including, without limitation, consent to the Carve Out or the approval of any budget hereunder) or from any other action, inaction, or acquiescence by any of the DIP Secured

Parties or any of the Prepetition Secured Parties; provided, however, that the foregoing shall be subject to the terms of the Final Order granting such relief.

27. *No Marshaling; Section 552(b) Waiver.* In no event shall the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral, the DIP Obligations, the Prepetition Collateral, or the Prepetition Secured Obligations, and all proceeds of the DIP Collateral and the Prepetition Collateral shall be received and applied in accordance with this Interim Order, the DIP Documents, the DIP Intercreditor Agreement, and the Prepetition Loan Documents, as applicable; provided, however, that the foregoing shall be subject to the terms of the Final Order granting such relief. The DIP Secured Parties shall use commercially reasonable efforts to first obtain recoveries from DIP Collateral other than Avoidance Proceeds. Each of the Prepetition Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to entry of the Final Order, in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties or the Prepetition Collateral.

28. *Right to Credit Bid.* Subject to the terms of the Intercreditor Agreements (to the extent applicable), (a) the DIP Agent or its designees (which may be an acquisition vehicle formed by the Required DIP Lenders) (acting at the direction of the Required DIP Lenders), shall have the right to credit bid up to the full amount of the applicable DIP Obligations, in any sale of all or any portion of DIP Collateral (including, for the avoidance of doubt, any asset for which the DIP Collateral is limited to the proceeds thereof as a result of applicable law prohibiting encumbrances from being attached to such asset) subject to and in accordance with the DIP Documents, and (b) subject to section 363(k) of the Bankruptcy Code, each of the Prepetition Agents or its/their designee(s) (which may be an acquisition vehicle) (in each case, acting at the direction of the

requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents) shall have the right to credit bid up to the full amount of the applicable Prepetition Secured Obligations in any sale all or any portion of the Prepetition Collateral (including, for the avoidance of doubt, any asset for which the Prepetition Collateral is limited to the proceeds thereof as a result of applicable law prohibiting encumbrances from being attached to such asset) in accordance with the applicable Prepetition Loan Documents (subject to the Intercreditor Agreements, as applicable), in the case of each of foregoing clauses (a) and (b), without the need for further order of the Court authorizing same, whether in a sale under or pursuant to section 363 of the Bankruptcy Code, a chapter 11 plan subject to confirmation under section 1129(b)(2)(A) of the Bankruptcy Code, a sale or disposition by a chapter 7 trustee for any of the DIP Loan Parties under section 725 of the Bankruptcy Code, or otherwise. The DIP Agent (acting at the direction of the Required DIP Lenders) and each the Prepetition Agents (acting at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents), shall each have the absolute right to assign, transfer, sell, or otherwise dispose of their respective rights to credit bid (subject to the DIP Intercreditor Agreement and this Interim Order) to any acquisition vehicle formed in connection with such bid or other designee.

29. *Binding Effect; Successors and Assigns.* Immediately upon entry of this Interim Order, subject to paragraph 24 of this Interim Order, the provisions of the DIP Documents and this Interim Order, including all findings and conclusions of law herein, shall be binding upon all parties in interest in the Chapter 11 Cases and any Successor Cases, including without limitation, the DIP Secured Parties, the Prepetition Secured Parties, any Official Committee or any other committee appointed or formed in the Chapter 11 Cases and any Successor Cases, and their respective successors and assigns (including any chapter 11 trustee or chapter 7 trustee or

examiner appointed or elected in the Chapter 11 Cases or any Successor Cases, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors), and shall inure to the benefit of each of the Debtors, the DIP Secured Parties, and the Prepetition Secured Parties, and their respective successors and assigns; provided, however, that, for the avoidance of doubt, the DIP Secured Parties and the Prepetition Secured Parties shall have no obligation to make any loan, permit the use of DIP Collateral or Prepetition Collateral (including Cash Collateral) or extend any financing to any chapter 11 trustee or chapter 7 trustee or similar responsible person appointed for the estate of any Debtor in the Chapter 11 Cases or any Successor Cases.

30. *No Modification of Interim Order.* Until and unless the DIP Obligations and the Prepetition Secured Obligations have been Paid in Full, the Debtors irrevocably waive the right to seek, and shall not seek or consent to, directly or indirectly: (a) without the prior written consent of the Required DIP Lenders, (i) any modification, stay, vacatur or amendment to this Interim Order, (ii) the allowance of any claim against any Debtor in the Chapter 11 Cases or any Successor Cases equal or superior to the DIP Superpriority Claims (other than the Carve Out), (iii) the grant of any lien or security interest on any DIP Collateral with priority equal to or superior to the DIP Liens, except as expressly permitted hereunder or under the DIP Documents, (iv) the entry of any order authorizing the use of DIP Collateral (including Cash Collateral) that is inconsistent with this Interim Order, or (b) without the prior written consent of the Prepetition Agents, acting at the direction of the requisite Prepetition Secured Parties under the applicable Prepetition Loan Documents, (i) any modification, stay, vacatur or amendment to this Interim Order that adversely affects the rights, remedies, benefits or protections of the applicable Prepetition Secured Parties, (ii) the allowance of any claim against any Debtor in the Chapter 11 Cases or any Successor Cases

equal or superior to the Adequate Protection Claims (other than the Carve Out and the DIP Superpriority Claims), or (iii) the grant of any lien or security interest on any DIP Collateral or Prepetition Collateral with priority equal to or superior to the Adequate Protection Liens, except as expressly permitted hereunder or under the DIP Documents.

31. *Proceeds of Subsequent Financings.* Without limiting the provisions of the immediately preceding paragraph, if at any time prior to the Payment in Full of all of the DIP Obligations, either the Debtors, the Debtors' estates, any chapter 11 trustee, chapter 7 trustee or examiner with enlarged powers, or any responsible officer subsequently appointed in any of the Chapter 11 Cases or any Successor Cases, shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Interim Order or the DIP Documents, then, unless otherwise agreed in writing by the Required DIP Lenders, all of the cash proceeds derived from such credit or debt intended to refinance the DIP Obligations shall immediately be turned over to the DIP Agent for further distribution to the DIP Secured Parties on account of their DIP Obligations pursuant to the applicable DIP Documents.

32. *Preservation of Rights Granted Under Interim Order.*

(a) *Good Faith Under Section 364(e) of the Bankruptcy Code.* The DIP Secured Parties and the Prepetition Secured Parties have acted in good faith in connection with this Interim Order, the DIP Facility and the DIP Documents, and their reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and upon the record made at the Interim Hearing and during these Chapter 11 Cases, the DIP Secured Parties and the Prepetition Secured Parties are entitled to the protections provided in section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Interim Order or the DIP Documents are hereafter reversed or modified on appeal by any order of this Court or any other court, any such reversal or modification shall not

affect (i) the ABL Refinancing, (ii) the validity of any DIP Obligations incurred hereunder, (iii) the priority of the DIP Liens granted hereunder, or (iv) the validity of the DIP Liens granted hereunder to the DIP Lenders or DIP Agent, whether or not the DIP Secured Parties or the Prepetition Secured Parties know of such appeal, unless the authorization to consummate the ABL Refinancing or to incur the DIP Obligations or the grant of the DIP Liens hereunder is stayed pending appeal. Notwithstanding any such reversal or modification, any such claim, lien, or security interest, right, privilege, remedy or benefit shall be governed in all respects by the original provisions of this Interim Order, the DIP Intercreditor Agreement and the DIP Documents.

(b) *Survival.* Notwithstanding anything contained herein or in the DIP Documents to the contrary, the terms and provisions of this Interim Order and the DIP Documents (including, without limitation, all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits, and protections granted to the DIP Secured Parties and the Prepetition Secured Parties under this Interim Order and the DIP Documents), and any actions taken pursuant hereto or thereto, shall survive, shall continue in full force and effect, shall remain binding on all parties-in-interest, and shall be governed by the original provisions of this Interim Order and maintain their priorities as set forth in this Interim Order, and shall not be modified, impaired, or discharged by, entry of any order that may be entered (i) confirming any chapter 11 plan in any of the Chapter 11 Cases, (ii) converting any or all of the Chapter 11 Cases to a case (or cases) under chapter 7 of the Bankruptcy Code, (iii) dismissing any or all of the Chapter 11 Cases, (iv) pursuant to which the Court abstains from hearing any of the Chapter 11 Cases, or (v) approving the sale or disposition of any DIP Collateral (except as expressly permitted in the DIP Documents), in each case, until all of the DIP Obligations, the Adequate Protection Obligations and the Prepetition Secured Obligations have been Paid in Full (unless the Required

DIP Lenders and/or the requisite Prepetition Secured Parties have otherwise agreed in writing in respect of the applicable obligations owed to each of them).

(c) *Dismissal/Conversion.* If any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that (i) all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections granted to the DIP Secured Parties and the Prepetition Secured Parties hereunder and under the DIP Documents shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order and the DIP Intercreditor Agreement until all DIP Obligations, Adequate Protection Obligations and Prepetition Secured Obligations have been Paid in Full (and that all such claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections, notwithstanding such dismissal or conversion, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal or conversion, for the purposes of enforcing this Interim Order, the DIP Documents, the DIP Intercreditor Agreement and all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections granted to the DIP Secured Parties and the Prepetition Secured Parties hereunder or thereunder.

33. *Loss or Damage to Collateral.* So long as the DIP Agent and the DIP Lenders comply with their obligations under the DIP Documents, (a) the DIP Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian,

forwarding agency, or other person, and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne solely by the Debtors.

34. *Proofs of Claim.* The DIP Secured Parties and the Prepetition Secured Parties shall not be required to file proofs of claim or request for payment of administrative expenses in any of the Chapter 11 Cases or any of the Successor Cases in order to assert claims for payment in respect of the DIP Obligations, the Adequate Protection Obligations, or the Prepetition Secured Obligations. The Debtors' Stipulations, acknowledgments and provisions of this Interim Order are deemed sufficient to and do constitute timely filed proofs of claim or request for payment of administrative expenses in respect of such claims arising under the DIP Obligations, the Adequate Protection Obligations, and the Prepetition Secured Obligations against each of the applicable Debtors. Any order entered by the Court establishing a bar date in any of the Chapter 11 Cases or any Successor Chapter 11 Cases shall not apply to the DIP Secured Parties, the Prepetition Secured Parties, the DIP Obligations, or the Prepetition Secured Obligations; provided, however, that, notwithstanding any order entered by the Court establishing a bar date in any of the Chapter 11 Cases or any Successor Cases to the contrary, the DIP Agent (on behalf of itself or any of the DIP Lenders), at the direction of the DIP Required Lenders, or any of the Prepetition Agents (on behalf of themselves and the applicable Prepetition Secured Parties), in their discretion, may (but are not required to) file (and amend and/or supplement) a proof of claim and/or aggregate proofs of claim in each of the Chapter 11 Cases or any Successor Cases, and any such proof of claim may (but is not required to be) filed as one consolidated master proof of claim in the Debtors' lead Chapter 11 Case against all of the DIP Loan Parties, which shall be deemed to have been filed against each and every Debtor. Such consolidated or master proofs of claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by

each of the Debtors to the applicable party, which instruments, agreements or other documents will be provided upon reasonable written request to the DIP Agent or the applicable Prepetition Agents, as the case may be. Any proof of claim filed by or on behalf of any of the DIP Secured Parties or the Prepetition Secured Parties shall be deemed to be in addition to (and not in lieu of) any other proof of claim that may be filed by any such persons. The provisions set forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest.

35. *Limitation of Liability.* Nothing in this Interim Order, the DIP Documents or any documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon any of the DIP Secured Parties or the Prepetition Secured Parties of any liability for any claim arising from, in connection with or related to the prepetition or postpetition activities of the Debtors and their respective affiliates in the operation of their businesses, their restructuring efforts or in connection with the administration of these Chapter 11 Cases. In determining to make any loan or extension of credit, or permit the use of Cash Collateral, or in exercising any rights or remedies hereunder, under the DIP Documents or the Prepetition Loan Documents, neither the DIP Secured Parties nor the Prepetition Secured Parties shall (a) be deemed to be in control of the operations of the Debtors, (b) owe any fiduciary duty to the Debtors or their creditors, shareholders or estates, or (c) be deemed to be acting as a “Responsible Person” or “Owner” or “Operator” with respect to the operation or management of the Debtors (as such terms or any similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42, U.S. §§ 9601 et seq., as amended, or any similar federal or state statute).

36. *Intercreditor Agreements.* Solely from and after (x) the entry of this Interim Order and (y) the occurrence of the ABL Refinancing Effective Date, pursuant to section 510 of the

Bankruptcy Code, the DIP Intercreditor Agreement (i) shall remain in full force and effect, (ii) shall continue to govern the relative priorities, rights, and remedies of the Prepetition Secured Parties (including, for the avoidance of doubt, with respect to the Adequate Protection Liens) and the DIP Secured Parties, and (iii) shall not be deemed amended, altered or modified by the terms of this Interim Order, except to the extent expressly set forth herein. From and after the effectiveness of the DIP Intercreditor Agreement, the Debtors, the DIP Agent, the other DIP Secured Parties, the Prepetition Senior Secured Notes Trustee, and the other Prepetition Senior Secured Notes Secured Parties, each shall be bound by and party to, and in all respects the DIP Facility shall be governed by, the DIP Intercreditor Agreement; provided that the DIP Intercreditor Agreement shall not be further amended or modified without the prior written consent of the Required DIP Lenders; provided, further, that neither the Prepetition ABL Agent nor any Prepetition ABL Secured Party shall have any liability of and from any and all Causes of Action that the Prepetition Senior Secured Notes Secured Parties, the Debtors, their estates, predecessors, successors and assigns may have, or that their successors and assigns may have, against any of the Prepetition ABL Secured Parties and their respective Representatives for or by reason of any act, omission, matter, cause or thing whatsoever arising under or with respect to the Prepetition Intercreditor Agreement occurring after the ABL Refinancing Effective Date.

37. *Payments Free and Clear.* Subject to the Carve Out, any and all payments or proceeds remitted to the DIP Secured Parties or the Prepetition Secured Parties pursuant to the DIP Documents, the DIP Intercreditor Agreement, this Interim Order, the Final Order (if and when entered) or any subsequent order of this Court shall be irrevocable (subject, solely in the case of certain professional fees, the fee review procedures set forth in paragraph 11 of this Interim Order), received free and clear of any claim, charge, assessment or other liability, including without

limitation, any claim or charge arising out of or based on, directly or indirectly, section 506(c) of the Bankruptcy Code (whether asserted or assessed by, through or on behalf of the Debtors) (subject to paragraph 26 hereof), section 552(b) of the Bankruptcy Code (subject to paragraph 27 hereof) or otherwise.

38. *Joint and Several Liability.* Nothing in this Interim Order shall be construed to constitute or authorize a substantive consolidation of any of the Debtors' estates, it being understood, however, that the Debtors shall be jointly and severally liable for all obligations (including all DIP Obligations and all Adequate Protection Obligations) under this Interim Order and the DIP Documents.

39. *Third Party Beneficiary.* Except as expressly set forth herein, no rights are created hereunder for the benefit of any third party, any creditor or any direct, indirect or incidental beneficiary.

40. *Interim Order Controls.* In the event of any conflict or inconsistency between or among the terms or provisions of this Interim Order and any of the DIP Documents, unless such term or provision in this Interim Order is phrased in terms of "defined in" or "as set forth in" the DIP Credit Agreement or DIP Documents, the terms and provisions of this Interim Order shall govern and control. Notwithstanding anything contained in any other order entered by this Court to the contrary, any payment made pursuant to, or authorization contained in, any other order entered by this Court shall be consistent with and subject to the requirements set forth in this Interim Order and the DIP Documents, including, without limitation, the Approved Budget (subject to Permitted Variances).

41. *Effectiveness.* This Interim Order shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052 and shall take effect and be fully enforceable

effective as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014, any Bankruptcy Local Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

42. *Bankruptcy Rules.* The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

43. *Headings.* Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order. When used in this Interim Order, the word “including” shall not imply limitation.

44. *Necessary Action.* The Debtors are authorized to take any and all such actions as are necessary, required or appropriate to implement and effectuate the terms of this Interim Order, the DIP Documents and the transactions contemplated hereunder and thereunder.

45. *Retention of Jurisdiction.* The Court retains jurisdiction to hear, determine and, if applicable, enforce the terms of any and all matters arising from or related to the DIP Facility, the DIP Documents, the DIP Intercreditor Agreement and this Interim Order, and the Court’s jurisdiction shall survive confirmation and consummation of any chapter 11 plan for any of the Debtors notwithstanding the terms or provisions of any such chapter 11 plan or any order confirming any such chapter 11 plan.

46. *Final Hearing.* The Final Hearing shall be held on [•], 2026 at [•]. (prevailing Central Time), and any objections to the final relief sought in the Motion shall be filed with the Court no later than [•], 2026 at [•], (prevailing Central Time) and served upon the following: (i) proposed co-counsel for the Debtors, Kirkland & Ellis LLP, 333 West Wolf Point Plaza,

Chicago, Illinois 60654, Attn: Chad J. Husnick, P.C. (chad.husnick@kirkland.com) and Seth Sanders (seth.sanders@kirkland.com) and Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Ross J. Fiedler (ross.fiedler@kirkland.com); (ii) proposed co-counsel to the Debtors, Kane Russell Coleman Logan PC, 901 Main Street, Suite 5200, Dallas, Texas 75202, Attn: John J. Kane (jkane@krcl.com), Kyle Woodard (kwoodard@krcl.com), and JaKayla DaBera (jdabera@krcl.com); and Kane Russell Coleman Logan PC, Sage Plaza 5151 San Felipe, Suite 800, Houston, Texas 77056. Attn: Michael P. Ridulfo (mridulfo@krcl.com); (iii) counsel to any official committee appointed in these Chapter 11 Cases; (iv) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, TX 77002, Attn: Andrew Jiménez (Andrew.Jimenez@usdoj.gov); (v) counsel to the Prepetition ABL Agent and the DIP Agent, Paul Hastings LLP, 200 Park Avenue, New York, NY 10166, Attn: Roger G. Schwartz, Esq. (rogerschwartz@paulhastings.com), Rafael Alvarado (rafaelalvarado@paulhastings.com), and Miguel Cadavid (miguelcadavid@paulhastings.com); and (vi) counsel to the Ad Hoc Group, Milbank LLP, 55 Hudson Yards, New York, NY 10001, Attn: Evan R. Fleck (efleck@milbank.com), Matthew Brod (mbrod@milbank.com), and Abigail Debold (adebold@milbank.com). In the event no objections to entry of the Final Order on the Motion are timely received, the Court may enter such Final Order without need for the Final Hearing.

47. *Notice of Entry of Interim Order.* The Debtors shall promptly serve copies of this Interim Order to the parties that have been given notice of the Interim Hearing, to any party that has filed a request for notices with this Court and to the Official Committee (if appointed).

Signed: _____

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

DIP Credit Agreement

EXECUTION VERSION

**SENIOR SECURED SUPERPRIORITY ASSET-BASED DEBTOR-IN-POSSESSION
LOAN AND SECURITY AGREEMENT**

Dated as of February [3], 2026

among

WHITE OAK COMMERCIAL FINANCE, LLC,

as Agent,

**NINE ENERGY SERVICE, INC.,
NINE ENERGY CANADA INC.,
CDK PERFORATING, LLC,
CREST PUMPING TECHNOLOGIES, LLC,
REDZONE COIL TUBING, LLC,
AND**

NINE DOWNHOLE TECHNOLOGIES, LLC,
each as a Borrower, Debtor and Debtor-In-Possession under Chapter 11 of the Bankruptcy Code,

**NINE ENERGY SERVICE, LLC,
MOTI HOLDCO, LLC,
MAGNUM OIL TOOLS GP, LLC,
AND
MAGNUM OIL TOOLS INTERNATIONAL, LTD,**

each as a Guarantor, Debtor and Debtor-In-Possession under Chapter 11 of the Bankruptcy Code,

the financial institutions party hereto from time to time,

as Lenders

and

WHITE OAK COMMERCIAL FINANCE, LLC,

as a Lead Arranger

Senior Secured Superpriority Asset-Based Debtor-In-Possession Loan and Security Agreement**TABLE OF CONTENTS**

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Senior Secured Superpriority Asset-Based Debtor-In-Possession Loan and Security Agreement

Information Certificate(s)

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ANNEX:

Annex I	—	Conversion to Exit ABL Facility Conditions
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**SENIOR SECURED SUPERPRIORITY ASSET-BASED DEBTOR-IN-POSSESSION
LOAN AND SECURITY AGREEMENT**

This SENIOR SECURED SUPERPRIORITY ASSET-BASED DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “**Agreement**”) is entered into as of February [3], 2026, among (1) White Oak Commercial Finance, LLC (“**WOCF**”), as agent for the Lenders (in such capacity, together with its successors and assigns “**Agent**”), (2) the lenders from time to time party hereto (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a “**Lender**”), (3) Nine Energy Service, Inc., a Delaware corporation (the “**Company**”), (4) Nine Energy Canada Inc., a corporation organized under the laws of the province of Alberta, Canada (“**Nine Canada**”), (5) CDK Perforating, LLC, a Texas limited liability company (“**CDK**”), (6) Crest Pumping Technologies, LLC, a Delaware limited liability company (“**Crest Pumping**”), (7) RedZone Coil Tubing, LLC, a Texas limited liability company (“**RedZone**”), (8) Nine Downhole Technologies, LLC, a Delaware limited liability company (“**Nine Downhole**” and together with the Company, Nine Canada, CDK, Crest Pumping, RedZone, and any other Person who from time to time becomes a Borrower hereunder, collectively, the “**Borrowers**” and each individually, a “**Borrower**”), (9) Nine Energy Service, LLC, a Delaware limited liability company (“**Nine Service**”), (10) MOTI Holdco, LLC, a Delaware limited liability company (“**MOTI**”), (11) Magnum Oil Tools GP, LLC, a Texas limited liability company (“**Magnum Oil GP**”), and (12) Magnum Oil Tools International, LTD, a Texas limited partnership (“**Magnum Oil LP**” and together with Nine Service, MOTI, and Magnum Oil GP, and each of the Affiliates of the Borrowers signatory to this Agreement from time to time as guarantors, each a “**Guarantor**” and collectively, the “**Guarantors**”). The Schedules and Exhibits to this Agreement are an integral part of this Agreement and are incorporated herein by reference. Terms used, but not defined elsewhere, in this Agreement are defined in Schedule B.

RECITALS:

WHEREAS, on February 1, 2026 (the “**Petition Date**”), the Borrowers and the Guarantors (collectively, the “**Debtors**”, and each individually, a “**Debtor**”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (such court, together with any other court having exclusive jurisdiction over the Chapter 11 Cases from time to time and any Federal appellate court thereof, the “**Bankruptcy Court**”) and commenced cases, jointly administered under Case No. 26-90295 (collectively, the “**Chapter 11 Cases**”), and have continued in the possession and operation of their assets and in the management of their businesses pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, prior to the Petition Date, the Lenders provided financing to the Borrowers and the Guarantors pursuant to that certain Loan and Security Agreement, dated as of May 1, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Prepetition ABL Credit Agreement**”), by and among the Borrowers, the Guarantors, White Oak Commercial Finance, LLC, as agent (in such capacity, the “**Prepetition ABL Agent**”) and the lenders party thereto (the “**Prepetition ABL Lenders**”);

WHEREAS, as of the Petition Date, the Prepetition ABL Lenders under the Prepetition ABL Credit Agreement were owed approximately: (i) \$66,850,159.07 in outstanding aggregate principal amount of Revolving Loans (as defined in the Prepetition ABL Credit Agreement) of the Borrowers, and (ii) \$1,661,064.66 in maximum aggregate amounts available to be drawn under outstanding Letters of Credit (as defined in the Prepetition ABL Credit Agreement) issued on behalf of the Borrowers, plus interest, fees, costs and expenses and all other Prepetition ABL Obligations (as defined below) of the Borrowers under the Prepetition ABL Credit Agreement;

WHEREAS, immediately prior to the Closing Date, White Oak Europe ABL Limited, in its capacity as a Prepetition ABL Lender, assigned 100% of its revolving commitment and Prepetition ABL Revolving Loans

to White Oak ABL 3, LLC, in its capacity as a Prepetition ABL Lender, in accordance with Section 10.8(b) of the Prepetition ABL Credit Agreement, and White Oak ABL 3, LLC became the sole Prepetition ABL Lender under the Prepetition ABL Credit Agreement;

WHEREAS, the Obligations under and as defined in the Prepetition ABL Credit Agreement are secured by a security interest in substantially all of the existing and after-acquired assets of the Borrowers and the Guarantors, as more fully set forth in the Prepetition ABL Loan Documents (as defined below), and such security interest is duly perfected, and, with certain exceptions, as described in the Prepetition ABL Loan Documents, has priority over all other security interests;

WHEREAS, the Borrowers have requested, and, upon the terms and subject to the conditions set forth in this Agreement and the DIP Orders (as defined below), the Lenders have agreed to make available to the Borrowers, a senior secured super-priority asset based credit facility (the “**DIP ABL Credit Facility**”) up to the least of (i) the Total Revolving Commitments, (ii) the Borrowing Base (as defined below) and (iii) the amount provided therefor in the Interim DIP Order or the Final DIP Order (each as defined below), whichever is then in effect, available from time to time until the Maturity Date (as defined below);

WHEREAS, the Loan Parties have agreed to secure all of their Obligations under the Loan Documents by granting to the Agent, for the benefit of itself and the Lenders, a security interest in and lien upon all of their existing and after-acquired personal property;

WHEREAS, the respective priorities of the DIP ABL Credit Facility and the other Obligations with respect to the Collateral shall be as set forth in the Interim DIP Order (as defined below) and the Final DIP Order (as defined below), in each case upon entry thereof by the Bankruptcy Court;

WHEREAS, all of the claims and the Liens granted under the Interim DIP Order, the Final DIP Order and the Loan Documents to the Agent and the Lenders in respect of the DIP ABL Credit Facility shall be subject to the Carve-Out;

WHEREAS, each Loan Party’s business is a mutual and collective enterprise and the Loan Parties believe that the loans and other financial accommodations to the Borrowers under this Agreement will enhance the aggregate borrowing power of the Borrowers and facilitate the administration of the Chapter 11 Cases and their loan relationship with the Agent and the Lenders, all to the mutual advantage of the Loan Parties;

WHEREAS, each Loan Party acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations to the Borrowers as provided in this Agreement; and

WHEREAS, the Agent’s and the Lenders’ willingness to extend financial accommodations to the Borrowers, and to administer the Loan Parties’ collateral security therefor, on a combined basis as more fully set forth in this Agreement and the other Loan Documents, is done solely as an accommodation to the Loan Parties and at the Loan Parties’ request and in furtherance of the Loan Parties’ mutual and collective enterprise.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. **LOANS AND LETTERS OF CREDIT.**

1.1 **Amount of Loans / Letters of Credit.**

(a) **Revolving Loans and Letters of Credit.** Subject to the terms and conditions contained in this Agreement, including Sections 1.3 and 1.6, each Lender with a Revolving Commitment shall (severally, not jointly and severally), from time to time prior to the Maturity Date, at Borrowing Agent’s request,

(i) make revolving loans to Borrowers (“**Revolving Loans**”), and (ii) make, or cause or permit a Participant (as defined in Section 10.10) to make, letters of credit (“**Letters of Credit**”) available to Borrowers in an amount not to exceed such Lender’s Pro Rata Share of such Revolving Loans and/or Letters of Credit; *provided*, that after giving effect to each such Revolving Loan and each such Letter of Credit, (A) the outstanding balance of all Revolving Loans and Letter of Credit Liabilities will not exceed the lesser of (x) the Maximum Revolving Facility Amount, *minus* Reserves and (y) the Borrowing Base, and (B) none of the other Loan Limits for Revolving Loans will be exceeded.

Notwithstanding anything to the contrary contained in this Agreement, (i) all outstanding Revolving Loans shall first be deemed to be Revolving Loans that were made based on the Domestic Accounts Availability as of such date, and the aggregate amount of any Revolving Loans in excess of such Domestic Accounts Availability shall be deemed to be Revolving Loans based on the Inventory Availability, and the aggregate amount of any Revolving Loans in excess of such Inventory Availability shall be deemed to be Revolving Loans based on the SOFA Availability, and the aggregate amount of any Revolving Loans in excess of such SOFA Availability shall be deemed to be Revolving Loans based on the Foreign Accounts Availability and (ii) all payments at any time received by the Agent with respect to outstanding Revolving Loans shall be first deemed to be Revolving Loans that were made based on then existing Foreign Accounts Availability, and any portion of such payment received by the Agent that exceeds the then existing Foreign Accounts Availability with respect to Revolving Loans shall be next deemed to be applied to Revolving Loans that were made based on SOFA Availability, and any portion of such payment received by the Agent that exceeds the then existing SOFA Availability with respect to Revolving Loans shall be next deemed to be applied to Revolving Loans that were made based on Inventory Availability, and any portion of such payment received by the Agent that exceeds the then existing Inventory Availability with respect to Revolving Loans shall be next deemed to be applied to Revolving Loans that were made based on Domestic Accounts Inventory. For the purposes of determining the Domestic Accounts Availability, Inventory Availability, SOFA Availability and Foreign Accounts Availability hereunder, all Reserves shall be deemed to first apply to Domestic Accounts Availability.

All Revolving Loans shall be made in and repayable in Dollars. Any Revolving Loans repaid may be reborrowed in accordance with the terms herein.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document:

(i) On the Closing Date, and subject to entry of the Interim DIP Order, each Prepetition Letter of Credit shall constitute a Letter of Credit for all purposes of this Agreement and shall be deemed issued under this Agreement and all Obligations on all Fronting Exposure in respect of the Prepetition Letters of Credit and interest, expenses, fees and other sums payable in respect thereof under the Prepetition ABL Loan Documents shall constitute “Obligations” for all purposes under this Agreement and the other Loan Documents.

(ii) On the Closing Date, and subject to the entry of the Interim DIP Order, all Prepetition ABL Revolving Loans and any remaining Prepetition ABL Obligations (including the Prepetition ABL Credit Agreement Premium) shall automatically be deemed exchanged and converted on a cashless basis into and constitute Obligations hereunder, with the outstanding amount of all Prepetition ABL Revolving Loans, if any, as of the date of the entry of the Interim DIP Order being refinanced as Revolving Loans hereunder immediately upon entry of the Interim DIP Order and all unpaid interest and fees thereon accrued through the entry of the Interim DIP Order to be paid on the next scheduled date for payment of interest and fees under this Agreement.

(iii) Subject to the terms of the DIP Orders, until (A) the payment in full in cash of the Obligations (and the Prepetition ABL Obligations), (B) all objections and challenges (including, without limitation, any Challenge (as defined in the Interim DIP Order)) to (1) the Liens, security interests and claims of the Prepetition ABL Agent (including, without limitation, Liens granted for adequate protection purposes) and/or

(2) the Prepetition ABL Obligations have been waived, denied or barred, and (C) all of the Debtors' Stipulations (as defined in the Interim DIP Order) have become binding on their estates and parties in interest in accordance with the DIP Orders, all Liens, security interests and claims of the Prepetition ABL Agent (including, without limitation, Liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein and the Prepetition ABL Loan Documents shall remain in full force and effect; provided, that, (x) subject to the results of any applicable Challenge (as defined in the Interim DIP Order), to the extent that Prepetition ABL Obligations have been paid pursuant to this Agreement and have become and are Obligations, such Prepetition ABL Obligations shall not be due or owing separately under the Prepetition ABL Loan Documents, and (y) nothing in the foregoing clause (x) shall alter or diminish, or be deemed to alter or diminish, the adequate protection of the Prepetition ABL Agent and the Prepetition ABL Lenders.

1.2 Reserves re Revolving Loans / Letters of Credit. Other than as provided in the Carve-Out, the Agent may from time to time establish and revise reserves against the Borrowing Base and/or the Maximum Revolving Facility Amount in such amounts and of such types as Agent deems appropriate in its Permitted Discretion ("**Reserves**"); *provided*, that the amount of any Reserves established by Agent shall have a reasonable relationship to the event, condition, other circumstance or fact that is the basis for such Reserve. To the extent that an event, condition or circumstance as to any eligible asset has been fully addressed pursuant to the treatment thereof within the applicable definition of such terms, Agent shall not also establish a duplicative Reserve to address the same event, condition or circumstance. Notwithstanding anything to the contrary herein, unless an Event of Default has occurred and is continuing, Agent shall provide email notice advising Borrowing Agent of such Reserves two (2) Business Days prior to the imposition of such Reserves (during which period (x) Agent shall be available to discuss any such proposed Reserves with the Borrowing Agent to afford the Borrowing Agent an opportunity to take such action as may be required so that the event, condition or circumstance that is the basis for such Reserve no longer exists in the manner and to the extent satisfactory to the Agent in its Permitted Discretion and (y) Borrowers may not obtain any new Revolving Loan or Letter of Credit to the extent that, after giving pro forma effect to such proposed Reserves, such Revolving Loan or Letter of Credit would cause the outstanding balance of all Revolving Loans and the Letter of Credit Liabilities to exceed the lesser of (a) the Maximum Revolving Facility Amount *minus* Reserves and (b) the Borrowing Base). Without limiting the foregoing, references to Reserves shall include the Dilution Reserve, the Royalty Reserve, the Carve-Out Reserve and reserves with respect to the amount in excess of the undrawn amount all Letters of Credit as would be necessary to collateralize all Letters of Credit and satisfy the Borrowers' outstanding Reimbursement Obligations. Other than as provided in the Carve-Out, in no event shall the establishment of a Reserve in respect of a particular actual or contingent liability obligate any Lender to make advances to pay such liability or otherwise obligate any Lender with respect thereto.

1.3 Protective Advances. Any contrary provision of this Agreement or any other Loan Document notwithstanding, Agent is hereby authorized by Borrowers and Lenders at any time during the existence of a Default or an Event of Default (regardless of (a) whether any of the other applicable conditions precedent set forth in Section 1.6 hereof have not been satisfied or the commitment of Lenders to make Loans hereunder has been terminated for any reason, or (b) any other contrary provision of this Agreement) to make Revolving Loans to, or for the benefit of, Borrowers that Agent, in its Permitted Discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to Borrowers pursuant to the terms of this Agreement (the "**Protective Advances**"). Any contrary provision of this Agreement or any other Loan Document notwithstanding, Agent may direct the proceeds of any Protective Advance to Borrowers or to such other Person as Agent determines in its Permitted Discretion. All Protective Advances shall be payable promptly (but in no event later than two (2) Business Days) following Borrowing Agent's receipt of written demand therefor from Agent.

1.4 Notice of Borrowing; Manner of Revolving Loan Borrowing. Borrowing Agent shall request each Revolving Loan by an Authorized Officer delivering, in writing or via an Approved Electronic System or by other Approved Electronic Communication, a Notice of Borrowing substantially in the form of Exhibit A hereto (each such request a "**Notice of Borrowing**"). Each Notice of Borrowing shall be irrevocable

and shall specify (1) the borrowing amount and (2) the requested funding date (which must be a Business Day). Subject to the terms and conditions of this Agreement, including Sections 1.1 and 1.6, Agent shall, except as provided in Section 1.3, deliver the amount of the Revolving Loan requested in the Notice of Borrowing to the Disbursement Account or, if requested in the applicable Notice of Borrowing, any account of Borrowers at a bank in the United States of America as Borrowing Agent may specify (*provided* that such account must be one identified on Section 41 of the Information Certificate(s) and approved by Agent as an account to be used for funding of loan proceeds) by wire transfer of immediately available funds (a) on the same day if the Notice of Borrowing is received by Agent on or before 11:00 a.m. Eastern Time on a Business Day and the requested Revolving Loan is in an aggregate principal amount of less than \$10,000,000, or (b) on the immediately following Business Day if (x) the Notice of Borrowing is received by Agent on or before 11:00 a.m. Eastern Time on a Business Day and the requested Revolving Loan is in an aggregate principal amount of \$10,000,000 or more, (y) the Notice of Borrowing is received by Agent after 11:00 a.m. Eastern Time on a Business Day, or (z) the Notice of Borrowing is received by Agent on any day that is not a Business Day. Agent shall charge the Agent's usual and customary fees for the wire transfer of each Loan. At the request of a Lender, Borrowers shall deliver a promissory note to such Lender, evidencing its Loans.

1.5 Letters of Credit and Letter of Credit Fees.

(a) Letters of Credit. On the terms and subject to the conditions set forth herein, the Revolving Commitments may be used by Borrowers, in addition to the making of Revolving Loans hereunder, for the issuance, prior to that date which is one year prior to the Maturity Date, by (i) Agent, of letters of credit, Guarantees or other agreements or arrangements (each, a "***Support Agreement***") to induce an LC Issuer to issue or increase the amount of, or extend the expiry date of, one or more Letters of Credit and (ii) a Lender, identified by Agent, as an LC Issuer, of one or more Lender Letters of Credit, so long as, in each case:

(i) Agent shall have received a Notice of LC Credit Event at least five (5) Business Days before the relevant date of issuance, increase or extension; and

(ii) after giving effect to such issuance, increase or extension, (A) the aggregate Letter of Credit Liabilities do not exceed the Letter of Credit Limit, and (B) the Revolver Usage does not exceed the Line Cap.

Nothing in this Agreement shall be construed to obligate any Lender to issue, increase the amount of or extend the expiry date of any Letter of Credit, which act or acts, if any, shall be subject to agreements to be entered into from time to time between Borrowers and such Lender. Each Lender that is an LC Issuer hereby agrees to give Agent prompt written notice of each issuance of a Lender Letter of Credit by such Lender and each payment made by such Lender in respect of Lender Letters of Credit issued by such Lender.

(b) Letter of Credit Fees. Borrowers shall pay to Agent, for the benefit of the Lenders in accordance with their respective Pro Rata Shares, a letter of credit fee ("***Letter of Credit Fees***") with respect to the Letter of Credit Liabilities for each Letter of Credit, computed for each day from the date of issuance of such Letter of Credit to the date that is the last day a drawing is available under such Letter of Credit, at a rate per annum equal to the Applicable Margin then applicable to Revolving Loans whose interest rate is based on the SOFR Index Rate. Such fee shall be payable in arrears on the last day of each calendar month prior to the Maturity Date and on such date. In addition, Borrowers agree to pay promptly to the LC Issuer any fronting or other fees or other charges, costs and/or expenses, that it may charge in connection with any Letter of Credit.

(c) Reimbursement Obligations of Borrowers. If either (i) Agent shall make a payment to an LC Issuer pursuant to a Support Agreement, or (ii) any Lender shall notify Agent that it has made payment in respect of, a Lender Letter of Credit, (A) the applicable Borrower shall reimburse Agent or such Lender, as applicable, for the amount of such payment by the end of the day on which Agent or such Lender shall make such payment or (B) Borrowers shall be deemed to have immediately requested that Lenders make a Revolving Loan, in a principal amount equal to the amount of such payment (but solely to the extent such Borrower shall

have failed to directly reimburse Agent or, with respect to Lender Letters of Credit, the applicable LC Issuer, for the amount of such payment). Agent shall promptly notify Lenders of any such deemed request and each Lender hereby agrees to make available to Agent not later than noon on the Business Day following such notification from Agent such Lender's Pro Rata Share of such Revolving Loan. Each Lender hereby absolutely and unconditionally agrees to fund such Lender's Pro Rata Share of the Loan described in the immediately preceding sentence, unaffected by any circumstance whatsoever, including, without limitation, (1) the occurrence and continuance of a Default or Event of Default, (2) the fact that, whether before or after giving effect to the making of any such Loan, the aggregate Revolver Usage exceed or will exceed the Line Cap, and/or (3) the non-satisfaction of any conditions set forth in Section 1.6. Agent hereby agrees to apply the gross proceeds of each Revolving Loan deemed made pursuant to this Section 1.5 in satisfaction of Borrowers' reimbursement obligations arising pursuant to this Section 1.5. Borrowers shall pay interest, on demand, on all amounts so paid by Agent pursuant to any Support Agreement or to any applicable Lender in honoring a draw request under any Lender Letter of Credit for each day from the date of such payment until Borrowers reimburse Agent or the applicable Lender therefor (whether pursuant to clause (A) or (B) of the first sentence of this subsection (c)) at a rate per annum equal to the interest rate applicable to Revolving Loans for such day.

(d) Reimbursement and Other Payments by Borrowers. The obligations of each Borrower to reimburse the Agent and/or the applicable LC Issuer pursuant to Section 1.5(c) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following:

(i) any lack of validity or enforceability of, or any amendment or waiver of or any consent to departure from, any Letter of Credit or any related document;

(ii) the existence of any claim, set-off, defense or other right which any Borrower may have at any time against the beneficiary of any Letter of Credit, the LC Issuer (including any claim for improper payment), Agent, any Lender or any other Person, whether in connection with any Loan Document or any unrelated transaction, provided, however, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(iii) any statement or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(iv) any affiliation between the LC Issuer and Agent; or

(v) to the extent permitted under applicable law, any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(e) Deposit Obligations of Borrowers. In the event any Letters of Credit are outstanding at the time that Borrowers prepay in full or are required to repay the Obligations or the Revolving Commitments are terminated, Borrowers shall (i) deposit with Agent for the benefit of all Lenders cash in an amount equal to one hundred three percent (103%) of the aggregate outstanding Letter of Credit Liabilities to be available to Agent, for its benefit and the benefit of Agent and issuers of Letters of Credit, to reimburse payments of drafts drawn under such Letters of Credit and pay any fees and expenses related thereto, and (ii) prepay Letter of Credit Fees payable under Section 1.5(b) with respect to such Letters of Credit for the full remaining terms of such Letters of Credit assuming that the full amount of such Letters of Credit as of the date of such repayment or termination remain outstanding until the end of such remaining terms. Upon termination of any such Letter of Credit and so long as no Event of Default has occurred and is continuing, the unearned portion of such prepaid fee attributable to such Letter of Credit shall be refunded to Borrowers, together with the deposit described in the preceding clause (i) attributable to such Letter of Credit, but only to the extent not previously applied by Agent in the manner described herein.

(f) Participations in Support Agreements and Lender Letters of Credit.

(i) Concurrently with the issuance of each Supported Letter of Credit, Agent shall be deemed to have sold and transferred to each Lender, and each such Lender shall be deemed irrevocably and immediately to have purchased and received from Agent, without recourse or warranty, an undivided interest and participation in, to the extent of such Lender's Pro Rata Share, Agent's Support Agreement liabilities and obligations in respect of such Supported Letter of Credit and Borrowers' Reimbursement Obligations with respect thereto. Concurrently with the issuance of each Lender Letter of Credit, the LC Issuer in respect thereof shall be deemed to have sold and transferred to each Lender, and each such Lender shall be deemed irrevocably and immediately to have purchased and received from such LC Issuer, without recourse or warranty, an undivided interest and participation in, to the extent of such Lender's Pro Rata Share, such Lender Letter of Credit and Borrowers' Reimbursement Obligations with respect thereto. Any purchase obligation arising pursuant to the immediately two preceding sentences shall be absolute and unconditional and shall not be affected by any circumstances whatsoever.

(ii) If either (A) Agent makes any payment or disbursement under any Support Agreement and/or (B) an LC Issuer makes any payment or disbursement under any Lender Letter of Credit, and (I) Borrowers have not reimbursed Agent or the LC Issuer, as applicable, in full for such payment or disbursement in accordance with this Section 1.5, or (II) any reimbursement under any Support Agreement or Lender Letter of Credit received by Agent or any LC Issuer, as applicable, from any Loan Party is or must be returned or rescinded upon or during any bankruptcy or reorganization of any Loan Party or otherwise, each Lender shall be irrevocably and unconditionally obligated to pay to Agent or the LC Issuer, as applicable, its Pro Rata Share of such payment or disbursement (but no such payment shall diminish the Obligations of Borrowers under this Section 1.5). To the extent any such Lender shall not have made such amount available to Agent or the LC Issuer, as applicable, before 12:00 noon on the Business Day on which such Lender receives notice from Agent or the LC Issuer, as applicable, of such payment or disbursement, or return or rescission, as applicable, such Lender agrees to pay interest on such amount to Agent or the applicable LC Issuer, as applicable, forthwith on demand accruing daily at the Federal Funds Rate, for the first three (3) days following such Lender's receipt of such notice, and thereafter at the Base Rate in respect of Revolving Loans. Any such Lender's failure to make available to Agent or the applicable LC Issuer, as applicable, its Pro Rata Share of any such payment or disbursement, or return or rescission, as applicable, shall not relieve any other Lender of its obligation hereunder to make available such other Lender's Pro Rata Share of such payment, but no Lender shall be responsible for the failure of any other Lender to make available such other Lender's Pro Rata Share of any such payment or disbursement, or return or rescission.

1.6 Conditions of Making the Loans and Issuing Letters of Credit. Each Lender's obligation to make any Loan or issue or cause any Letter of Credit to be issued under this Agreement (including the deemed funding and issuance of the Revolving Loans and Letters of Credit pursuant Section 1.1(b)) is subject to the following conditions precedent (as well as any other conditions set forth in this Agreement or any other Loan Document), all of which must be satisfied in a manner acceptable to Agent and Lenders (and as applicable, pursuant to documentation which in each case is in form and substance acceptable to Agent) or waived in accordance with the terms hereof, as of each day that such Loan is made or such Letter of Credit is issued, as applicable:

(a) **Loans and Letters of Credit Made and/or Issued on the Closing Date:**

(i) Fees. Borrowers shall have paid to Agent and Lenders, as applicable, all fees due on the date hereof, and shall have paid or reimbursed Agent and Lenders for all of Agent's and any Lender's costs, charges and expenses incurred through the Closing Date which are required to be paid or reimbursed pursuant to the terms hereof (as long as presented in a reasonably detailed invoice to the Borrowers at least two (2) Business Days prior to the Closing Date) (and in connection herewith, Borrowers hereby irrevocably authorize Agent to charge such fees, costs, charges and expenses as Revolving Loans if agreed in writing (which may be via email) between Borrowers and the Agent);

(ii) Closing Documents. The Agent shall have received:

(A) executed counterparts of this Agreement duly signed on behalf of each party hereto;

(B) executed counterparts of the Fee Letter duly signed on behalf of the Borrowers and the Agent;

(C) a certificate of the Secretary, Assistant Secretary or any Authorized Officer of each Loan Party setting forth (1) a copy of the resolutions, in form and substance reasonably satisfactory to the Agent, of the governing body of such Loan Party authorizing (x) the execution, delivery and performance of the Loan Documents (and any agreements relating thereto) to which it is a party and (y) in the case of the Borrowers, the extensions of credit contemplated hereunder, (2) true and complete copies of each of the organizational documents of each Loan Party, (3) the officers of each Loan Party (x) who are authorized to sign the Loan Documents to which such Loan Party is a party and (y) who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with this Agreement and the transactions contemplated hereby, and (4) specimen signatures of such authorized officers;

(D) a complete copy of the Information Certificate attached hereto;

(E) certificates of the appropriate state agencies with respect to the existence, qualification and good standing (or its equivalent) of each of the Loan Parties;

(F) the financial statements required to be delivered pursuant to Section 5.15(b)(i) of the Prepetition ABL Credit Agreement for the fiscal month ending December 31, 2025;

(G) executed counterparts of the Canadian Security Agreement;

(H) executed counterparts of a Canadian patent security agreement made by Nine Energy Canada Inc. and the other grantors from time to time party thereto in favour of the Agent (the “*Canadian Patent Security*”); and

(I) executed counterparts of a Canadian trademark security agreement made by Nine Energy Canada Inc. and the other grantors from time to time party thereto in favour of the Agent (the “*Canadian Trademark Security*”, and together with the Canadian Security Agreement and the Canadian Patent Security, the “*Canadian Security*”);

(iii) Registration. The Canadian Security shall have been registered (or arrangement for registration satisfactory to the Agent shall have been made) in all offices in which, in the opinion of the Agent or its counsel, registration is necessary or of advantage to perfect or render opposable to third parties the Liens intended to be created thereby;

(iv) Certificates. The Agent shall have received a current certificate of status, compliance, good standing or any other similar such certificate, as applicable, for each Canadian Loan Party in respect of its jurisdiction of incorporation, organization or formation and each jurisdiction in which it is carrying on business and a certificate of the officer of each Canadian Loan Party attaching certified copies of (i) the

certificate of incorporation, articles of incorporation, articles, bylaws or limited partnership agreement, as applicable, of each such Person, as amended to date, (ii) resolutions authorizing the Loan Documents and transactions contemplated thereunder, (iii) any shareholders' agreements, and (iv) the name, title and true signatures of each officer of such Person authorized to execute this Agreement and the other Loan Documents to which it is a party;

(v) Opinions. The Agent shall have received a legal opinion from legal counsel to each Canadian Loan Party, each in form and substance satisfactory to the Lenders;

(vi) Perfected Liens. Agent shall be satisfied that the Interim DIP Order creates (or will create, upon entry thereof) perfected Liens having the priorities set forth in the Interim DIP Order on all of the Collateral;

(vii) Minimum Excess Availability. After giving effect to such Loans and Letters of Credit, and the consummation of all transactions contemplated hereby to occur on the Closing Date, closing costs and any book overdraft, Excess Availability shall be no less than \$5,000,000;

(viii) Lien Searches. The Agent shall have received the results of a recent lien search in each jurisdiction where the Loan Parties are organized and where the assets of such Loan Parties are located, and such search shall reveal no Liens on any of the assets of such Loan Parties (except for Permitted Liens or Liens discharged on or prior to the Closing Date pursuant to a pay-off letter or other documentation satisfactory to the Agent);

(ix) Petition Date. The Petition Date shall have occurred, and each Loan Party shall be a debtor and a debtor-in-possession in the Chapter 11 Cases;

(x) RSA. The RSA shall be in full force and effect and no RSA Termination Event shall have occurred;

(xi) Borrowing Base Certificate. The Agent shall have received a Borrowing Base Certificate which calculates the Borrowing Base as of a period specified by the Agent;

(xii) Approved Budget. The Agent shall have received the initial Approved Budget, which shall be in form and substance reasonably satisfactory to the Agent;

(xiii) Approvals. Other than in connection with the Chapter 11 Cases, all governmental and third-party approvals necessary in connection with the transactions contemplated hereby and the continuing operations of the Loan Parties and their Subsidiaries (including shareholder approvals, if any) shall have been obtained on terms satisfactory to the Agent and shall be in full force and effect;

(xiv) Interim DIP Order. The Bankruptcy Court shall have entered the Interim DIP Order and such order shall be in form and substance satisfactory to the Agent, be in full force and effect and shall not have been reversed, stayed or vacated absent prior written consent of the Agent;

(xv) First Day Documents.

(A) The Agent shall have received drafts of the "first day" pleadings in the Chapter 11 Cases, in each case, not later than a reasonable time in advance of the Petition Date for the Agent's counsel to review and analyze the same;

(B) All motions, orders (including the First Day Orders) and other documents to be filed with or submitted to the Bankruptcy Court on the Petition Date shall be in form and substance reasonably satisfactory to the Agent, and such First Day

Orders shall not have been (x) stayed, vacated or reversed or (y) amended or modified except as otherwise agreed to in writing by the Agent in its sole discretion;

(C) The Interim DIP Order shall have been approved and entered by the Bankruptcy Court;

(xvi) No Appointment of Trustee, Examiner or Receiver. No trustee, examiner or receiver shall have been appointed or designated with respect to the Loan Parties business, properties or assets and the Bankruptcy Court shall not have entered any order granting any party, other than the Loan Parties, control over any Collateral;

(xvii) No Actions, Suits, Proceedings, Etc. Except for actions, suits, proceedings, investigations, claims or disputes stayed by Section 362 of the Bankruptcy Code, there shall be no actions, suits, proceedings, investigations, claims or disputes pending or, to the knowledge of the Loan Parties, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of their Subsidiaries or against any of their properties or revenues that (i) purport to affect or pertain to this Agreement or any other Loan Document or (ii) could reasonably be expected to result in a Material Adverse Effect;

(xviii) No Default or Event of Default; Representations and Warranties. On the Closing Date and immediately after giving effect to this Agreement and the transactions contemplated hereby, (A) other than in connection with the Chapter 11 Cases, no Default or Event of Default shall have occurred and be continuing or shall arise hereunder and (B) all representations and warranties made by any Loan Party contained herein or in the other Loan Documents shall be true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification in which case such representations and warranties shall be true and correct in all respects);

(xix) PATRIOT Act. Agent and the Lenders shall have received, to the extent requested, all documentation and other information required by regulatory U.S. regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act; and

(b) **All Loans and/or Letters of Credit:** With respect to Loans made, Letters of Credit issued and/or Support Agreements issued or provided, on the Closing Date (including the deemed funding and issuance of the Revolving Loans and Letters of Credit pursuant Section 1.1(b)) and/or at any time thereafter, in addition to the conditions specified in clause (a) above as applicable,

(i) Borrowers shall have provided to Agent such information as Agent may reasonably require in order to determine the Borrowing Base, as of such borrowing or issue date, after giving effect to such Loans and/or Letters of Credit, as applicable;

(ii) after giving effect to such Loan, Letter of Credit and/or Support Agreement, Excess Availability shall be no less than \$5,000,000;

(iii) each of the representations and warranties set forth in this Agreement, the Information Certificate(s) and in the other Loan Documents shall be true and correct in all material respects (without duplication of materiality qualifiers therein) as of the date such Loan is made and/or such Letter of Credit is issued (or to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct in all material respects (without duplication of materiality qualifiers therein) as of such earlier date), both before and after giving effect thereto;

(iv) no Default or Event of Default shall be in existence, both before and after giving effect thereto;

(v) the Cash Management Order shall be in full force and effect and shall not have been vacated, reversed or stayed in any respect or, except as permitted by the Loan Documents or otherwise approved by the Agent in writing, modified or amended in any manner; and

(vi) the making of such Loan or the issuance of such Letter of Credit shall not result in the principal amount of the Revolving Loans and Letter of Credit Liabilities outstanding with respect to the Borrowers exceeding the amount authorized by the Interim DIP Order or the Final DIP Order, as applicable.

1.7 Repayments.

(a) **Revolving Loans/Letters of Credit.** If at any time for any reason whatsoever (including without limitation as a result of currency fluctuations) (i) the sum of the outstanding balance of all Revolving Loans and Letter of Credit Liabilities exceeds the Line Cap, or (ii) any of the Loan Limits for Revolving Loans or Letters of Credit are exceeded, then in each case, Borrowers will, within two (2) Business Days, jointly and severally pay to Agent (for the benefit of the Lenders) such amounts (or, with respect to Letter of Credit Liabilities, provide cash collateral to Agent in the manner set forth in clause (c) below) as shall cause Borrowers to eliminate such excess (such excess, an “*Overadvance*”).

(b) [Reserved].

(c) **Maturity Date Payments / Cash Collateral.** All remaining outstanding monetary Obligations (including, all accrued and unpaid fees described in the Fee Letter) shall be payable in full on the Maturity Date. Without limiting the generality of the foregoing, if, on the Maturity Date, there are any outstanding Letters of Credit, then on such date Borrowers shall provide to Agent cash collateral in an amount equal to 103% of the outstanding Letter of Credit Liabilities to secure all of the Obligations (including estimated reasonable and documented out-of-pocket attorneys’ fees and other expenses) relating to said Letters of Credit, pursuant to a cash pledge agreement in form and substance reasonably satisfactory to Agent.

(d) **Currency Due.** If, notwithstanding the terms of this Agreement or any other Loan Document, Agent receives any payment from or on behalf of Borrowers or any other Person in a currency other than the Currency Due, Agent may convert the payment (including the monetary proceeds of realization upon any Collateral and any funds then held in a cash collateral account) into the Currency Due at exchange rate selected by Agent in the manner contemplated by Section 6.3(b) and Borrowers shall jointly and severally reimburse Agent, within two (2) Business Days following Agent’s demand therefor, for all reasonable costs they incur with respect thereto. To the extent permitted by law, the obligation shall be satisfied only to the extent of the amount actually received by Agent upon such conversion. The value of any and all assets of a Loan Party valued in Canadian Dollars shall be converted to Dollars in accordance with Agent’s customary practices and procedures and conversion rate.

1.8 Prepayments / Voluntary Termination / Application of Prepayments.

(a) **Certain Mandatory Prepayment Events.** Borrowers shall be required to prepay the unpaid principal balance of the Revolving Loans within three (3) Business Days following the date of each and every Prepayment Event (and within three (3) Business Days following any date thereafter on which proceeds pertaining thereto are received by any Loan Party), in each case without any demand or notice from Agent or any other Person, all of which is hereby expressly waived by Borrowers, in the amount of 100% of the proceeds (net of documented reasonable out-of-pocket costs and expenses incurred in connection with the collection of such proceeds, in each case payable to Persons that are not Affiliates of any Loan Party) received by any Loan Party with respect to such Prepayment Event.

(b) **Voluntary Termination of Loan Facilities.** Borrowers may, on at least ten (10) days’ prior and irrevocable written notice received by Agent (or such shorter period as Agent may agree), permanently

terminate the Loan facilities by repaying all of the outstanding Obligations, including all principal, interest and fees with respect to the Revolving Loans, and the Prepetition ABL Credit Agreement Premium; provided, that the Borrowers shall only need to provide at least five (5) Business Days' (or such shorter period as Agent may agree) prior and irrevocable written notice to permanently terminate the Loan facilities pursuant to this Section 1.8(b) if such termination is in connection with (i) a refinancing of the Loans which results in a repayment of all of the outstanding Obligations (other than contingent indemnification and expense reimbursement obligations for which no claim has been asserted) or (ii) an acquisition or disposition transaction by the Loan Parties; provided, further, that any such notice of termination required by this Section 1.8(b) may state that such notice is conditioned upon the effectiveness of a specified condition, in which case such notice may be revoked by Borrowers (by notice to Agent on or prior to the specified effective date) if such condition is not satisfied. If, on the date of a voluntary termination pursuant to this Section 1.8(b), there are any outstanding Letters of Credit, then on such date, and as a condition precedent to such termination, Borrowers shall provide to Agent cash collateral in an amount equal to 103% of the outstanding Letter of Credit Liabilities to secure all of the Obligations (including estimated reasonable and documented out-of-pocket attorneys' fees and other expenses) relating to said Letters of Credit, pursuant to a cash pledge agreement in form and substance reasonably satisfactory to Agent. From and after such date of termination, Lenders shall have no obligation whatsoever to extend any additional Loans or Letters of Credit and all of their lending commitments hereunder shall be terminated.

(c) **Voluntary Reduction of Maximum Revolving Facility Amount.** Borrowers may, at their option from time to time, permanently reduce the aggregate Maximum Revolving Facility Amount upon at least ten (10) days' prior written notice to Agent (or such shorter period as Agent may agree), which notice shall specify the amount and effective date of the reduction and shall be irrevocable once given; provided, that any such notice delivered pursuant to this Section 1.8(c) may state that such reduction in the Maximum Revolving Facility Amount is conditioned upon the effectiveness of a specified condition, in which case such notice may be revoked by Borrowers (by notice to Agent on or prior to the specified effective date) if such condition is not satisfied. Each reduction (i) shall be in a minimum amount of \$1,000,000, (ii) shall not reduce the Maximum Revolving Facility Amount to an amount less than the sum of (A) the aggregate principal amount of Revolving Loans outstanding at such time *plus* (B) the amount of all Letter of Credit Liabilities (unless accompanied by a corresponding prepayment of such outstanding Revolving Loans and/or cash collateralization of Letter of Credit Liabilities reasonably satisfactory to Agent), and (iii) shall not reduce the Maximum Revolving Facility Amount to an amount less than \$75,000,000. On the effective date of each permanent reduction of the Maximum Revolving Facility Amount, Borrowers will be required to pay the Prepetition ABL Credit Agreement Premium in the amount specified in the Fee Letter with respect to the amount by which the Maximum Revolving Facility Amount is reduced.

1.9 Obligations Unconditional.

(a) The payment and performance of all Obligations shall constitute the absolute and unconditional obligations of each Loan Party and shall be independent of any defense or rights of set-off, recoupment or counterclaim which any Loan Party or any other Person might otherwise have against Agent, any Lender or any other Person. All payments required by this Agreement and/or the other Loan Documents shall be made in Dollars (unless payment in a different currency is expressly provided otherwise in the applicable Loan Document).

(b) If, at any time and from time to time after the Closing Date (or at any time before or after the Closing Date with respect to (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith, or (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case for purposes of this clause (y) pursuant to Basel III, regardless of the date enacted, adopted or issued), (i) any change in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (ii) any new law, regulation, treaty or directive enacted or application thereof, or

(iii) compliance by Agent or any Lender with any request or directive (whether or not having the force of law) from any Governmental Authority, central bank or comparable agency (A) subjects Agent or any Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever with respect to any Loan Document, or changes the basis of taxation of payments to Agent or any Lender of any amount payable thereunder (other than (1) Indemnified Taxes, (2) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (3) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes), or (B) imposes on Agent or any Lender any other condition or increased cost in connection with the transactions contemplated thereby or participations therein, and the result of any of the foregoing is to increase the cost to Agent or any Lender of making or continuing any Loan or Letter of Credit or to reduce any amount receivable hereunder or under any other Loan Documents, then, in any such case, Borrowers shall promptly and jointly and severally pay to Agent or such Lender, when notified to do so by Agent or such Lender, any additional amounts necessary to compensate Agent or such Lender, on an after-tax basis, for such additional cost or reduced amount as determined by Agent or such Lender; *provided*, that Borrowers shall not be required to compensate Agent or any Lender for any increased costs or reductions incurred more than 180 days before the date that Agent or such Lender notifies Borrowers of such change giving rise to such increased costs or reductions and of Agent's or such Lender's intention to claim compensation therefor; *provided, further*, that, if such change giving rise to such increased costs is retroactive, then the 180 day period referred to above shall be extended to indicate the period of retroactive effect thereof. Each such notice of additional amounts payable pursuant to this Section 1.9(b) submitted by Agent or any Lender to Borrowing Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

(c) This Section 1.9 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

1.10 Reversal of Payments. To the extent that any payment or payments made to or received by Agent or any Lender pursuant to this Agreement or any other Loan Document are subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid to any trustee, receiver or other Person under any state, federal or other bankruptcy or other such applicable law, then, to the extent thereof, such amounts (and all Liens, rights and remedies therefore) shall be revived as Obligations (secured by all such Liens) and continue in full force and effect under this Agreement and under the other Loan Documents as if such payment or payments had not been received by Agent or such Lender. This Section 1.10 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

1.11 Independent Obligations. The Revolving Loans shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (a) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make the Revolving Loans (or other extension of credit) hereunder, nor shall any commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (b) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

1.12 Revolving Loans by Agent and Settlement Among Lenders.

(a) Agent, on behalf of the Lenders, shall disburse all Loans and other advances to the Borrowing Agent and shall handle all collections of Collateral and repayment of all Obligations. If Agent elects to require that any Lender make funds available to Agent prior to a disbursement by Agent to Borrowing Agent, Agent shall advise each Lender by telephone, facsimile or e-mail of the amount of such Lender's Pro Rata Share of the Revolving Loan requested by Borrowers no later than noon (Eastern time) on the date of funding of such Revolving Loan, and each such Lender shall pay Agent on such date such Lender's Pro Rata Share of such requested Revolving Loan, in same day funds, by wire transfer to an account of Agent identified in writing by Agent to Lenders from time to time; *provided*, that no Lender shall have an obligation to make any Revolving Loan, if (i) one or more of the applicable conditions precedent set forth in Section 1.6 will not be satisfied on the requested date for the applicable Revolving Loan unless such condition has been waived by Required Lenders, or (ii) the requested Revolving Loan would exceed the Excess Availability on such requested date for the

applicable Revolving Loan. It is understood that for purposes of advances to the Borrowing Agent and for purposes of this Section 1.12, unless Agent has made the election referred to in the immediately preceding sentence, Agent will be using the funds of Agent, and pending settlement, all interest accruing on such advances shall be payable to Agent.

(b) Unless Agent shall have been notified in writing by any Lender prior to any advance to the Borrowing Agent that such Lender will not make the amount which would constitute its Pro Rata Share of the borrowing on such date available to Agent, Agent may assume that such Lender shall make such amount available to Agent on a Settlement Date, and in reliance upon such assumption, Agent may make available to the Borrowing Agent a corresponding amount. A certificate of Agent submitted to any Lender with respect to any amount owing under this subsection shall be conclusive, absent manifest error. Nothing contained herein shall be deemed to obligate Agent to make available to the Borrowers the full amount of a requested advance when Agent has any notice (written or otherwise) that any of the Lenders will not advance its Pro Rata Share thereof.

(c) It is agreed that each Lender's funded portion of the Revolving Loans is intended by the Lenders to equal, at all times, such Lender's Pro Rata Share of the outstanding Revolving Loans. Such agreement notwithstanding, Agent, and the other Lenders agree (which agreement shall not be for the benefit of Borrowers) that in order to facilitate the administration of this Agreement and the other Loan Documents, settlement among the Lenders as to the Revolving Loans (including Protective Advances) shall take place on a periodic basis in accordance with the following provisions:

(i) Agent shall request settlement ("**Settlement**") with the Lenders on a weekly basis, or on a more frequent basis if so determined by Agent in its sole discretion (1) for itself, with respect to the outstanding Protective Advances, and (2) with respect to any Loan Party's or any of their Subsidiaries' payments or other amounts received, as to each by notifying the Lenders by facsimile, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m. on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "**Settlement Date**"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans (including Protective Advances) for the period since the prior Settlement Date. Subject to the terms and conditions contained herein: (y) if the amount of the Revolving Loans (including Protective Advances) made by a Lender that is not a Defaulting Lender exceeds such Lender's Pro Rata Share of the Revolving Loans (including Protective Advances) as of a Settlement Date, then Agent shall, by no later than 12:00 p.m. on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Lender (as such Lender may designate), an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Protective Advances), and (z) if the amount of the Revolving Loans (including Protective Advances) made by a Lender is less than such Lender's Pro Rata Share of the Revolving Loans (including Protective Advances) as of a Settlement Date, such Lender shall no later than 12:00 p.m. on the Settlement Date transfer in immediately available funds to Agent's Office, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Protective Advances). Such amounts made available to Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the applicable Protective Advances and, shall constitute Revolving Loans of such Lenders. If any such amount is not made available to Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(ii) In determining whether a Lender's balance of the Revolving Loans (including Protective Advances) is less than, equal to, or greater than such Lender's Pro Rata Share of the Revolving Loans (including Protective Advances) as of a Settlement Date, Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Agent with respect to principal, interest, fees payable by Borrowers and allocable to the Lenders hereunder, and proceeds of Collateral.

(iii) Between Settlement Dates, Agent, to the extent Protective Advances are outstanding, may pay over to Agent any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to Protective Advances. During the period between Settlement Dates, Agent with respect to Protective Advances, and each Lender with respect to the Revolving Loans other than Protective Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds employed by Agent or the Lenders, as applicable.

(iv) Anything in this Section 1.12 to the contrary notwithstanding, in the event that a Lender is a Defaulting Lender, Agent shall be entitled to refrain from remitting settlement amounts to the Defaulting Lender and, instead, shall be entitled to elect to implement the provisions set forth in Section 10.21.

1.13 Super-Priority Nature of Obligations and Agent's Liens; Payment of Obligations.

(a) Subject to the Carve-Out, the Agent's Liens on the Collateral of the Loan Parties, claims and other interests of the Debtors are superpriority liens as set forth in the Interim DIP Order and the Final DIP Order. Upon entry of the applicable DIP Order, the Liens granted by the Debtors to the Agent for the benefit of the Lenders on the Collateral shall be valid and automatically perfected (if and to the extent required to be perfected under this Agreement or any other Loan Document) with the priority set forth in the applicable DIP Order.

(b) Upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents, the Agent and the Lenders shall be entitled to immediate payment of such Obligations without further application to or order of the Bankruptcy Court, subject to the terms of the Interim DIP Order and the Final DIP Order.

1.14 Conversion to Exit ABL Facility. Subject to the last sentence of this paragraph, upon the satisfaction or waiver by each Lender of each of the conditions set forth in Annex I, automatically and without any further consent or action required by the Agent or any Lender, (i) each Loan and Letter of Credit hereunder shall be continued as a loan or letter of credit under the Exit ABL Facility, (ii) the Loan Parties shall assume all obligations in respect of the Loans and Letters of Credit that are converted into Exit ABL Loans and deemed funded under the Exit ABL Facility and all Letters of Credit that are issued as Exit ABL Letters of Credit under the Exit ABL Facility and all other monetary obligations in connection therewith, (iii) each Lender (or any of its Affiliates or Approved Funds) hereunder shall be a lender under the Exit ABL Facility and (iv) this Agreement shall terminate and be superseded and replaced in its entirety by, and deemed amended and restated in its entirety in the form of, the Exit ABL Facility (with such changes and insertions thereto, as are reasonably satisfactory to the Agent, the Lenders and the Borrowers, incorporated as necessary to make any technical changes necessary to effectuate the intent of this Section 1.14 and which are otherwise consistent with the Exit ABL Term Sheet), and each of the Revolving Commitments hereunder shall automatically become Exit ABL Commitments. Notwithstanding the foregoing, all obligations of the Borrowers and the other Loan Parties to the Agent and the Lenders under this Agreement and any other Loan Document which are expressly stated in this Agreement or such other Loan Document as surviving such agreement's termination shall, as so specified, survive without prejudice and remain in full force and effect. Notwithstanding the foregoing, this Section 1.14 shall cease to apply if the Revolving Commitments have been terminated pursuant to Section 7.2.

2. INTEREST AND FEES; LOAN ACCOUNT.

2.1 Interest.

(a) Subject to the provisions hereof (including this Section 2.1(a) and Section 2.1(d)), all Loans and other monetary Obligations shall bear interest at the interest rate(s) set forth in Section 3 of Schedule A, and accrued interest shall be payable (a) on the first day of each month in arrears, (b) upon a prepayment of such Loan in accordance with Section 1.8, and (c) on the Maturity Date; provided, that after the

occurrence and during the continuation of an Event of Default, all Loans and other monetary Obligations shall bear interest at a rate per annum equal to two (2) percentage points in excess of the rate otherwise applicable thereto (the “**Default Rate**”), and all such interest shall be payable on demand in cash. Changes in the interest rate shall be effective as of the date of any change in the ABR Index Rate or SOFR Index Rate, as applicable. Subject to the terms and conditions set forth herein, all Loans shall be SOFR Index Rate Loans or under the circumstances set forth in Section 2.1(d), ABR Index Rate Loans; *provided*, that if an Event of Default has occurred and is continuing, the interest rate applicable to all Loans and other Obligations may be converted to the ABR Index Rate at the election of Agent.

(b) Any SOFR Index Rate Loan shall bear interest at the SOFR Index Rate for a period commencing on the first day of a calendar month and ending on the last day of such calendar month (the “**Interest Period**”) unless and until converted to Loans bearing interest at the ABR Index Rate in accordance with Section 2.1(a) or Section 2.1(d) below.

(c) The SOFR Index Rate may be adjusted by Agent on a prospective basis (provided that Agent is making such adjustment for similarly situated borrowers) to take into account any increased costs due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including changes in tax laws (except changes of general applicability in corporate income tax laws) and changes in the reserve requirements imposed by the Board of Governors of the Federal Reserve System (or any successor), which additional or increased costs would increase the cost of maintaining loans under this Agreement bearing interest based upon the SOFR Index Rate. In any such event, Agent shall give Borrowers notice of such a determination and adjustment (it being understood that such notice requirement will be deemed satisfied by such information being made available to Borrowers on an Approved Electronic System designated by Agent for such purpose) and, upon its receipt of the notice from Agent, Borrowers may, by notice to Agent (A) require Agent to furnish to Borrowers a statement setting forth the basis for adjusting the SOFR Index Rate and the method for determining the amount of such adjustment or (B) repay the portion of the Loans bearing interest based upon the SOFR Index Rate with respect to which such adjustment is made. Upon any such repayment, Borrowers shall also pay accrued interest on the amount so repaid.

(d) Inability to Determine Rate; Illegality.

(i) If, in connection with any request for a Loan based on the SOFR Index Rate, (A) Agent determines that (1) adequate and reasonable means do not exist for determining the SOFR Index Rate with respect to any such proposed or existing Loan, and (2) the circumstances described in clause (iii)(A) below do not apply (in each case with respect to this clause (i)(A), “**Impacted Loans**”), or (B) Agent determines, in good faith, that a Market Disruption Event has occurred, Agent will promptly so notify Borrowing Agent and each Lender, in each case, in writing. Thereafter, (1) the obligation of Lenders to make or maintain Loans based on the SOFR Index Rate shall be suspended (to the extent of the affected Loans), and (2) in the event of a determination described in the preceding sentence with respect to the SOFR Index Rate component of the Base Rate, the utilization of the SOFR Index Rate component in determining the Base Rate shall be suspended, in each case until Agent revokes such notice in writing. Upon receipt of such notice, Borrowing Agent may revoke any pending request for a borrowing of Loans based on the SOFR Index Rate (to the extent of the affected Loans).

(ii) Notwithstanding the foregoing, if Agent has made the determination described in clause (i)(A) above, Agent, in consultation with Borrowing Agent, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (A) Agent revokes the notice delivered in writing with respect to the Impacted Loans under clause (i)(A) above, (B) Agent notifies Borrowing Agent in writing that such alternative interest rate does not adequately and fairly reflect the cost to the Lenders of the Impacted Loans, or (C) any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of

interest, or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing, and provides Agent, the other Lenders, and Borrowing Agent written notice thereof.

(iii) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Required Lenders or Agent determines (which determination shall be conclusive and binding upon all parties hereto absent manifest error), that:

A. adequate and reasonable means do not exist for ascertaining the SOFR Index Rate, including, without limitation, because the SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary;

B. the administrator of the SOFR Screen Rate or a Governmental Authority having jurisdiction over Agent or any Lender has made a public statement identifying a specific date after which SOFR or the SOFR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the “*Scheduled Unavailability Date*”); or

C. syndicated loans currently being executed, or that include language similar to that contained in this Section 2.1(d), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace SOFR;

then, reasonably promptly after such determination by Agent or the Required Lenders, as applicable, Agent may amend this Agreement to replace SOFR with (A) the ABR Index Rate, or (B) if administratively feasible and acceptable to Agent in its sole discretion, another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such benchmarks (such as the margin applicable thereto) (any such proposed rate, a “*SOFR Successor Rate*”). Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after Agent shall have posted such proposed amendment to Lenders and Borrowers. Such SOFR Successor Rate shall be applied in a manner consistent with market practice; provided, that to the extent such market practice is not administratively feasible for Agent, such SOFR Successor Rate shall be applied in a manner as otherwise reasonably determined by Agent.

(iv) If no SOFR Successor Rate has been determined and either the circumstances under clause (iii)(A) above exist or the Scheduled Unavailability Date has occurred (as applicable), Agent will promptly so notify Borrowing Agent and each Lender in writing. Thereafter, (1) the obligation of the Lenders to make or maintain Loans based in the SOFR Index Rate shall be suspended (to the extent of the affected Loans), and (2) the SOFR Index Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, Borrowers may revoke any pending request for a borrowing of Loans based on the SOFR Index Rate (to the extent of the affected Loans) or, failing that, will be deemed to have converted such request into a request for Loans bearing interest at the ABR Index Rate in the amount specified therein. In connection with the implementation of a SOFR Successor Rate, Agent will have the right to make SOFR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such SOFR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(v) Notwithstanding anything else herein, any definition of SOFR Successor Rate shall provide that in no event shall such SOFR Successor Rate be less than the Floor for purposes of this Agreement.

Anything to the contrary contained herein notwithstanding, no Lender is required to actually match fund any Obligation as to which interest accrues based on SOFR Index Rate.

(e) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(f) Any provision of this Agreement that would oblige a Canadian Loan Party to pay any fine, penalty or rate of interest on any arrears of principal or interest secured by a mortgage on real property or hypothec on immovables that has the effect of increasing the charge on arrears beyond the rate of interest payable on principal money not in arrears shall not apply to such Canadian Loan Party, which shall be required to pay interest on money in arrears at the same rate of interest payable on principal money not in arrears.

2.2 Fees. Borrowers shall jointly and severally pay to Agent, for its own benefit or the benefit of Lenders as indicated in the Fee Letter, the fees set forth in the Fee Letter, on the dates set forth therein, which fees are in addition to all fees and other sums payable by Borrowers or any other Person to Agent or any Lender under this Agreement or under any other Loan Document, and, in each case are not refundable once paid (unless otherwise expressly provided herein, in the Fee Letter or such other Loan Document).

2.3 Computation of Interest and Fees. All interest and fees shall be calculated daily on the outstanding monetary Obligations based on the actual number of days elapsed in a year of 360 days.

2.4 Loan Account; Monthly Accountings. Agent shall maintain an account on its books in the name of Borrowers (the “*Loan Account*”) in which Borrowers will be charged with all Revolving Loans made by Lenders to Borrowers or for Borrowers’ account, including Revolving Loans, interest, fees, expenses and any other Obligations in respect of Revolving Loans. The Loan Account will be credited with all amounts received by Agent from Borrowers or for Borrowers’ account, including, as set forth below, all amounts received in the Administrative Agent Account. Agent shall send Borrowing Agent a monthly statement reflecting the activity in the Loan Account. Absent manifest error, each such statement shall be final, conclusive and binding on Borrowers, except for a notice of objection which Borrowing Agent may send to Agent within fifteen (15) days from the date upon which the monthly statement of activity in the Loan Account is sent. Borrowers hereby authorize Agent to charge the Loan Account with the amount of all principal, interest, fees, expenses and other payments to be made hereunder and under the other Loan Documents with respect to Obligations owing in respect of Revolving Loans. Agent may, but shall not be obligated to, discharge Borrowers’ payment obligations hereunder by so charging the Loan Account (but solely to the extent any Borrower shall have not otherwise paid the amount of such payment obligation).

2.5 Further Obligations; Maximum Lawful Rate.

(a) With respect to all monetary Obligations for which the interest rate is not otherwise specified herein (whether such Obligations arise hereunder or under any other Loan Document, or otherwise), such Obligations shall bear interest at the rate(s) in effect from time to time with respect to the applicable Loan to which such Obligations relate and shall be payable upon demand by Agent. In no event shall the interest charged with respect to any Loan or any other Obligation exceed the maximum amount permitted under applicable law. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable or other amounts hereunder or under any other Loan Document (the “*Stated Rate*”) would exceed the highest rate of interest or other amount permitted under any applicable law to be charged (the “*Maximum Lawful Rate*”), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest and other amounts payable shall be equal to the Maximum Lawful Rate; provided, that if at any time thereafter the Stated

Rate is less than the Maximum Lawful Rate, Borrowers shall, to the extent permitted by applicable law, continue to pay interest and such other amounts at the Maximum Lawful Rate until such time as the total interest and other such amounts received is equal to the total interest and other such amounts which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable or such other amounts payable. Thereafter, the interest rate and such other amounts payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest or other such amounts received by Agent, for the benefit of Lenders, exceed the amount which it could lawfully have received had the interest and other such amounts been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, Agent, for the benefit of Lenders, has received interest or other such amounts hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of the Loans or to other Obligations (other than interest) payable hereunder, and if no such principal or other Obligations are then outstanding, such excess or part thereof remaining shall be paid to Borrowers. In computing interest payable with reference to the Maximum Lawful Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made.

(b) Notwithstanding the generality of Section 2.5(a), if any provision of this Agreement or of any of the other Loan Documents would obligate any Loan Party to make any payment of interest or other amount payable to Agent or Lenders in an amount or calculated at a rate which would result in receipt by Agent or Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by Agent or Lenders of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (1) firstly, by reducing the amount or rate of interest required to be paid to Lenders under Section 2.1, and (2) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to Agent or any Lender which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada). Notwithstanding the foregoing, all adjustments contemplated thereby, if Agent or any Lender shall have received an amount in excess of the maximum permitted by that section of the *Criminal Code* (Canada), the Loan Parties shall be entitled, by notice in writing to Agent, to obtain reimbursement from Agent and Lenders in an amount equal to such excess and, pending such reimbursement, such amount shall be deemed to be an amount payable by Agent and Lenders to the Borrowers. Any amount or rate of interest referred to in this Section 2.5(b) shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the applicable Loans remain outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Closing Date to the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Agent shall be conclusive for the purposes of such determination.

3. SECURITY INTEREST GRANT / POSSESSORY COLLATERAL / FURTHER ASSURANCES.

3.1 Grant of Security Interest. To secure the full payment and performance of all of the Obligations and subject to the Interim DIP Order and Final DIP Order, each Loan Party hereby assigns to Agent, for the benefit of Lenders, and grants to Agent, for the benefit of Lenders, a continuing security interest in all property of such Loan Party, whether tangible or intangible, real or personal, now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, and whether or not eligible for lending purposes, including: (a) all Accounts (whether or not Eligible Billed Accounts, Eligible Foreign Billed Accounts or Eligible Unbilled Accounts) and all Goods whose sale, lease or other disposition by such Loan Party has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, such Loan Party; (b) all Chattel Paper (including Electronic Chattel Paper), Instruments, Documents, and General Intangibles (including all Copyright Collateral, Patent Collateral, Trademark Collateral, trade secrets, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, guarantee claims, contracts rights, payment

intangibles, security interests, security deposits and rights to indemnification); (c) all Inventory (whether or not Eligible Inventory); (d) all Goods (other than Inventory), including Equipment, Farm Products, Health-Care-Insurance Receivables, vehicles, and Fixtures; (e) all Investment Property, including, without limitation, all rights, privileges, authority, and powers of such Loan Party as an owner or as a holder of Pledged Equity, including, without limitation, all economic rights, all control rights, authority and powers, and all status rights of such Loan Party as a member, equity holder or shareholder, as applicable, of each Issuer; (f) all Deposit Accounts, bank accounts, deposits and cash; (g) all Letter-of-Credit Rights; (h) all Commercial Tort Claims listed in Section 42 of the Information Certificate(s); (i) all Supporting Obligations; (j) any other property of such Loan Party now or hereafter in the possession, custody or control of Agent or any agent or any parent, Affiliate or Subsidiary of Agent or any Participant with Agent in the Loans, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), (k) all proceeds of Avoidance Actions (but not Avoidance Actions), (l) all “DIP Collateral” (or any equivalent or similar term describing property in which Liens are granted as security for the Obligations) under and as defined in the DIP Orders and (m) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property, and all of such Loan Party’s books and records relating to any of the foregoing and to such Loan Party’s business. Notwithstanding the foregoing, no Loan Party shall pledge, and the Collateral shall not include Excluded Collateral; *provided* that, none of the assets included in the Borrowing Base shall constitute Excluded Collateral.

3.2 Possessory Collateral. Subject to the DIP Orders and any other order of the Bankruptcy Court, promptly upon Agent’s request, but in any event no later than ten (10) Business Days (or such later date as Agent may agree in its discretion) after such request, such Loan Party shall deliver to the Agent the original of any Collateral evidenced by an agreement, Instrument or Document, including any Tangible Chattel Paper, in each case with a value in excess of \$1,500,000, and any Investment Property consisting of certificated securities, together with an appropriate endorsement or other specific evidence of assignment thereof to Agent (in form and substance acceptable to Agent). If an endorsement or assignment of any such items shall not be made for any reason, Agent is hereby irrevocably authorized, as attorney and agent-in-fact (coupled with an interest) for each Loan Party, to endorse or assign the same on such Loan Party’s behalf.

3.3 Further Assurances.

(a) Each Loan Party will, at the time that any Loan Party forms any direct or indirect Subsidiary (other than an Excluded Subsidiary), acquires any direct or indirect Subsidiary after the Closing Date (other than an Excluded Subsidiary), within ten (10) Business Days after such event (or such later date as permitted by Agent in its sole discretion) (i) cause such new Subsidiary to become a Loan Party and to grant Agent, for the benefit of Lenders, a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary (other than assets constituting Excluded Collateral), (ii) provide, or cause the applicable Loan Party to provide, to Agent, for the benefit of Lenders, a pledge agreement and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary in form and substance reasonably satisfactory to Agent (which pledge, if reasonably requested by Agent, shall be governed by the laws of the jurisdiction of such Subsidiary), and (iii) provide to Agent all other documentation as it may reasonably require, including one or more opinions of counsel reasonably satisfactory to Agent if Agent reasonably determines such opinion of counsel is required, which, in its opinion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above.

(b) [Reserved].

(c) Each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (and/or use commercially reasonable efforts to cause such other applicable Person to take, execute, acknowledge and deliver) all such further acts, documents, agreements and instruments as Agent shall deem reasonably necessary in order to (i) carry out the intent and purposes of the Loan Documents and the transactions contemplated thereby, (ii) establish, create, preserve, protect and perfect a first priority lien (subject only to Permitted Liens) in favor of Agent, for the benefit of Lenders, in all Collateral (wherever located) from

time to time owned by the Loan Parties, (iii) cause each Loan Party to guarantee all of the Obligations, all pursuant to documentation that is in form and substance satisfactory to Agent in its Permitted Discretion and (iv) facilitate the collection of the Collateral. Without limiting the foregoing, each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (and/or use commercially reasonable efforts to cause such other applicable Person to take, execute, acknowledge and deliver) to Agent all promissory notes, security agreements, agreements with landlords, mortgagees and processors and other bailees, subordination and intercreditor agreements and other agreements, instruments and documents, in each case in form and substance reasonably acceptable to Agent, as Agent may request from time to time to perfect, protect, and maintain Lender's security interests in the Collateral, including the required priority thereof, and to fully carry out the transactions contemplated by the Loan Documents.

3.4 UCC and PPSA Financing Statements. Each Loan Party authorizes Agent to file, transmit, or communicate, as applicable, from time to time, Uniform Commercial Code and/or PPSA financing statements and finance change statements, along with amendments and modifications thereto, in all filing offices selected by Agent, listing such Loan Party as the debtor and Agent as the secured party, and describing the collateral covered thereby in such manner as Agent may elect, including using descriptions such as "all personal property of debtor" or "all assets of debtor" or words of similar effect. Each Loan Party also hereby ratifies its authorization for Agent to have filed in any filing office any financing statements filed prior to the date hereof.

3.5 Valid Security Interest. Each Loan Party and Agent hereby acknowledge that (a) value has been given, (b) such Loan Party has rights in the Collateral in which it has granted a security interest, (c) this Agreement constitutes a security agreement as that term is defined in the PPSA, and (d) the security interest attaches upon the execution of this Agreement (or in the case of any after-acquired property, at the time of acquisition thereof).

3.6 [Reserved].

4. CERTAIN PROVISIONS REGARDING ACCOUNTS, INVENTORY, COLLECTIONS, APPLICATIONS OF PAYMENTS, INSPECTION RIGHTS, AND APPRAISALS.

4.1 Lock Boxes and Blocked Accounts.

(a) Subject to the DIP Orders, each Loan Party hereby represents and warrants that all Deposit Accounts and all other depository and other accounts maintained by each Loan Party are described in Section 41 of the Information Certificate(s), which description includes for each such account, the name of the Loan Party maintaining such account, the name of the financial institution at which such account is maintained, the account number, and the purpose of such account.

(b) Subject to the DIP Orders, after the Closing Date, no Loan Party shall open any new Deposit Accounts or any other depository or other accounts without the prior written consent of Agent and without updating Section 41 of the Information Certificate(s) to reflect such Deposit Accounts or other accounts, as applicable. No Deposit Accounts or other accounts of any Loan Party shall at any time constitute an Excluded Deposit Account other than accounts expressly indicated in Section 41 of the Information Certificate(s) (as the same may be updated from time to time in accordance with this Agreement) as being an Excluded Deposit Account (and each Loan Party hereby represents and warrants that each such account shall at all times meet the requirements set forth in the definition of Excluded Deposit Account to qualify as an Excluded Deposit Account).

(c) Subject to the DIP Orders, each Loan Party will, at its expense, establish (and revise from time to time as Agent may require in its Permitted Discretion) procedures acceptable to Agent, in Agent's Permitted Discretion, for the collection of checks, wire transfers and all other proceeds of all of such Loan Party's Accounts and other Collateral ("**Collections**"), which shall include if requested by the Agent directing all Account Debtors to (i) send all payments on Accounts directly to a post office box designated by Agent either in the name of such Loan Party (as to which, during a Cash Dominion Period, Agent shall have exclusive access)

or, at Agent's option during a Cash Dominion Period, in the name of Agent (a "**Lock Box**"), and/or (ii) if payments are made electronically, make all payments in respect of Accounts directly into one or more Controlled Accounts maintained in the name of such Loan Party (but as to which Agent has exclusive access) (each, a "**Blocked Account**"), in each case with a depository bank acceptable to Agent and as to which (if requested by Agent) Agent shall have exclusive access during any Cash Dominion Period or, at Agent's option during a Cash Dominion Period, into the Administrative Agent Account.

(d) Subject to the DIP Orders, each Loan Party shall, if elected by the Agent, be subject to cash dominion at all times during a Cash Dominion Period. At any time that a Cash Dominion Period is in effect, if elected by the Agent, cash on hand and Collections which are received into any Blocked Account or Lock Box shall be liquidated and the cash proceeds thereof, shall be swept on a daily basis into the Administrative Agent Account, or as otherwise directed by Agent, and used to prepay Loans outstanding under this Agreement in accordance with Section 4.1. Borrowers authorize Agent to maintain the Administrative Agent Account for the deposit of remittances received in the Lock Box and receipt of Collections received electronically in any Blocked Account. All collections and other amounts received by the Loan Parties from any Account Debtor, in addition to all other cash received by the Loan Parties from any other source, shall upon receipt be forwarded to the Lock Box in the form received or deposited into a Blocked Account. Agent will, upon receipt in the Administrative Agent Account, apply all such payments to the Loan Account, conditional upon final collection; credit will be given only for cleared funds received prior to 2:00 p.m. (New York time) by Agent in the Administrative Agent Account; *provided, however*, that for purposes of calculating interest due to the Lenders, credit will be given to collections on the Business Day following the date of receipt by Agent of cleared funds. Provided no Event of Default shall have occurred and be continuing and no Cash Dominion Period shall be continuing, any resulting credit balance in the Administrative Agent Account following application to amounts outstanding under the Loans shall be made available to Borrowers no later than two (2) Business Days after receipt of such cleared funds. Borrowers hereby agree to, and will cause the other Loan Parties to, endorse any Collections upon the request of Agent. In all cases, the Loan Account will be credited only with the net amounts actually received. Notwithstanding the foregoing in this Section 4.1(d) or anything else in this Agreement to the contrary, at any time that a Cash Dominion Period is in effect, the Loan Parties shall be permitted to apply proceeds to the extent required or permitted under or otherwise contemplated by the DIP Orders and the Cash Management Order and in accordance with the Approved Budget prior to any sweep to prepay Loans outstanding hereunder.

(e) Subject to the DIP Orders, each Loan Party agrees to execute, and to cause its depository banks and other account holders to execute, (i) Control Agreements with respect to each Collateral Account and (ii) such Lock Box agreements and other documentation as Agent shall require from time to time in its Permitted Discretion to effectuate the provisions of this Section 4.1, all in form and substance acceptable to Agent in its Permitted Discretion, and in any event, subject to Section 5.28, such arrangements and documents must be in place on the date hereof with respect to accounts in existence on the date hereof, or prior to any such account being opened with respect to any such account opened after the date hereof, in each case excluding Excluded Deposit Accounts.

(f) Subject to the DIP Orders, on the Closing Date, each Loan Party shall provide Agent with online read-only access to such Loan Party's Deposit Accounts and investment accounts constituting securities accounts and maintain such access in effect for Agent throughout the term of this Agreement and until all Obligations have been paid in full, all in a manner acceptable to Agent in its Permitted Discretion.

4.2 Application of Payments. Subject to the DIP Orders and Section 4.1, all amounts paid to or received by Agent or any Lender in respect of the monetary Obligations, from whatever source (whether from any Borrower or any other Loan Party pursuant to such other Loan Party's guaranty of the Obligations, any realization upon any Collateral, or otherwise) shall, unless otherwise directed by Borrowing Agent with respect to any particular payment (unless an Event of Default shall then be continuing, in which event Agent may disregard Borrowing Agent's direction), be applied by Agent to the Obligations in such order as Agent (with the consent of the Required Lenders) may elect, and absent such election shall be applied as follows:

(a) FIRST, to reimburse Agent for all fees and out-of-pocket costs and expenses, and all indemnified losses, incurred by Agent which are reimbursable to Agent in accordance with this Agreement and/or any of the other Loan Documents,

(b) SECOND, to any accrued but unpaid interest on any Protective Advances,

(c) THIRD, to the outstanding principal of any Protective Advances,

(d) FOURTH, ratably to reimburse each Lender for all fees (including the Prepetition ABL Credit Agreement Premium) and out-of-pocket costs and expenses, and all indemnified losses, incurred by each Lender which are reimbursable to such Lender in accordance with this Agreement and/or any of the other Loan Documents,

(e) FIFTH, ratably to any unpaid accrued interest on the Obligations,

(f) SIXTH, ratably to the outstanding principal of the Obligations, and, to the extent required by this Agreement, to cash collateralize Letter of Credit Liabilities, and

(g) SEVENTH, to the payment of any other outstanding Obligations; and after payment in full in cash of all of the outstanding monetary Obligations, any further amounts paid to or received by Agent or any Lender in respect of the Obligations (so long as no monetary Obligations are outstanding) shall be paid over to Borrowers or such other Person(s) as may be legally entitled thereto. For purposes of determining the Borrowing Base, such amounts will be credited to the Loan Account and the Collateral balances to which they relate upon Agent's receipt of an advice from Agent's Bank (set forth in Section 5 of Schedule A) that such items have been credited to Agent's account at Agent's Bank (or upon Agent's deposit thereof at Agent's Bank in the case of payments received by Agent in kind), in each case subject to final payment and collection. However, for purposes of computing interest on the Obligations, such items shall be deemed applied by Agent two Business Days after Agent's receipt of advice of deposit thereof at Agent's Bank.

4.3 Notification; Verification. Agent or its designee may, from time to time, (a) whether or not a Default or Event of Default has occurred: (i) verify directly with the Account Debtors of the Loan Parties (or by any reasonable manner and through any reasonable medium Agent considers advisable in the exercise of its Permitted Discretion) the validity, amount and other matters relating to the Accounts and Chattel Paper of the Loan Parties, by means of mail, telephone or otherwise, either in the name of the applicable Loan Party or Agent or such other name as Agent may choose and (ii) notify Account Debtors of the Loan Parties that Agent has a security interest in the Accounts of the Loan Parties and (b) following the occurrence and during the continuance of an Event of Default (i) require any Loan Party to cause all invoices and statements which it sends to Account Debtors or other third parties to be marked, in a manner reasonably satisfactory to Agent, to reflect Agent's security interest therein and payment instructions acceptable to Agent; (ii) direct such Account Debtors to make payment thereof directly to Agent; such notification to be sent on the letterhead of such Loan Party and substantially in the form of Exhibit E annexed hereto; and (iii) demand, collect or enforce payment of any Accounts and Chattel Paper (but without any duty to do so). Each Loan Party hereby authorizes Account Debtors, upon the occurrence and during the continuance of an Event of Default, to make payments directly to Agent in accordance with the terms hereof and to rely on notice from Agent without further inquiry. Agent may on behalf of each Loan Party endorse all items of payment received by Agent that are payable to such Loan Party for the purposes described above.

4.4 Power of Attorney.

Each Loan Party hereby grants to Agent an irrevocable power of attorney, coupled with an interest, authorizing and permitting Agent (acting through any of its officers, employees, attorneys or agents), at Agent's option (and solely with respect to any actions taken by Agent under Section 4.4(a) below, in the exercise of its

Permitted Discretion), but without obligation, with or without notice to such Loan Party, and at such Loan Party's expense, to do any or all of the following, in such Loan Party's name or otherwise:

(a) (i) execute on behalf of such Loan Party any documents that Agent may deem reasonably necessary in order to perfect, protect and maintain Agent's security interests, and priority thereof, in the Collateral (including such financing statements, financing change statements, and continuation financing statements, and amendments or other modifications thereto, as Agent shall deem necessary or appropriate); (ii) endorse such Loan Party's name on all checks and other forms of remittances received by Agent; (iii) receive and otherwise take control in any manner of any cash or non-cash items of payment or Proceeds of Collateral; (iv) endorse or assign to Agent on such Loan Party's behalf any portion of Collateral evidenced by an agreement, Instrument or Document if an endorsement or assignment of any such items is not made by Borrowers pursuant to Section 3.2; and (v) receive, open and process all mail addressed to such Loan Party at any post office box/lockbox maintained by Agent for such Loan Party or at any other business premises of Agent with Collections to be promptly transferred to the Blocked Account and any mail unrelated to Collections to be promptly remitted to such Loan Party along with copies of all other mail addressed to such Loan Party and received by Agent; and

(b) after the occurrence and during the continuance of an Event of Default and subject to the terms and conditions of Section 7 of this Agreement and the terms and conditions of the DIP Orders: (i) execute on behalf of such Loan Party any document exercising, transferring or assigning any option to purchase, sell or otherwise dispose of or lease (as lessor or lessee) any real or personal property which is part of the Collateral or in which Agent has an interest; (ii) execute on behalf of such Loan Party any invoices relating to any Accounts, any draft against any Account Debtor, any proof of claim in bankruptcy, any notice of Lien or claim, and any assignment or satisfaction of mechanic's, materialman's or other Lien; (iii) except as otherwise provided in Section 4.3 hereof, execute on behalf of such Loan Party any notice to any Account Debtor; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) grant extensions of time to pay, compromise claims relating to, and settle Accounts, Chattel Paper and General Intangibles for less than face value and execute all releases and other documents in connection therewith; (vi) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor; (vii) instruct any third party having custody or control of any Collateral or books or records belonging to, or relating to, such Loan Party to give Agent the same rights of access and other rights with respect thereto as Agent has under this Agreement or any other Loan Document; (viii) change the address for delivery of such Loan Party's mail; (ix) vote any right or interest with respect to any Investment Property; (x) instruct any Account Debtor to make all payments due to such Loan Party directly to Agent; (xi) pay any sums required on account of such Loan Party's taxes or to secure the release of any Liens therefor; and (xii) pay any amounts necessary to obtain, or maintain in effect, any of the insurance described in Section 5.14.

Any and all sums paid, and any and all costs, expenses, liabilities, obligations and reasonable attorneys' fees incurred, by Agent with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations at such time. Each Loan Party agrees that Agent's rights under the foregoing power of attorney and/or any of Agent's other rights under this Agreement or the other Loan Documents shall not be construed to indicate that Agent is in control of the business, management or properties of such Loan Party.

4.5 Disputes. Each Loan Party agrees that it will not, without Agent's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), compromise or settle any of its Accounts or Chattel Paper for less than the full amount thereof, grant any extension of time for payment of any of its Accounts or Chattel Paper, release (in whole or in part) any Account Debtor or other person liable for the payment of any of its Accounts or Chattel Paper or grant any credits, discounts, allowances, deductions, return authorizations or the like with respect to any of its Accounts or Chattel Paper; except (unless otherwise directed by Agent during the existence of a Default or an Event of Default) such Loan Party may take any of such actions in the ordinary course of its business consistent with past practices or are otherwise consistent with the Approved

Budget (subject to Permitted Variances), provided, that Borrowers promptly report the same to Agent.

4.6 Inventory.

(a) **Returns.** No Loan Party will accept returns of any Inventory from any Account Debtor except in the ordinary course of its business. In the event the value of returned Inventory in any one calendar month exceeds \$1,000,000 (collectively for all Loan Parties), Borrowers will promptly notify Agent (which notice shall specify the value of all such returned Inventory, the reasons for such returns, and the locations and the condition of such returned Inventory).

(b) **Sale on Return, etc.** No Loan Party will, without Agent's prior written consent, at any time, sell any Inventory that Borrowers have then reported to Agent as then being Eligible Inventory on a sale-or-return, guaranteed sale, consignment, or other contingent basis.

(c) **Fair Labor Standards Act.** Each Loan Party represents and warrants, and covenants that all of the Inventory of each Loan Party, to the knowledge of such Loan Party, is produced only in accordance in all material respects with the Fair Labor Standards Act of 1938 and all rules, regulations and orders promulgated thereunder.

4.7 Access to Collateral, Books and Records. At reasonable times during normal business hours (and prior to the occurrence and continuance of an Event of Default, following reasonable advance notice), Agent and/or its representatives or agents shall have the right to inspect the Collateral, and the right to conduct field examinations of each Loan Party's assets, liabilities, books and records, including examining and copying each Loan Party's books and records. Each Loan Party agrees to give Agent and/or its representatives or agents access to any or all of such Loan Party's, and each of its Subsidiaries', premises to enable Agent to conduct such inspections and examinations. Such inspections and examinations shall be at Borrowers' expense and the charge therefor shall be \$1,500 per person per day (or such higher amount as shall represent Agent's then current standard charge, provided Agent is making such adjustment for similarly situated borrowers), plus out-of-pocket expenses; *provided*, that Borrowers shall only be required to reimburse Agent for up to two (2) such inspections and examinations in any Fiscal Year *plus* (a) one additional field examination in a Fiscal Year in the event that Excess Availability shall have been less than \$5,000,000 at any time during such Fiscal Year and (b) any additional inspections and examinations that are conducted during the existence of an Event of Default. Upon the occurrence and during the continuance of an Event of Default, Agent may, at Borrowers' expense, use each Loan Party's personnel, computer and other equipment, programs, printed output and computer readable media, supplies and premises for the collection, sale or other disposition of Collateral to the extent Agent, in its sole discretion, deems appropriate. Each Loan Party hereby irrevocably authorizes all accountants and other financial professional third parties to disclose and deliver to Agent, at Borrowers' expense, all financial information, books and records, work papers, management reports and other information in their possession regarding the Loan Parties. Notwithstanding any of the foregoing, in no event shall the Loan Parties be required pursuant to the terms of this Section 4.7 to allow any such Person to inspect or examine, or be required to discuss, any records, documents or other information (i) that is prohibited or limited by applicable law, rule, regulation, contract or order of or with any Governmental Authority, or (ii) that is subject to attorney-client privilege.

4.8 Appraisals. Each Loan Party will permit Agent and each of its representatives or agents to conduct appraisals and valuations of the Collateral at such times and intervals as Agent may designate. Such appraisals and valuations shall be at Borrowers' expense; provided, that Borrowers shall only be required to reimburse Agent for up to two (2) appraisals and valuations in any Fiscal Year *plus* (a) one additional appraisal in a Fiscal Year in the event that Excess Availability shall have been less than \$5,000,000 at any time during such Fiscal Year and (b) any additional appraisals and valuations that are conducted during the existence of an Event of Default.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS.

To induce Agent and Lenders to enter into this Agreement, each Loan Party represents, warrants and covenants as follows (it being understood and agreed that (a) each such representation and warranty (i) will be made as of the date hereof and be deemed remade as of each date on which any Loan is made or Letter of Credit is issued (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date, in which case such representation or warranty will be made as of such earlier and/or specified date), and (ii) shall not be affected by any knowledge of, or any investigation by, Agent or any Lender and (b) each such covenant shall continuously apply with respect to all times commencing on the date hereof and continuing until the Termination Date):

5.1 Existence and Authority. Each Loan Party is duly organized or incorporated, validly existing and in good standing under the laws of its jurisdiction of organization (which jurisdiction is identified in Section 3 of the Information Certificate(s)) and is qualified to do business in each jurisdiction in which the operation of its business requires that it be qualified (which each such jurisdiction is identified in Section 15 of the Information Certificate(s)), except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect. Each Loan Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization and, except as could not reasonably be expected to result in a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses. Subject to the entry of the DIP Orders and the terms thereof, each Loan Party has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby. Subject to the entry of the DIP Orders and the terms thereof, the execution, delivery and performance by each Loan Party of this Agreement and all of the other Loan Documents to which such Loan Party is a party have been duly and validly authorized, do not violate such Loan Party's Organic Documents, or any law or any agreement or instrument or any court order which is binding upon any Loan Party or its property, do not constitute grounds for acceleration of any Indebtedness or obligation under any agreement or instrument which is binding upon any Loan Party or its property, and do not require the consent of any Person. Subject to the entry of the DIP Orders, the First Day Orders and the terms thereof, no Loan Party is required to obtain any government approval, consent, or authorization from, or to file any declaration or statement with, any Governmental Authority in connection with or as a condition to the execution, delivery or performance of any of the Loan Documents. This Agreement and each of the other Loan Documents have been duly executed and delivered by, and are enforceable against each of the Loan Parties who have signed them, in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Section 18 of the Information Certificate(s) sets forth the ownership of each Borrower. Section 20 of the Information Certificate(s) sets forth the ownership of each of Borrowers' Subsidiaries.

5.2 Names; Trade Names and Styles. The name of each Loan Party set forth in Section 1 of the Information Certificate(s) is its correct and complete legal name as of the Closing Date. Listed in Section 8 of the Information Certificate(s) are all prior names used by each Loan Party at any time in the five years preceding the Closing Date, and no Loan Party will use any other name at any time in any tax filing made in any jurisdiction except as set forth in Section 1 or Section 8 of the Information Certificate. Listed in Section 7 of the Information Certificate(s) are all of the present and prior trade names used by any Loan Party at any time in the past five years. Borrowers shall give Agent at least fifteen (15) days' prior written notice (or such shorter time as Agent may agree in its sole discretion), and will deliver an updated Section 7 or Section 8 of the Information Certificate(s), as applicable, to reflect the same, before it or any other Loan Party changes its legal name or does business under any other name.

5.3 Title to Collateral; Third Party Locations; Permitted Liens. Each Loan Party has, and at all times will continue to have, good and marketable title to all of the Collateral, subject to dispositions permitted hereunder and Permitted Liens. The Collateral now is, and at all times will remain, free and clear of any and all

Liens, except for Permitted Liens. Agent now has, and will at all times continue to have, a first-priority or second-priority, as applicable, pursuant to the terms of the DIP Orders, perfected and enforceable security interest in all of the Collateral, and each Loan Party will at all times defend Agent and each Lender and the Collateral against all claims of others. Prior to causing or permitting any Collateral to at any time be located upon premises other than the locations listed in Sections 27-32 of the Information Certificate(s), in which any third party (including any landlord, warehouseman, or otherwise) has an interest, Borrowers shall give Agent no less than 30 days written notice thereof (or such shorter time as Agent may agree in its sole discretion) and the applicable Loan Party shall use commercially reasonable efforts to cause each such third party to execute and deliver to Agent, in form and substance acceptable to Agent, such waivers, collateral access agreements, and subordinations as Agent shall specify, so as to, among other things, ensure that Agent's rights in the Collateral are, and will at all times continue to be, superior to the rights of any such third party and that Agent has access to such Collateral. Each applicable Loan Party will keep at all times in full force and effect, and will comply in all payment and other material respects at all times with all the terms of, any lease of real property where any of the Collateral now or in the future may be located, subject to the expiration of such leases of real property by their terms.

5.4 Accounts, Chattel Paper and Inventory.

(a) As of each date reported by Borrowers, all Accounts which Borrowers have then reported to Agent as then being Eligible Billed Accounts, Eligible Foreign Billed Accounts or Eligible Unbilled Accounts, as the case may be, comply in all respects with the criteria for eligibility set forth in the definitions of Eligible Billed Accounts, Eligible Foreign Billed Accounts or Eligible Unbilled Accounts, respectively. All such Accounts and Chattel Paper are genuine and in all respects what they purport to be, arise out of a completed, bona fide and unconditional and non-contingent sale and delivery of goods or rendition of services by Borrowers in the ordinary course of its business and in accordance with the terms and conditions of all purchase orders, contracts or other documents relating thereto, each Account Debtor thereunder had the capacity to contract at the time any contract or other document giving rise to such Accounts and Chattel Paper were executed, and the transactions giving rise to such Accounts and Chattel Paper comply with all applicable laws and governmental rules and regulations.

(b) As of each date reported by Borrowers, all Inventory which Borrowers have then reported to Agent as then being Eligible Inventory complies in all respects with the criteria for eligibility set forth in the definition of Eligible Inventory.

5.5 Electronic Chattel Paper. To the extent that any Loan Party obtains or maintains any Electronic Chattel Paper with an individual or aggregate value in excess of \$250,000, if requested by the Agent, such Loan Party shall at all times thereafter create, store and assign the record or records comprising such Electronic Chattel Paper in such a manner that (a) a single authoritative copy of the record or records exists which is unique, identifiable and except as otherwise provided below, unalterable, (b) the authoritative copy identifies Agent as the assignee of the record or records, (c) the authoritative copy is communicated to and maintained by Agent or its designated custodian, (d) copies or revisions that add or change an identified assignee of the authoritative copy can only be made with the participation of Agent, (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy and (f) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

5.6 Capitalization; Investment Property.

(a) No Loan Party, directly or indirectly, owns, or shall at any time own, any Equity Interests of any other Person except as set forth in Sections 20 and 43 of the Information Certificate(s), which such Sections of the Information Certificate(s) list all Investment Property owned by each Loan Party, except in each case for Permitted Investments and except as permitted by Section 5.25(a).

(b) None of the Pledged Equity has been issued or otherwise transferred in violation of the Securities Act, or other applicable laws of any jurisdiction to which such issuance or transfer may be subject.

(c) The Pledged Equity pledged by each Loan Party hereunder constitutes all of the issued and outstanding Equity Interests of each Issuer owned by such Loan Party.

(d) All of the Pledged Equity has been duly and validly issued and is fully paid and non-assessable, and the holders thereof are not entitled to any preemptive, first refusal, or other similar rights. There are no outstanding options, warrants or similar agreements, documents, or instruments with respect to any of the Pledged Equity.

(e) [Reserved].

(f) Subject to the DIP Orders, each Loan Party will take any and all actions required or reasonably requested by Agent, from time to time, to (i) cause Agent to obtain exclusive control of any Investment Property in a manner reasonably acceptable to Agent and (ii) obtain from any Issuers and such other Persons as Agent shall specify, for the benefit of Agent, written confirmation of Agent's exclusive control over such Investment Property and take such other actions as Agent may request to perfect Agent's security interest in any Investment Property. Subject to the DIP Orders, for purposes of this Section 5.6, Agent shall have exclusive control of Investment Property if (A) pursuant to Section 3.2, such Investment Property consists of certificated securities and the applicable Loan Party delivers such certificated securities to Agent (with all appropriate endorsements); (B) such Investment Property consists of uncertificated securities and either (x) the applicable Loan Party delivers such uncertificated securities to Agent or (y) the Issuer thereof agrees, pursuant to documentation in form and substance satisfactory to Agent, that it will comply with instructions originated by Agent without further consent by the applicable Loan Party, and (C) such Investment Property consists of security entitlements and either (x) Agent becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to documentation in form and substance satisfactory to Agent, that it will comply with entitlement orders originated by Agent without further consent by the applicable Loan Party. Each Loan Party that is a limited liability company or a partnership hereby represents and warrants that it has not, and at no time will, elect pursuant to the provisions of Section 8-103 of the UCC to provide that its Equity Interests are securities governed by Article 8 of the UCC and its Organic Documents do not, and will not, provide that the Equity Interests issued by it shall be "*securities*" for purposes of and as governed by and defined in Article 8 of the UCC (in each case, unless otherwise agreed by Agent in writing).

(g) No Loan Party owns, or has any present intention of acquiring, any "margin security" or any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System (herein called "margin security" and "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry, any margin security or margin stock or for any other purpose which might constitute the transactions contemplated hereby a "purpose credit" within the meaning of said Regulations T, U or X, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Exchange Act or any similar federal, provincial or territorial statute of Canada, or any rules or regulations promulgated under such statutes.

(h) No Loan Party shall vote to enable, or take any other action to cause or to permit, any Issuer to issue any Equity Interests of any nature, or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of any Issuer, in each case, unless pledged hereunder.

(i) No Loan Party shall take, or fail to take, any action that would in any manner impair the value or the enforceability of Agent's Lien on any of the Investment Property, or any of Agent's rights or remedies under this Agreement or any other Loan Document with respect to any of the Investment Property.

(j) In the case of any Loan Party which is an Issuer, such Issuer agrees that the terms of Section 7.3(g)(iii) of this Agreement shall apply to such Loan Party with respect to all actions that may be required of it pursuant to such Section 7.3(g)(iii) regarding the Investment Property issued by it.

(k) In the event that any stock dividend, reclassification, readjustment or other change is made or declared in the capital structure of any Issuer, or any Loan Party acquires or in any other manner receives additional shares of stock, membership/limited liability company interests, partnership interests or other equity interests in any such Issuer, or any option included within the Pledged Equity with respect to the stock, membership/limited liability company interests, partnership interests or other equity interests of such Issuer is exercised, any and all such new, substituted or additional equity interests (together with all related rights associated therewith) issued by reason of any such change or exercise to any Loan Party shall immediately and automatically become subject to this Agreement and the pledge and grant of a security interest created by each Loan Party hereunder and each Loan Party hereby grants a security interest in any such future equity interests (together with all related rights associated therewith) to Agent to secure the Obligations. Subject to the DIP Orders, any and all certificates issued to any Loan Party with respect to any such new, substituted or additional Equity Interests shall be delivered to and held by Agent in the same manner as the Pledged Equity originally pledged hereunder. Promptly following the issuance of any such equity interests, any such Loan Party shall deliver written notice of such issuance to Agent, which such written notice shall include an update to Sections 20 and 43 of the Information Certificate(s), which shall upon delivery be deemed to have amended and restated the previously effective version of such Information Certificate.

5.7 Commercial Tort Claims. As of the Closing Date, no Loan Party has any Commercial Tort Claims with a claimed value in excess of \$1,000,000 individually pending other than those listed in Section 42 of the Information Certificate(s), and each Loan Party shall promptly notify Agent in writing upon incurring or otherwise obtaining a Commercial Tort Claim after the date hereof against any third party. Such notice shall constitute such Loan Party's authorization to amend such Section 42 to add such Commercial Tort Claim and shall automatically be deemed to amend such Section 42 to include such Commercial Tort Claim.

5.8 Jurisdiction of Organization; Location of Collateral. Sections 14 and 27-32 of the Information Certificate(s) set forth (a) the chief executive office and registered office of each Loan Party (as determined under the PPSA), (b) all locations where all Inventory, Equipment, and other Collateral owned by each Loan Party is kept, and (c) whether each such Collateral location and/or chief executive office or registered office (as determined under the PPSA) is owned by a Loan Party or leased (and if leased, specifies the complete name and notice address of each lessor). No Inventory that Borrowers have reported to Agent as being Eligible Inventory in the most recently delivered Borrowing Base Certificate is located outside the United States, Canada, or in the possession of any lessor, bailee, warehouseman or consignee, except as expressly indicated in Sections 27-32 of the Information Certificate(s). Each Loan Party will give Agent at least fifteen (15) days' prior written notice (or such shorter time as Agent may agree) prior to any changes to its jurisdiction of organization, or changing its chief executive office, registered office (as determined under the PPSA) or the location of its books and records.

5.9 Financial Statements and Reports.

(a) All financial statements delivered to Agent or any Lender by or on behalf of any Loan Party have been, and at all times will be, prepared in conformity with GAAP in all material respects (unless approved by Agent in its discretion) and completely and fairly reflect the financial condition of each Loan Party and its Subsidiaries covered thereby, at the times and for the periods therein stated, subject only, in the case of unaudited financial statements, to year-end adjustments and the absence of footnotes.

(b) [Reserved].

5.10 Tax Returns and Payments; Pension Contributions.

(a) Each Loan Party has timely filed all tax returns and reports required by applicable law, has timely paid all applicable Taxes and assessments owing by such Loan Party and will timely pay all such items in the future as they became due and payable, except (i) Taxes that are being contested in good faith by appropriate proceedings and such Loan Party maintains adequate reserves therefor in conformity with GAAP,

(ii) Taxes the non-payment of which is excused, permitted, or required by the Bankruptcy Code or (iii) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect. No Loan Party is aware of any assessments or adjustments proposed for any prior tax years that could result in additional Taxes becoming due and payable by any Loan Party, except to the extent that such assessment or adjustment would not reasonably be expected to have a Material Adverse Effect. Except to the extent the same could not reasonably be expected to result, individually or together with all of the following events or conditions, in a Material Adverse Effect: each Plan is in compliance with the applicable provisions of ERISA, the Code and other applicable laws; each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code; there are no pending or, to the knowledge of any Loan Party, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan; there has been no non-exempt “prohibited transaction” described in Section 406 of ERISA or Section 4975 of the Code or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in liabilities individually or in the aggregate on any Loan Party; no ERISA Event has occurred or is reasonably expected to occur; each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; no Loan Party or any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; no Loan Party nor any ERISA Affiliate has engaged in a transaction that could reasonably be expected to be subject to Section 4069 or Section 4212(c) of ERISA; and no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(b) As of the Closing Date, no Loan Party, nor any Subsidiary thereof, maintains, sponsors, administers, contributes to, participates in or has any liability in respect of any Canadian Defined Benefit Plan. Except as would not reasonably be expected to result in a Material Adverse Effect: (i) the Canadian Pension Plans are duly registered under the *Income Tax Act* (Canada) and all other laws which require registration and no event has occurred which is reasonably likely to cause the loss of such registered status, (ii) the Canadian Pension Plans have been administered and invested in compliance with their terms and requirements of law and there have been no improper withdrawals or application of the assets of the Canadian Pension Plans, (iii) there are no outstanding disputes concerning the assets of the Canadian Pension Plans, (iv) there are no taxes, penalties or interest owing in respect of any Canadian Pension Plan, (v) there has been no partial termination of any Canadian Pension Plan and no facts or circumstances have occurred or existed that could result, or be reasonably expected to result, in the declaration of a partial termination of any Canadian Pension Plan, (vi) all payments and contributions required to be made by any Loan Party, to or in respect of any Canadian Pension Plan have been made on a timely basis in accordance with the current terms of such plans and all requirements of law, and (vii) as of the date hereof, no Canadian Pension Event has occurred.

5.11 Compliance with Laws; Intellectual Property; Licenses.

(a) Each Loan Party has complied, and will continue at all times to comply, in all material respects with all provisions of all applicable material laws and regulations, including those relating to the ownership, use or operations of real or personal property, the conduct and licensing of each Loan Party’s business, and safety and environmental matters applicable to any Loan Party.

(b) No Loan Party has received written notice of a material default or violation, nor is any Loan Party in material default or violation, with respect to any judgment, order, writ, injunction, decree, demand or assessment issued by any court or any federal, provincial, territorial, state, local, municipal or other Governmental Authority relating to any aspect of any Loan Party’s business, affairs, properties or assets. No Loan Party has received written notice of or been charged with, or is, to the knowledge of any Loan Party, under investigation with respect to, any material violation in any material respect of any provision of any applicable law. Except in each case as otherwise disclosed to Agent in writing, no Loan Party nor any real property owned,

leased or used in a material portion of the business of any Loan Party is subject to any federal, provincial, territorial, state or local investigation to determine whether any remedial action is needed to address any hazardous materials or an environmental release (as that term is defined under environmental and health and safety laws) at, on, or under any real property currently leased, owned or used by a Loan Party nor is a Loan Party liable for any environmental release identified or under investigation at, on or under any real property previously owned, leased or used by a Loan Party. No Loan Party has any material contingent liability with respect to any environmental release, environmental pollution or hazardous material on any real property now or previously owned, leased or operated by it.

(c) No Loan Party owns any registered Intellectual Property, except as set forth in Sections 35-37 of the Information Certificate(s). Except as set forth in Section 39 of the Information Certificate(s), none of the registered Intellectual Property owned by any Loan Party is the subject of any licensing or franchise agreement pursuant to which such Loan Party is the licensor or franchisor. Each Loan Party shall promptly (but in any event within the timeframe required by Section 5.15(c)(ii)) notify Agent in writing of any additional registered Intellectual Property acquired or arising after the Closing Date and submit to Agent a supplement to Sections 35-37 of the Information Certificate(s) to reflect such additional Intellectual Property rights in connection with each update or supplement to the Information Certificate contemplated by Section 5.15(c) (*provided*, that such Loan Party's failure to do so shall not impair Agent's security interest therein). Each Loan Party shall execute a separate security agreement granting Agent a security interest in such Intellectual Property (whether owned on the Closing Date or thereafter), in form and substance reasonably acceptable to Agent and suitable for registering such security interest in such Intellectual Property with the United States Patent and Trademark Office, United States Copyright Office and/or the Canadian Intellectual Property Office, as applicable (*provided*, that such Loan Party's failure to do so shall not impair Agent's security interest therein). Each Loan Party owns or has, and will at all times continue to own or have, the valid right to use all material patents, trademarks, copyrights, software, computer programs, equipment designs, network designs, equipment configurations, technology and other Intellectual Property used, marketed and sold in such Loan Party's business, and each Loan Party is in compliance, and will continue at all times to comply, in all material respects with all licenses, user agreements and other such agreements regarding the use of Intellectual Property. No Loan Party has any knowledge that, or has received any written notice claiming that, any of such Intellectual Property infringes upon or violates the rights of any other Person.

(d) Each Loan Party has and will continue at all times to have all material federal, provincial, territorial, state, governmental, local and other licenses and permits required to be maintained in connection with such Loan Party's business operations, and its ownership, use and operation of any real property, and all such licenses and permits, necessary for the operation of the business are valid and will remain and in full force and effect. Each Loan Party has, and will continue at all times to have, complied with the requirements of such licenses and permits in all material respects, and has received no written notice of any pending or threatened proceedings for the suspension, termination, revocation or limitation thereof. No Loan Party is aware of any facts or conditions that could reasonably be expected to cause or permit any of such material licenses or permits to be voided, revoked or withdrawn.

(e) In addition to and without limiting the generality of clause (a) above, except as would not reasonably be expected to result, individually or together with all of the following events or conditions, in a Material Adverse Effect, each Loan Party will: (i) comply with the applicable provisions of ERISA and the Code with respect to all Plans, (ii) without the prior written consent of Lender, not take any action or fail to take action the result of which would result in a Loan Party incurring a material liability in connection with a Plan to the Internal Revenue Service, the PBGC or to a Pension Plan or Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course), (iii) not participate in any non-exempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code with respect to any Plan, and (iv) operate each Plan in such a manner that will not incur any material tax liability under the IRC (including Section 4980B of the IRC). With respect to each Pension Plan (other than a Multiemployer Plan) except as would not reasonably be expected to result, individually or together with all of the following events or conditions, in a Material Adverse Effect, the Loan Parties and the ERISA Affiliates shall (y) satisfy in full and in a timely manner, without

incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the contribution and funding requirements of the IRC and of ERISA, and (z) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any late payment or underpayment charge or penalty, all premiums required pursuant to ERISA.

(f) Except the extent the failure to do so would not reasonably be expected to result in a Material Adverse Effect, each Loan Party will (i) comply with and perform its obligations under and in respect of each Canadian Pension Plan, including under any funding agreements and all applicable laws and (ii) pay or remit in a timely fashion in accordance with the terms of any funding agreements and all applicable laws all employee or employee contributions or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan.

5.12 Litigation. Section 54 of the Information Certificate(s) discloses all claims, proceedings, litigation or investigations pending or (to the best of each Loan Party's knowledge) threatened against any Loan Party as of the Closing Date. Except for the Chapter 11 Cases, there is no claim, suit, litigation, proceeding or investigation pending or (to the best of each Loan Party's knowledge) threatened by or against or affecting any Loan Party in any court or before any Governmental Authority (or any basis therefor known to any Loan Party) (a) which would reasonably be expected to result, either separately or in the aggregate, in monetary liability in excess of \$3,000,000 for the Loan Parties (other than the Royalty Litigation), except, in the case of this clause (a), for those matters disclosed to Agent in writing within three (3) Business Days (or such later date as Agent may agree in its sole discretion) following the date on which any Senior Officer or Authorized Officer of a Loan Party has actual knowledge thereof, or (b) which could reasonably be expected to result in a Material Adverse Effect.

5.13 Use of Proceeds. All proceeds of all Loans made hereunder and of Letters of Credit issued hereunder shall be used by the Borrowers, solely on or after the Closing Date, (a) to provide working capital for the Loan Parties during their Chapter 11 Cases in accordance with the DIP Orders, and the then applicable Approved Budget (subject to Permitted Variances), and for the financing of the Borrowers' ordinary working capital, letters of credit and other general corporate needs including the payment of certain fees and expenses of professionals retained by the Loan Parties, subject to the Carve-Out, and for certain other prepetition and pre-filing expenses that are approved by the Bankruptcy Court (including adequate protection payments, if any) and permitted by the then applicable Approved Budget (subject to Permitted Variances) and to pay the Prepetition ABL Obligations of the Borrowers, (b) subject to and effective upon the entry of the Interim DIP Order, on the Closing Date, to convert and refinance in full the Indebtedness owing under the Prepetition ABL Credit Agreement as contemplated in Section 1.1(b), (c) subject to and upon entry of the Final DIP Order, convert any and all remaining Prepetition ABL Obligations into Revolving Loans hereunder and (d) for such other purposes not prohibited by the terms of this Agreement. All proceeds of all Loans and Letters of Credit will be used solely for lawful business purposes.

5.14 Insurance.

(a) Each Loan Party will at all times carry property, liability and other insurance, with insurers reasonably acceptable to Agent, in such form and amounts, and with such deductibles and other provisions, as are customary for similarly situated companies and reasonably acceptable to Agent, and upon Agent's request Borrowers will provide Agent with evidence satisfactory to Agent that such insurance is, at all times, in full force and effect. A true and complete listing of such insurance as of the Closing Date, including issuers, coverages and deductibles, is set forth in Section 53 of the Information Certificate(s). Each property insurance policy shall name Agent as lender loss payee and shall, subject to Section 5.28 (or within forty-five (45) days following the date on which any such insurance policy is entered into or effective) (or as Agent may agree in its sole discretion), contain a lender's loss payable endorsement in form acceptable to Agent, each liability insurance policy shall name Agent as an additional insured, and each business interruption insurance policy (if any) shall be collaterally assigned to Agent, all in form and substance reasonably satisfactory to Agent. All policies of insurance shall provide that they may not be cancelled or changed without at least thirty (30) days' prior written notice to Agent (or ten (10) days in the case of cancellation for non-payment of premium),

and shall otherwise be in form and substance reasonably satisfactory to Agent. Borrowers have not received notice from any insurance carrier regarding any intended or threatened cancellation, non-renewal, reduction or material amendment of any insurance policies maintained by any Loan Party. Borrowers shall advise Agent promptly of any policy cancellation, non-renewal, reduction, or material amendment with respect to any insurance policies maintained by any Loan Party or any receipt by any Loan Party of any written notice received after the Closing Date from any insurance carrier regarding any intended or threatened cancellation, non-renewal, reduction or material amendment of any of such policies, and Borrowers shall promptly deliver to Agent copies of all notices and related documentation received by any Loan Party in connection with the same.

(b) Borrowers shall deliver to Agent, as soon as practicable prior to or promptly following the expiration of any then current insurance policies (and in any event, concurrently with each delivery of a Compliance Certificate pursuant to Section 5.15(b)(i)), insurance certificates evidencing renewal of all such insurance policies required by this Section 5.14. Borrowers shall deliver to Agent, upon Agent's request, certificates evidencing such insurance coverage in such form as Agent shall reasonably request. If any Loan Party fails to provide Agent with a certificate of insurance or other evidence of the continuing insurance coverage required by this Agreement within the time period set forth in the first sentence of this Section 5.14(b), Agent may purchase insurance required by this Agreement at Borrowers' expense. This insurance may, but need not, protect any Loan Party's interests.

5.15 Financial, Collateral and Other Reporting / Notices. Each Loan Party has kept and will at all times keep adequate records and books of account with respect to its business activities and the Collateral in which proper entries are made in accordance with GAAP (unless otherwise approved by Agent in its discretion) reflecting all its financial transactions. Each Loan Party will cause to be prepared and furnished to Agent, in each case in a form and in such detail as is acceptable to Agent the following items (the items to be provided under this Section 5.15 shall be delivered to Agent by a form of Approved Electronic Communication approved by Agent or in writing)).

(a) **Annual Financial Statements.** Not later than ninety (90) days after the close of each Fiscal Year (or such later date as Agent may agree in its sole discretion), audited financial statements of each Loan Party as of the end of such Fiscal Year, including balance sheet, income statement, and statement of cash flow for such Fiscal Year, in each case on a consolidated and consolidating basis, audited and certified by PriceWaterhouseCoopers LLP or other firm of independent certified public accountants of recognized standing selected by Borrowers and reasonably acceptable to Agent, together with a copy of any management letter issued in connection therewith. Concurrently with the delivery of such financial statements, Borrowing Agent shall deliver to Agent a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 5.25, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence.

(b) **Interim Financial Statements.**

(i) Not later than thirty (30) days after the end of each fiscal month (or such later date as Agent may agree in its sole discretion), commencing with the fiscal month ending on January 31, 2026, including the last fiscal month of each Fiscal Year, unaudited interim financial statements of each Loan Party as of the end of such fiscal month and of the portion of such Fiscal Year then elapsed, including balance sheet, income statement, statement of cash flow, and results of their respective operations during such fiscal month and the then-elapsed portion of the Fiscal Year, together with comparative figures for the same periods in the immediately preceding Fiscal Year and the corresponding figures from the budget for the Fiscal Year covered by such financial statements, in each case on a consolidated and consolidating basis, certified by an Authorized Officer of Borrowing Agent as prepared in accordance with GAAP (unless otherwise approved by Agent in its discretion) and fairly presenting the consolidated financial position and results of operations (including, upon Agent's request, management discussions and analysis of such results) of each Loan Party for such fiscal month and period subject only to year-end adjustments and the absence of footnotes. Concurrently with the delivery of

such financial statements for any fiscal month, Borrowing Agent shall deliver to Agent a Compliance Certificate, indicating whether any Default or Event of Default is then in existence.

(ii) Not later than forty-five (45) days after the end of each fiscal quarter (or such later date as Agent may agree in its sole discretion), commencing with the fiscal quarter ending on December 31, 2025, including the last fiscal month of each Fiscal Year, unaudited interim financial statements of each Loan Party as of the end of such fiscal quarter and of the portion of such Fiscal Year then elapsed, including balance sheet, income statement, statement of cash flow, and results of their respective operations during such fiscal quarter and the then-elapsed portion of the Fiscal Year, together with comparative figures for the same periods in the immediately preceding Fiscal Year and the corresponding figures from the budget for the Fiscal Year covered by such financial statements, in each case on a consolidated and consolidating basis, certified by an Authorized Officer of Borrowing Agent as prepared in accordance with GAAP (unless otherwise approved by Agent in its discretion) and fairly presenting the consolidated financial position and results of operations (including, upon Agent's request, management discussions and analysis of such results) of each Loan Party for such fiscal quarter and period subject only to year-end adjustments and the absence of footnotes.

(c) Borrowing Base / Collateral Reports / Insurance Certificates / Information Certificate(s) / Other Items.

(i) The items described on Schedule D hereto by the respective dates set forth therein (or, in each case, such later date as Agent may agree in its sole discretion).

(ii) Concurrently with the delivery of the unaudited financial statements described in Section 5.15(b)(ii) with respect to each fiscal quarter ending June 30 and December 31 of each Fiscal Year (or such later date as Agent may agree in its sole discretion), or more frequently at the Loan Parties' election or as otherwise required by this Agreement, an updated Information Certificate (or a supplement to the most recently delivered Information Certificate) in substantially the same form as that delivered to Agent on or prior to the Closing Date (or such other form as may be acceptable to Agent). It is understood and agreed that any representation or warranty made at any time under this Agreement which references an Information Certificate (or any Section or component thereof and any information contained therein), shall be deemed made as of the date of the most recently delivered Information Certificate.

(d) Projections, Etc.

(i) Not later than thirty (30) days prior to the end of each Fiscal Year (or such later date as Agent may agree in its sole discretion), monthly business projections for the following Fiscal Year for the Loan Parties on a consolidated and consolidating basis, which projections shall include for each such period Borrowing Base projections, profit and loss projections, balance sheet projections, income statement projections and cash flow projections, together with appropriate supporting details and a statement of underlying assumptions used in preparing such projections.

(ii) [Reserved].

(e) **Shareholder Reports, Etc.** To the extent the following are not publicly available on the website of a Loan Party or on the website of the SEC, promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports which each Loan Party has made available to its shareholders and copies of any regular, periodic and special reports or registration statements which any Loan Party files with the SEC or any Governmental Authority which may be substituted therefor, or any national securities exchange.

(f) **ERISA Reports; Canadian Pension Events.** Copies of any annual report required to be filed pursuant to the requirements of ERISA by a Loan Party in connection with each Pension Plan maintained by a Loan Party subject thereto promptly upon request by Agent and in addition, each Loan Party shall promptly

notify Agent upon having knowledge of any ERISA Event or any Canadian Pension Event that could reasonably be expected to result in a Material Adverse Effect.

(g) **Tax Returns.** Upon request from Agent, each federal, provincial, territorial and state income tax return filed by any Loan Party promptly, together with such supporting documentation as is supplied to the applicable tax authority with such return and proof of payment of any amounts owing with respect to such return (except where the non-payment of which is excused, permitted, or required by the Bankruptcy Code).

(h) **Notification of Certain Changes.** Borrowers will promptly (and in no case later than the earlier of (x) five (5) Business Days after the date any Loan Party becomes aware of any of the following (or such later date as Agent may agree in its sole discretion) and (y) such other date that such information is required to be delivered pursuant to this Agreement or any other Loan Document) notify Agent in writing of: (i) the occurrence of any Default or Event of Default, (ii) the occurrence of any event that has had, or could reasonably be expected to result in, a Material Adverse Effect, (iii) any change in any Loan Party's Senior Officers or directors, (iv) any suit, proceeding or claim (or any development with respect to any existing suit, proceeding or claim) relating to any Loan Party, any officer or director of a Loan Party relating to his or her capacity as an officer or director of a Loan Party, the Collateral or which could reasonably be expected to have a Material Adverse Effect, (v) any violation or asserted violation of any applicable law (including OSHA or any Environmental Laws), if an adverse resolution could reasonably be expected to have a Material Adverse Effect or otherwise result in material liability to any Loan Party, (vi) any other event or the existence of any circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect, (vii) any actual breaches of any Material Contract or termination of any Material Contract or any material amendment to or modification of a Material Contract, or the execution of any new Material Contract by any Loan Party and (viii) Borrowers' receipt or knowledge of any material finding, ruling, decision or determination with respect to the Royalty Litigation (and Borrowers shall deliver to Agent copies of all material documents received in connection with the same), and (ix) Borrowers' receipt or knowledge of any material pleading, filing or other document in connection with the Royalty Litigation (and Borrowers shall deliver to Agent copies of all material documents received in connection with the same); *provided*, that (A) the Loan Parties and their Subsidiaries shall not be required to disclose, provide or discuss any document, information or other matter (i) the disclosure of which is prohibited by applicable laws, rules or regulations, or (ii) that is subject to the attorney-client privilege or that constitutes attorney work product and (B) any disclosure required pursuant to this Section 5.15(h) shall be subject to Section 10.17 of this Agreement. In the event of each such notice under this Section 5.15(h), Borrowers shall give notice to Agent of the action or actions that each Loan Party has taken, is taking, or proposes to take with respect to the event or events giving rise to such notice obligation.

(i) **Canadian Pension Plan.** Promptly after any Borrower knows of the occurrence of: (i) any violation of any applicable law (including any applicable provincial pension benefits legislation) in any respect with respect to any Canadian Pension Plan that could reasonably be expected to result in a Material Adverse Effect; or (ii) any Canadian Pension Event that could reasonably be expected to result in a Material Adverse Effect, the applicable Borrower will deliver to Agent a certificate of a Senior Officer of the applicable Borrower setting forth details as to such occurrence and the action, if any, that such Borrower is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by such Borrower.

(j) **[Reserved].**

(k) **Other Information.** Promptly upon written request from Agent to Borrowing Agent, such other data and information (financial and otherwise) as Agent, from time to time, may reasonably request, bearing upon or related to the Collateral or each Loan Party's business or financial condition or results of operations.

(l) **Approved Budget; Variance Reports.** The Borrowing Agent will:

(i) Use the Revolving Loans and other extensions of credit by the Borrowers under this Agreement and the other Loan Documents in accordance with the Approved Budget (subject to Permitted Variances).

(ii) Deliver to Agent, for further distribution to the Lenders, on or before 5:00 p.m. (New York City time) commencing on February [13], 2026, and on every second Friday thereafter, the Approved Budget. The initial Approved Budget shall be approved by, and be in form and substance reasonably acceptable to, the Agent (it being acknowledged and agreed that the initial Approved Budget attached hereto as Exhibit K is approved by and acceptable to the Agent in form and substance). The Approved Budget shall be updated, modified or supplemented by the Loan Parties from time to time with the written consent of the Agent and upon the request of the Agent, but in any event the Approved Budget shall be updated by the Loan Parties not less than one time in each two (2) consecutive week period, and each such updated, modified or supplemented budget shall be approved in writing by (which may be via email), and shall be in form and detail consistent with the most recently delivered Approved Budget (with such variations as the Agent and Borrowers may mutually agree) and shall be in form and substance reasonably satisfactory to the Agent (it being understood that the Approved Budget attached hereto as Exhibit K is in form acceptable to the Agent), and no such updated, modified or supplemented budget shall be effective until so approved and once so approved shall be deemed an Approved Budget and shall supersede and replace the most recent prior Approved Budget for all purposes hereunder. Each Approved Budget delivered to the Agent shall be accompanied by such supporting documentation as reasonably requested by the Agent. Each Approved Budget shall be prepared in good faith based upon assumptions which the Loan Parties believe to be reasonable.

(iii) Deliver to Agent, for further distribution to the Lenders, on or before 5:00 p.m. (New York City time) on each Variance Testing Test Date, a Variance Report as of the most recent Variance Test As Of Date.

5.16 Agent Advisors. The Agent, on behalf of itself and the Lenders, shall be entitled to retain or continue to retain (either directly or through counsel) the Agent Advisors. The Loan Parties shall pay all reasonable and documented fees and reasonable and documented out-of-pocket expenses of each Agent Advisor and all such fees and expenses shall constitute Obligations and be secured by the Collateral. The Loan Parties and their advisors, including the Financial Advisor, shall grant reasonable access during normal business hours to, and reasonably cooperate in all respects with, the Agent, the Lenders and the Agent Advisors, and shall work in good faith to provide all information that such parties may request in a timely manner, *provided*, that (A) the Loan Parties and their Subsidiaries shall not be required to disclose, provide or discuss any document, information or other matter (i) the disclosure of which is prohibited by applicable laws, rules or regulations, or (ii) that is subject to the attorney-client privilege or that constitutes attorney work product and (B) any disclosure or other provision of information required pursuant to this Section 5.16 shall be subject to Section 10.17 of this Agreement.

5.17 Litigation Cooperation. Should any third-party suit, regulatory action, or any other judicial, administrative, or similar proceeding be instituted by or against Agent or any Lender with respect to any Collateral or in any manner relating to any Loan Party, this Agreement, any other Loan Document or the transactions contemplated hereby, each Loan Party shall, without expense to Agent or any Lender, make available each Loan Party, such Loan Party's officers, employees and agents, and any Loan Party's books and records, without charge, to the extent that Agent may deem them reasonably necessary in order to prosecute or defend any such suit or proceeding.

5.18 Maintenance of Collateral, Etc. Each Loan Party will maintain all of the Collateral in good working condition, ordinary wear and tear and casualty events excepted, and no Loan Party will use the Collateral for any unlawful purpose.

5.19 Material Contracts. Except as expressly disclosed in Section 57 of the Information

Certificate(s), no Loan Party is (a) a party to any contract which has had or could reasonably be expected to have a Material Adverse Effect or (b) in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any contract to which it is a party or by which any of its assets or properties is bound, which default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect (a “**Material Contract**”).

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

5.21 No Material Adverse Change. Since the Petition Date, there has been no material adverse change in the financial condition, business, operations, or properties of any Loan Party.

5.22 Full Disclosure. All written reports, notices, certificates, information or other statements delivered or made (including, in electronic form) by or on behalf of any Loan Party or any Subsidiary of a Loan Party to Agent or any Lender in connection with this Agreement or any other Loan Document, taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein not misleading as of the date such information is dated or certified (or if not dated or certified as of a certain date, as of the date delivered to Agent). Except for matters of a general economic or political nature which do not affect any Loan Party uniquely, there is no fact presently known to any Loan Party regarding its or its Subsidiaries business or operations which has not been disclosed to Agent or any Lender, which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.23 Sensitive Payments.

(a) Each Loan Party (i) is in compliance in all material respects with applicable anti-corruption and anti-bribery laws which, among other things, prohibit contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the applicable laws of the United States, Canada or the jurisdiction in which made or any other applicable jurisdiction, and (ii) is in compliance in all material respects with the foreign assets control regulations (including those implementing the Trading with the Enemy Act) and other similar applicable Sanctions rules or regulations enforced by the U.S. Treasury, OFAC or any similar applicable laws, rules or regulations applicable to such Loan Party, including any Canadian anti-terrorism or Anti-Corruption Laws.

Notwithstanding anything in this Agreement, including but not limited to the representations made under this Section 5.23, nothing in this Agreement shall require any Loan Party, or any director, officer, employee or agent of the foregoing, to commit an act or omissions that contravenes the Foreign Extraterritorial Measures Act (Canada) or any Order promulgated thereunder, any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom, section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverordnung), or any similar blocking or anti-boycott law in Canada, the European Union, or the United Kingdom.

(b) No Loan Party organized under the laws of Canada or any province, territory or other political subdivision thereof is a charity registered with the Canada Revenue Agency and no such Loan Party solicits charitable financial donations from the public and none of the Loans under this Agreement and none of the other services and products, if any, to be provided by Agent or any Lender under or in connection with this Agreement will be used by, on behalf of or for the benefit, of any Person other than the Loan Parties.

5.24 Chapter 11 Cases; DIP Orders.

(a) The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable law and proper notice thereof was given for (i) the motion seeking approval of the Loan Documents and the Interim DIP Order and Final DIP Order, and (ii) the hearing for the entry of the Interim DIP Order. The

Debtors shall give, on a timely basis as specified in the Interim DIP Order or the Final DIP Order, as applicable, all notices required to be given to all parties specified in the Interim DIP Order or Final DIP Order, as applicable.

(b) After the entry of the Interim DIP Order, and pursuant to and to the extent permitted in the Interim DIP Order and the Final DIP Order, subject in all respects to the Carve-Out, the Obligations will constitute allowed administrative expense claims in the Chapter 11 Cases having priority over all administrative expense claims and unsecured claims against the Loan Parties now existing or hereafter arising, of any kind whatsoever, including all administrative expense claims of the kind specified in Sections 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, and 1114 of the Bankruptcy Code and the Chapter 11 Cases were commenced on the Petition Date in accordance with applicable law. The Debtors shall give, on a timely basis as specified in the Interim DIP Order or the Final DIP Order, as applicable, all notices required to be given to all parties specified in the Interim DIP Order or Final DIP Order, as applicable, any other provision of the Bankruptcy Code or otherwise, as provided under Section 364(c)(1) of the Bankruptcy Code, subject to the Carve-Out and the priorities set forth in the Interim DIP Order or Final DIP Order, as applicable.

(c) After the entry of the Interim DIP Order, and pursuant to and to the extent provided in the Interim DIP Order and the Final DIP Order, the Obligations will be secured by a valid and perfected Lien on all of the Collateral of the U.S. Loan Parties with the priority set forth in the Interim DIP Order and the Final DIP Order, as applicable.

(d) The Interim DIP Order (with respect to the period on and after entry of the Interim DIP Order and prior to entry of the Final DIP Order) or the Final DIP Order (with respect to the period on and after entry of the Final DIP Order), as the case may be, is in full force and effect and has not been reversed, stayed (whether by statutory stay or otherwise), modified or amended (in the case of modification or amendment, in any manner adverse to the Agent or Lenders) without the Agent's consent. The Debtors are in compliance in all material respects with the DIP Orders.

(e) Notwithstanding the provisions of Section 362 of the Bankruptcy Code, and subject to the applicable provisions of the Interim DIP Order or the Final DIP Order (including the Remedies Notice Period and the Carve-Out), upon the maturity (whether by acceleration or otherwise) of any of the Obligations, the Agent and the Lenders shall be entitled to immediate payment of such Obligations and to enforce the remedies provided for hereunder or under applicable law, without further notice, motion or application to, hearing before, or order from, the Bankruptcy Court.

5.25 Negative Covenants. No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, without the Required Lenders' prior written consent:

(a) merge, amalgamate or consolidate with another Person, except that any Foreign Subsidiary may merge, amalgamate or be consolidated with or into any other Foreign Subsidiary; provided that, immediately after giving effect to any such proposed transaction no Default or Event of Default would exist;

(b) enter into any transaction outside the ordinary course of business that is not expressly permitted by this Agreement (other than in connection with the Chapter 11 Cases or otherwise approved by the Bankruptcy Court);

(c) dissolve or elect to dissolve;

(d) engage, directly or indirectly, in a business other than the business which is being conducted on the date hereof or any business reasonably related, incidental or ancillary thereto, wind up its business operations or cease substantially all, or any material portion, of its normal business operations, or suffer any material disruption, interruption or discontinuance of a material portion of its normal business operations;

(e) enter into any transaction with an Affiliate other than (i) transactions between or among Loan Parties expressly permitted by this Agreement, (ii) transactions on arms-length terms in the ordinary course of business in a manner consistent with past practices and (iii) transactions permitted pursuant to the DIP Orders or disclosed in any First Day pleadings, or entry into and transactions contemplated by the RSA;

(f) change its jurisdiction of organization or incorporation or enter into any transaction which has the effect of changing its jurisdiction of organization or incorporation except as provided for in Section 5.25(a);

(g) other than as may be approved by the Bankruptcy Court or contemplated by the DIP Orders, agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any Loan Party's Organic Documents, except for such amendments or other modifications required by applicable law or that are not adverse to Agent or Lenders, and then, only to the extent such amendments or other modifications are fully disclosed in writing to Agent no less than five (5) Business Days prior to being effectuated;

(h) enter into or assume any agreement prohibiting the creation or assumption of any Lien on the Collateral to secure the Obligations upon its properties or assets, whether now owned or hereafter acquired;

(i) agree, consent, permit or otherwise undertake to amend or otherwise modify any of the terms or provisions of any governing documentation evidencing the Senior Secured Notes in violation of the RSA or DIP Orders;

(j) (i) divide or enter into any plan of division pursuant to section 18-217 of the Delaware Limited Liability Company Act or any similar statute or provision under any applicable law or otherwise, (ii) dispose of any property through a plan of division under the Delaware Limited Liability Company Act or any comparable transaction under any similar law or (iii) make any payment or distribution pursuant to a plan of division under the Delaware Limited Liability Company Act or any comparable transaction under any similar law;

(k) create, assume, incur, suffer to exist, or in any manner become liable, directly, indirectly, or contingently in respect of, any Indebtedness other than the following (collectively, the "***Permitted Indebtedness***"):

(i) the Obligations and, if applicable, the Prepetition ABL Obligations;

(ii) Indebtedness existing on the Closing Date (other than the Senior Secured Notes) and described in Section 49 of the Information Certificate(s) and extensions, refinancings, refundings, replacements and renewals of any such Indebtedness subject to the last sentence of this Section 5.25(k);

(iii) intercompany Indebtedness incurred by any Loan Party owing to any other Loan Party; so long as such Indebtedness is also permitted as an Investment under Section 5.25(m); provided that, to the extent such Indebtedness is evidenced by an unsecured intercompany note, the Agent shall, subject to the DIP Orders, have a first priority Lien in such intercompany note and the receivable evidenced thereby;

(iv) purchase money debt or Capitalized Leases (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last paragraph of this Section 5.25(k), and including those described in Section 49 of the Information Certificate) (A) incurred in connection with the Jacksboro Project in an aggregate outstanding principal amount, in the case of this clause (A), not to exceed \$20,000,000, and (B) other purchase money debt or Capitalized Leases in an aggregate outstanding principal amount, in the case of this clause (B), not to exceed \$12,000,000 at any time;

(v) Indebtedness arising from the endorsement of instruments for collection in the ordinary course of business;

(vi) intercompany Indebtedness incurred by any Foreign Subsidiary that is not a Loan Party and owing to any Loan Party or Subsidiary; provided that, the aggregate outstanding amount of all Indebtedness pursuant to this Section 5.25(k)(vi) (taken together with the aggregate amount of all investments in Foreign Subsidiaries made in reliance on Section 5.25(m)(iv)) does not exceed \$10,000,000;

(vii) [reserved];

(viii) any guaranty of Indebtedness so long as such underlying Indebtedness is otherwise permitted hereunder;

(ix) Indebtedness arising from the financing of insurance premium of any Loan Party or any Subsidiary consistent with past practices, so long as (i) such Indebtedness shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the underlying term of such insurance policy, (ii) any unpaid amount of such Indebtedness is fully cancelled upon termination of the underlying insurance policy, and (iii) the aggregate principal amount of Indebtedness outstanding pursuant to this clause (k)(ix) shall not exceed \$15,000,000 at any time;

(x) secured Indebtedness not otherwise permitted under the preceding provisions of this Section 5.25(k) (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 5.25(k)); provided that, (i) the aggregate principal amount of such Indebtedness shall not exceed \$10,000,000 at any time and (ii) such Indebtedness shall be secured by cash of the Loan Parties solely to the extent permitted by the DIP Orders;

(xi) unsecured Indebtedness not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 5.25(k)); provided that, the aggregate outstanding principal amount of Indebtedness permitted under this clause (k)(xi) shall not exceed, at the time such Indebtedness is incurred (after giving effect to the incurrence thereof), \$20,000,000;

(xii) unsecured Indebtedness constituting earn-out obligations, contingent obligations or similar obligations of any Loan Party or Subsidiary arising from or relating to the FracTech Acquisition;

(xiii) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business and in an aggregate amount not to exceed \$3,000,000 at any time outstanding;

(xiv) Indebtedness in respect of the Senior Secured Notes in an aggregate principal amount at any time outstanding not to exceed \$300,000,000 (plus accrued interest, fees and similar amounts incurred thereon); and

(xv) Indebtedness (A) in respect of the Existing JPM Letters of Credit (but not, for the avoidance of doubt, any increase, extension or renewal thereof) and (B) in an aggregate amount not to exceed \$1,500,000 in respect of cash management arrangements, employee credit card programs and purchasing card programs incurred in the ordinary course of business.

Any amendments to or extensions, refinancings, refundings, replacements and renewals of Indebtedness as permitted above in this Section 5.25(k) shall be subject to the following conditions: (A) any such refinancing Indebtedness is in an aggregate principal amount not greater than the aggregate principal amount of the Indebtedness being renewed or refinanced, plus the amount of any premiums required to be paid thereon and

reasonable fees and expenses associated therewith and an amount equal to any unutilized active commitment under the Indebtedness being renewed or refinanced and (B) the covenants, events of default, subordination and other provisions thereof (including any guarantees thereof but excluding, for the avoidance of doubt pricing, interest rates and fees) shall be, in the aggregate, no less favorable to the Loan Parties and their Subsidiaries than those contained in the Indebtedness being amended, renewed or refinanced; provided that, the foregoing conditions are not, and shall not be construed as, an increase in any dollar limit already provided in Section 5.25(k) above nor an amendment of any specific requirement set forth in Section 5.25(k) above, including the specific requirements under clause (vii) above.

Notwithstanding the foregoing, (i) no Loan Party or any of its Subsidiaries shall incur any Indebtedness pursuant to clauses (iv), (x) or (xi) above on or after the Petition Date unless such Indebtedness is contemplated by the Approved Budget and (ii) except for the Carve-Out or as otherwise expressly provided for in the Interim DIP Order or Final DIP Order, no Indebtedness permitted under this Section 5.25(k) shall be permitted to have an administrative expense claim status under the Bankruptcy Code senior to or pari passu with the superpriority administrative expense claims of (A) the Agent and the Lenders and (B) the Prepetition ABL Agent and the Prepetition ABL Lenders, in each case, as set forth herein and in the applicable DIP Order.

(l) create, assume, incur, or suffer to exist any Lien on the property of any Loan Party or any Subsidiary, whether now owned or hereafter acquired, or assign any right to receive any income, other than the following (collectively, the “*Permitted Liens*”):

(i) Liens securing the Obligations pursuant to this Agreement and the other Loan Documents or Liens granted to, or for the benefit of, the Prepetition ABL Agent to secure the Prepetition ABL Obligations or Liens securing the Carve-Out;

(ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s liens, landlord’s liens and other similar liens, and such Liens granted under contract with such materialmen, mechanic, carrier, workmen, repairmen and landlord, in any case, arising in the ordinary course of business securing obligations which are not overdue for a period of more than thirty (30) days or are being contested in good faith by appropriate procedures or proceedings and for which adequate reserves have been established;

(iii) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(iv) Liens for taxes, assessments, or other governmental charges which are not yet due and payable, (i) which are being actively contested in good faith by appropriate proceedings and for which adequate reserves have been established in compliance with GAAP or (ii) the non-payment of which is excused, permitted, or required by the Bankruptcy Code;

(v) undetermined or inchoate Liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised, or of which written notice has not been duly given in accordance with applicable law or which although filed or registered, relate to obligations not due or delinquent or, if due, the validity of such Lien is being contested in good faith by appropriate actions diligently conducted;

(vi) Liens securing purchase money debt or Capitalized Lease obligations permitted under Section 5.25(k)(iv); provided that, each such Lien encumbers only the property purchased in connection with the creation of any such purchase money debt or the subject of any such Capitalized Lease, and all proceeds thereof (including insurance proceeds);

(vii) Liens arising from PPSA or precautionary UCC financing statements regarding operating leases;

(viii) encumbrances consisting of easements, zoning restrictions, servitudes or other restrictions on the use of real property that do not (individually or in the aggregate) materially affect the value of the assets encumbered thereby or materially impair the ability of any Loan Party to use such assets in its business;

(ix) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and burdening only Deposit Accounts or other funds maintained with a depository institution;

(x) Liens on cash or securities with an aggregate value not to exceed \$3,000,000 pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;

(xi) judgment and attachment Liens not giving rise to an Event of Default, provided that, (x) any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and (y) no action to enforce such Lien has been commenced;

(xii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business or Liens arising by operation of law under Article 2 of the UCC or by contract in favor of a reclaiming seller of goods or buyer of goods (including purchase money security interests in favor of vendors in the ordinary course of business);

(xiii) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(xiv) Lien arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by applicable law as a condition to the transaction of any business or the exercise of any privilege or license;

(xv) Liens created pursuant to joint venture agreements and related documents (to the extent requiring a Lien on the Equity Interest owned by the Company, a Loan Party or a Subsidiary in the applicable joint venture is required thereunder) having ordinary and customary terms (including with respect to Liens) and entered into in the ordinary course of business and securing obligations other than Indebtedness;

(xvi) Liens encumbering property of the Loan Parties and their Subsidiaries which is not Collateral (as defined in the Security Agreements) or property required to be Collateral under Section 3.1 and/or Section 3.3 and securing Indebtedness permitted under Section 5.25(k)(x);

(xvii) Liens encumbering properties not constituting Collateral (as defined in the Security Agreements) of Foreign Subsidiaries securing Indebtedness permitted under Section 5.25(k)(vi);

(xviii) Liens on property of a Person which becomes a Subsidiary after the date hereof, to the extent that (i) such Liens are in existence at the time such Person becomes a Subsidiary and were not created in anticipation thereof and (ii) the Indebtedness secured by such Liens does not thereafter increase in amount;

(xix) Liens existing as of the date hereof and described in Section 50 of the Information Certificate;

(xx) Liens on cash (A) to cash collateralize up to 105% of the stated amount of the Existing JPM Letters of Credit as of the Closing Date (without giving effect to any increase, extension or renewal thereof) and (B) to secure Indebtedness permitted under Section 5.25(k)(xv);

(xxi) Liens to secure Indebtedness permitted under Section 5.25(k)(xiv); provided that (x) to the extent such Indebtedness is secured by Liens on the ABL Priority Collateral, such Liens shall be on a junior lien basis to the Liens securing the Obligations as provided in the DIP Orders, and (y) to the extent such Indebtedness is secured by Liens on the Notes Priority Collateral, the Obligations shall be secured on a junior lien basis by the Notes Priority Collateral as provided in the DIP Orders];

(xxii) Liens arising under federal or provincial pension standards legislation in Canada in respect of a Canadian Pension Plan for amounts required to be remitted but not yet due;

(xxiii) the (i) Prepetition Adequate Protection Liens and (ii) the Prepetition Adequate Protection 507(b) Claims; and

(xxiv) The permitted existence of any Permitted Liens or any other Liens shall not be interpreted to expressly or impliedly subordinate any Liens granted in favor of the Agent, for the benefit of the Lenders, as there is no intention to subordinate the Liens granted in favor of the Agent for the benefit of the Lenders;

(m) make or hold any Investment other than the following (collectively, the “*Permitted Investments*”):

(i) Investments in the form of trade credit to customers of a Loan Party or a Subsidiary arising in the ordinary course of business and represented by accounts from such customers;

(ii) Liquid Investments;

(iii) Investments made prior to the Closing Date as specified Section 51 of the Information Certificate;

(iv) Investments by any Loan Party in any other Loan Party;

(v) [Reserved];

(vi) Investments consisting of the creation and de minimis (on both an individual basis and on an aggregate basis with any other entities capitalized pursuant to this clause (m)(vi)) initial capitalization of any additional Subsidiaries in compliance with Section 3.3;

(vii) [Reserved];

(viii) Investments (including debt obligations and Equity Interests) and other assets received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement or delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or received upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(ix) Investments in the form of mergers, amalgamations and consolidations of Loan Parties and their Subsidiaries in compliance with Section 5.25(a); provided that, if such Investment involves a Subsidiary, such Investment otherwise complies with this Agreement, including Section 3.3;

(x) [Reserved]; and

(xi) [Reserved];

(n) make an acquisition in a single transaction or related series of transactions of (1) all or substantially all of the assets of a Person or a line of business of such Person or (2) all of the outstanding capital stock or other Equity Interests of a Person;

(o) create, incur, assume or permit to exist any contract, agreement or understanding which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its property, whether now owned or hereafter acquired, to secure the Obligations or restricts any Subsidiary from paying Restricted Payments to any Borrower or Loan Party, or which requires the consent of or notice to other Persons in connection therewith other than;

(i) the Loan Documents and the Prepetition ABL Loan Documents;

(ii) agreements governing Indebtedness permitted by Section 5.25(k)(xiv);

(iii) agreements governing Indebtedness permitted by Section 5.25(k)(iv) to the extent such restrictions govern only the assets financed pursuant to such Indebtedness and the proceeds thereof;

(iv) any prohibition or limitation that (x) exists pursuant to applicable requirements of a Governmental Authority, (y) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of the Company or a Subsidiary and customary provisions in other contracts restricting assignment thereof, or (z) exists in any agreement in effect at the time a Subsidiary becomes a Subsidiary of the Company, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary;

(v) any prohibition or limitation that exists in any contract to which a Loan Party is a party on the date hereof so long as (y) such prohibition or limitation is generally applicable and does not specifically address any of the Obligations or the Liens granted under the Loan Documents, and (z) the noncompliance of such prohibition or limitation would not reasonably be expected to be adverse to Agent; and

(vi) agreements governing Indebtedness permitted by Section 5.25(k)(x);

(p) make a disposition other than:

(i) disposition by any Subsidiary (other than a Loan Party) of any of its properties to any Loan Party; provided that, at the reasonable request of Agent, the receiving Loan Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to Agent;

(ii) disposition by any Loan Party of any of its properties to any other Loan Party; provided that (y) any disposition by a U.S. Loan Party to a Canadian Loan Party must be made in the ordinary course of business and (z) at the reasonable request of Agent, the receiving Loan Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to Agent;

(iii) sale of Inventory in the ordinary course of business and disposition of cash or Liquid Investments in the ordinary course of business;

(iv) disposition of worn out, obsolete or surplus property in the ordinary course of business and the abandonment or other disposition of Intellectual Property that, in the reasonable judgment of the Loan Parties, should be replaced or is no longer economically practicable to maintain or useful in the conduct of the business of the Loan Parties and their Subsidiaries taken as a whole;

(v) mergers, amalgamations and consolidations in compliance with Section 5.25(a);

(vi) assignments and licenses of Intellectual Property of any Loan Party or Subsidiary in the ordinary course of business;

(vii) disposition of any assets required under Legal Requirements;

(viii) dispositions of Equipment by any Loan Party in the ordinary course of business the proceeds of which are reinvested in the acquisition of Equipment of comparable value and type within ninety (90) days and on which Agent has a Lien;

(ix) dispositions of Equipment by any Foreign Subsidiary in the ordinary course of business;

(x) [reserved];

(xi) leases of real or personal property in the ordinary course of business;

(xii) dispositions of property permitted by Section 5.25(s); and

(xiii) [reserved];

(q) make any Restricted Payments except that:

(i) (y) the Subsidiaries of a Borrower may make Restricted Payments to another Borrower or any other Loan Party, and (z) the Foreign Subsidiaries may make Restricted Payments to any Loan Party;

(ii) [Reserved];

(iii) [Reserved];

(iv) [Reserved]; and

(v) [Reserved];

(r) make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

(i) payment of Indebtedness created under the Loan Documents;

(ii) payment of scheduled payments, required payments and redemptions as and when due in respect of any Indebtedness permitted under Section 5.25(k), solely to the extent contemplated by the Interim DIP Order or Final DIP Order and in accordance with the Approved Budget;

(iii) refinancings of Indebtedness to the extent permitted by Section 5.25(k) and solely to the extent contemplated by the Approved Budget;

(iv) [Reserved]

(v) [Reserved]; and

(vi) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness to the extent such sale or transfer is permitted by the terms of Section 5.25(p) and solely to the extent contemplated by the Approved Budget;

(s) sell or transfer to a Person any property, whether now owned or hereafter acquired, if at the time or thereafter the Company or a Subsidiary shall lease as lessee such property or any part thereof or other property which the Company or a Subsidiary intends to use for substantially the same purpose as the property sold or transferred; provided that, the Loan Parties and their Subsidiaries may effect such transactions with property that is not Collateral so long as such transactions do not exceed \$10,000,000 in the aggregate during the term hereof and if such Loan Party or Subsidiary is a Foreign Subsidiary, the cash proceeds of such transaction are distributed or otherwise transferred to a Loan Party for repayment of Loans pursuant to Section 4.1; and

(t) (y) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Swap Agreement for speculative purposes; or (z) be party to or otherwise enter into any Swap Agreement which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the Borrowers' or their Subsidiaries' operations; provided that, for the avoidance of doubt, any Loan Party or Subsidiary may enter into Swap Agreement (A) to mitigate risk to which such Loan Party or Subsidiary has actual exposure, (B) to effectively cap, collar or exchange interest rates (from floating to fixed rates, from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or Investment of any Loan Party or any Subsidiary and (C) consisting of spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes.

5.26 Minimum Excess Availability. Each Borrower shall not permit Excess Availability to be less than \$5,000,000, with such covenant to be tested (and Excess Availability to be measured) as of each date the Borrowing Agent delivers a Borrowing Base Certificate required pursuant to Section 5.15(c)(i) (or on the last permissible date for which the Borrowing Agent is required to deliver such Borrowing Base Certificate if no such Borrowing Base Certificate has been delivered on or prior to such date).

5.27 Employee and Labor Matters. There is (a) no unfair labor practice complaint pending or, to the knowledge of any Borrower, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no labor grievance or labor arbitration proceeding pending or threatened in writing against any Loan Party or its Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a Material Adverse Effect, (b) no strike, labor dispute, concerted slowdown or stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect, or (c) to the knowledge of any Borrower, after due inquiry, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of any Loan Party or its Subsidiaries. None of any Loan Party or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Loan Party and its Subsidiaries are not in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance have been paid or accrued as a liability on the books of Borrowers, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

5.28 [Reserved].

5.29 Variance Test. Subject to the Permitted Variances, permit, in respect of any Variance Test Period, the actual Operating Disbursements to exceed the Operating Disbursements projected in the Approved Budget as in effect as of the last day of such Variance Test Period (and not, for the avoidance of doubt, the Approved Budget required to be delivered on the last day of such Variance Test Period) (the “*Variance Test*”). The Variance Test shall be determined on each Variance Testing Test Date.

5.30 Milestones. Each Loan Party shall ensure that each of the milestones set forth below (the “*Milestones*”) is achieved in accordance with the applicable timing referred to below (which timing may, in each case, be extended with the written consent of the Agent (which consent may be via email to the extent acceptable to the Agent)); provided that when the performance of any covenant, duty or obligation is stated to be due or performance required under this Section 5.30 falls on a day which is not a Business Day, the date of such performance shall extend to the immediately succeeding Business Day:

(a) no later than 11:59 p.m. (Eastern Time) on March 16, 2026, subject to Bankruptcy Court availability, the Bankruptcy Court shall have entered the Final DIP Order and the Confirmation Order; and

(b) no later than 11:59 p.m. (Eastern Time) on March 31, 2026, the effective date of the Chapter 11 Plan shall have occurred and all the restructuring transactions contemplated therein shall have been implemented and consummated, including the payment in full of the Obligations (including by means of the cashless rollover of the Obligations into the Exit ABL Facility as contemplated pursuant to Section 1.14).

5.31 Lender Meetings. Upon reasonable advance written notice by Agent, the Loan Parties shall arrange for conference calls with the Agent to be held at reasonable, mutually agreed times during normal business hours, which calls shall occur not more frequently than once per calendar week, discussing and analyzing the Approved Budget, the Variance Report, the financial condition, business operations, liquidity, business plan, contract negotiations and projections of each of the Loan Parties, the status of the Chapter 11 Cases and progress in achieving the Milestones. The Loans Parties shall make members of its management with appropriate seniority and subject matter expertise available for such conference calls.

5.32 Additional Bankruptcy Matters. No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, without the Required Lenders’ prior written consent:

(a) assert or prosecute any claim or cause of action against any of the Loan Parties (in their capacities as such), unless such claim or cause of action is in connection with the enforcement of the Loan Documents against the Agent or the Lenders;

(b) propose, support or have a plan of reorganization or liquidation (other than the Chapter 11 Plan) that does not provide for the payment in full in cash (or exchange into loans under the Exit ABL Facility) in full satisfaction of all Obligations on the effective date of such plan in accordance with the terms and conditions set forth in the Loan Documents;

(c) obtain post-petition loans or other financial accommodations pursuant to Section 364(c) or 364(d) of the Bankruptcy Code, other than as expressly provided for in the Interim DIP Order or as may be otherwise expressly permitted pursuant to the Loan Documents; or

(d) except as provided for in the Interim DIP Order, challenge, contest or otherwise seek to impair or object to the validity, extent, enforceability or priority of the Agent's post-petition liens and claims.

6. LIMITATION OF LIABILITY AND INDEMNITY.

6.1 Limitation of Liability. In no circumstance will Agent, any Lender, any Participant, any of their respective successors and assigns, any of their respective Affiliates, or any of their respective directors,

officers, employees, attorneys or agents (the “**Released Parties**”) be liable for lost profits or other special, punitive, or consequential damages. Notwithstanding any provision in this Agreement to the contrary, this Section 6.1 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Loans.

6.2 Indemnity/Currency Indemnity.

(a) Each Loan Party hereby agrees to indemnify the Released Parties and hold them harmless from and against any and all claims, debts, liabilities, losses, demands, obligations, actions, causes of action, fines, penalties, costs and expenses (including reasonable attorneys’ fees and consultants’ fees), of every nature, character and description (including, without limitation, natural resources damages, property damage and claims for personal injury), which the Released Parties may sustain or incur based upon or arising out of any of the transactions contemplated by this Agreement or any other Loan Documents or any of the Obligations, including any transactions or occurrences relating to the issuance of any Letter of Credit, any Collateral relating thereto, any drafts thereunder and any errors or omissions relating thereto (including, without limitation, any loss or claim due to any action or inaction taken by the issuer of any Letter of Credit, Agent or any Lender) (and for this purpose any charges to Agent and/or any Lender by any issuer of Letters of Credit shall be conclusive as to their appropriateness and may be charged to the Loan Account), or any other matter, including any breach of any covenant or representation or warranty relating to any environmental and health and safety laws or an environmental release, cause or thing whatsoever occurred, done, omitted or suffered to be done by Agent or any Lender relating to any Loan Party or the Obligations (except any such amounts sustained or incurred solely as the result of the gross negligence or willful misconduct of such Released Parties, as finally determined by a court of competent jurisdiction). Notwithstanding any provision in this Agreement to the contrary, this Section 6.2 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

(b) If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction with respect to this Agreement or any Loan Document, it becomes necessary to convert into the currency of such jurisdiction (the “**Judgment Currency**”) any amount due under this Agreement or under any Loan Document in any currency other than the Judgment Currency (the “**Currency Due**”) (or for the purposes of Section 1.7(d)), then, to the extent permitted by law, conversion shall be made at the exchange rate reasonably selected by Agent on the Business Day before the day on which judgment is given (or for the purposes of Section 1.7(d), on the Business Day on which the payment was received by the Agent). In the event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by the Agent of the amount due, each Loan Party shall to the extent permitted by law, on the date of receipt by Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any as may be necessary to ensure that the amount received by Agent on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by Agent in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this Agreement or such Loan Document in the Currency Due. If the amount of the Currency Due (including any Currency Due for purposes of Section 1.7(c)) which the Agent is so able to purchase is less than the amount of the Currency Due (including any Currency Due for purposes of Section 1.7(c)) originally due to it, each Loan Party shall to the extent permitted by law jointly and severally indemnify and save Agent and Lenders harmless from and against loss or damage arising as a result of such deficiency.

7. EVENTS OF DEFAULT AND REMEDIES.

7.1 Events of Default. Subject to the DIP Orders, the occurrence of any of the following events shall constitute an “**Event of Default**”:

(a) if any warranty, representation, statement of fact, report or certificate made or delivered to Agent or any Lender by or on behalf of any Loan Party pursuant to this Agreement or any Loan Document is untrue or misleading in any material respect when made or deemed made;

(b) if any Loan Party fails to pay to Agent or any Lender (i) when due, any principal or interest payment required under this Agreement or any other Loan Document, or (ii) within three (3) Business Days of when due, any other monetary Obligation under this Agreement or any other Loan Document (including payments of interest, fees, reimbursements and indemnifications);

(c) (1) if any Loan Party defaults in the due observance or performance of any covenant, condition or agreement contained in Section 4.1, 4.6(c), 4.7, 4.8, 5.2, 5.3, 5.13, 5.14, 5.15, 5.18, 5.23, 5.25, 5.26, 5.29 or 5.30 of this Agreement; or

(2) if any Loan Party defaults in the due observance or performance of any covenant, condition or agreement contained in this Agreement or any other Loan Document and not addressed in clauses Sections 7.1(a), (b) or (c)(1), and the continuance of such default remains unremedied for a period of fifteen (15) Business Days after the earlier of (A) the date on which any Senior Officer or Authorized Officer of such Loan Party has actual knowledge of such breach and (B) the date on which written notice thereof shall have been given to the Borrowers by Agent;

(d) so long as the enforcement of remedies is not subject to the automatic stay as a result of the Chapter 11 Cases, any Loan Party suffers final non-appealable judgments (other than with respect to the Royalty Litigation) against any of them since the date of this Agreement that results in an aggregate amount, less any insurance proceeds covering such judgments which are received or as to which the insurance carriers have not denied, greater than \$1,000,000 and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgments or (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgments, by reason of a pending appeal or otherwise, shall not be in effect;

(e) so long as the enforcement of remedies is not subject to the automatic stay as a result of the Chapter 11 Cases, any default (after giving effect to all applicable notice and cure periods) with respect to any Indebtedness (other than the Obligations) of any Loan Party which has an outstanding principal amount in excess of \$5,000,000 if (i) such default shall consist of the failure to pay such Indebtedness when due, whether by acceleration or otherwise, or (ii) the effect of such default is to permit the holder, with or without notice or lapse of time or both, to accelerate the maturity of any such Indebtedness or to cause such Indebtedness to become due prior to the stated maturity thereof (without regard to the existence of any subordination or intercreditor agreements);

(f) [Reserved];

(g) [Reserved];

(h) [Reserved];

(i) the actual or attempted revocation or termination in writing of, or limitation or denial in writing of liability under, any guaranty of any of the Obligations, or any security document securing any of the Obligations, by any Loan Party;

(j) [Reserved];

(k) if there is any actual indictment or conviction of any Borrower, or any Guarantor under any criminal statute in each case related to a felony committed in the direct conduct of any Borrower's, or such Guarantor's business, as applicable, and the indictment remains unquashed or such legal process remains undismissed for a period of sixty (60) days or more, unless Agent, in its reasonable discretion, determines that the indictment is not material;

(l) except as otherwise effectuated pursuant to the Chapter 11 Plan, if (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but

excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire (such right, an “option right”), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 33% or more of the equity securities of the Company entitled to vote for members of the board of directors of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) (the “**Equity Control Threshold**”), or (ii) occupation at any time of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were not (x) directors of the Company on the date of this Agreement, (y) nominated or appointed by the board of directors of the Company, or (z) approved by the board of directors of the Company as director candidates prior to their election; *provided* that, the foregoing clause (ii) shall not include any change to the board of directors of the Company solely to the extent required for the board of directors of the Company to comply with Section 303A.01 of the New York Stock Exchange listed company manual within one year after the Closing Date; *provided, further*, that no Event of Default shall be deemed to have occurred pursuant to Section 7.1(l)(i) solely because a third party has become, directly or indirectly, the “beneficial owner” of equity securities of the Company equal to or in excess of the Equity Control Threshold until the date that is 60 days following the date on which such third party initially becomes a “beneficial owner” of equity securities in excess of such threshold;

(m) [Reserved];

(n) if any Lien purported to be created by any: (i) Loan Document (other than the Canadian Security) shall cease to be a valid perfected Lien with the priority provided by the DIP Orders or (ii) Canadian Security shall cease to be a valid perfected first priority Lien (in each case, subject only to any priority accorded by law to Permitted Liens) on any material portion of the Collateral as required by the terms hereof or any Loan Document, or any Loan Party shall assert in writing that any Lien purported to be created by (A) any Loan Document (other than the Canadian Security) is not a valid perfected lien with the priority provided by the DIP Orders or (B) Canadian Security is not a valid perfected first priority lien (in each case, subject only to any priority accorded by law to Permitted Liens) on the assets or properties purported to be covered thereby as required by the terms hereof or any Loan Document;

(o) if any of the Loan Documents shall cease to be in full force and effect (other than as a result of the discharge thereof in accordance with the terms thereof or by written agreement of all (or the relevant) parties thereto);

(p) [Reserved];

(q) (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result, individually or together with all of the ERISA Events, in a Material Adverse Effect, (ii) the existence of any Lien that primes the Liens that secure the Obligations under Section 430(k) of the Code or Section 303(k) or Section 4068 of ERISA on any assets of a Loan Party, (iii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan and a Material Adverse Effect could reasonably be expected to result therefrom, or (iv) a Canadian Pension Event occurs with respect to a Canadian Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect;

(r) a requirement from the Minister of National Revenue for payment pursuant to Section 224 or any successor section of the ITA or Section 317, or any successor section in respect of any Loan Party of the Excise Tax Act (Canada) or any comparable provision of similar legislation shall have been received

by Agent, any Lender or any other Person in respect of any Loan Party or otherwise issued in respect of any Loan Party and a Material Adverse Effect could reasonably be expected to result therefrom;

- (s) [Reserved];
- (t) [Reserved];
- (u) an RSA Termination Event occurs;
- (v) the occurrence of any of the following in the Chapter 11 Cases without the consent of the Agent:

- (i) any material breach or failure by any Debtor to comply with the material terms of the Interim DIP Order or the Final DIP Order, as applicable;

- (ii) any breach or failure to comply with the Milestones;

- (iii) unless otherwise approved by the Agent, the bringing of a motion, taking of any action or the filing of a Chapter 11 Plan or disclosure statement attendant thereto by any of the Loan Parties or any Subsidiary in the Chapter 11 Cases: (A) to obtain additional financing under Section 364(c) or Section 364(d) of the Bankruptcy Code not otherwise permitted pursuant to this Agreement; (B) to grant any Lien other than Permitted Liens upon or affecting any Collateral; or (C) except as provided in the Interim DIP Order or Final DIP Order, as the case may be, to use cash collateral of the Agent and the Lenders or the Prepetition ABL Agent and the Prepetition ABL Lenders under Section 363(c) of the Bankruptcy Code without the prior written consent of the Agent;

- (iv) (A) the filing of a Chapter 11 Plan or disclosure statement attendant thereto, or any direct or indirect amendment to such Chapter 11 Plan or disclosure statement, by a Loan Party that does not propose to repay in full in cash the Obligations under this Agreement and the Prepetition ABL Obligations then owing under the Prepetition ABL Loan Documents or any of the Loan Parties or their Subsidiaries shall seek, support or fail to contest in good faith the filing or confirmation of any such Chapter 11 Plan or entry of any such order, (B) the entry of any order terminating any Borrowers' exclusive right to file a Chapter 11 Plan, or (C) the expiration of any Loan Party's exclusive right to file a Chapter 11 Plan;

- (v) the entry of an order in the Chapter 11 Cases confirming a Chapter 11 Plan that (A) is not acceptable to the Agent or (B) does not contain a provision for termination of the Revolving Commitments and repayment in full in cash of all of the Obligations under this Agreement and the Prepetition ABL Obligations on or before the effective date of such Chapter 11 Plan;

- (vi) the allowance of any claim or claims under Section 506(c) of the Bankruptcy Code or otherwise against the Agent, any Lender or any of the Collateral or against the Prepetition ABL Agent, any Prepetition ABL Lender or any Collateral (as defined in the Prepetition ABL Credit Agreement);

- (vii) (A) the appointment of an interim or permanent trustee in the Chapter 11 Cases or the appointment of a trustee receiver or an examiner in the Chapter 11 Cases with expanded powers to operate or manage the financial affairs, the business, or liquidation of the Debtors; or (B) solely with respect to Collateral, the sale without the Agent's consent of all or substantially all of the Debtors' assets either through a sale under Section 363 of the Bankruptcy Code, through a confirmed Chapter 11 Plan or otherwise that does not result in payment in full in cash of all of the Obligations under this Agreement and all Prepetition ABL Obligations then owing under the Prepetition ABL Loan

Documents at the closing of such sale or initial payment of the purchase price or effectiveness of such Chapter 11 Plan, as applicable;

(viii) the dismissal of any Chapter 11 Case or conversion to a case under Chapter 7 of the Bankruptcy Code or any Loan Party shall file a motion or other pleading or support a motion or other pleading filed by any other Person seeking the dismissal or conversion of any of the Chapter 11 Cases under Section 1112 of the Bankruptcy Code or otherwise, in each case, without the consent of the Agent;

(ix) any Loan Party shall file a motion (without consent of the Agent) seeking, or the Bankruptcy Court shall enter an order granting, relief from or modifying the Automatic Stay (A) to allow any creditor (other than the Agent) to execute upon or enforce a Lien on any Collateral with a fair market value (as reasonably determined by the Debtors) in excess of \$1,000,000 or (B) approving any settlement or other stipulation not approved by the Agent with any secured creditor of any Loan Party providing for payments as adequate protection or otherwise to such secured creditor, which involves payments of \$1,000,000 or more;

(x) the entry of an order in the Chapter 11 Cases avoiding or permitting recovery of any portion of the payments made on account of the Obligations owing under this Agreement or the other Loan Documents or the Prepetition ABL Obligations owing under the Prepetition ABL Loan Documents;

(xi) entry of any order of the Bankruptcy Court authorizing any claims or charges, other than in respect of this Agreement and the other Loan Documents, or as otherwise permitted under the applicable Loan Documents or permitted under or contemplated by the DIP Orders, entitled to superpriority administrative expense claim status in any Chapter 11 Case pursuant to Section 364(c)(1) of the Bankruptcy Code *pari passu* with or senior to the claims of the Agent and the Lenders under this Agreement and the other Loan Documents or the Prepetition ABL Agent and the Prepetition ABL Lenders under the Prepetition ABL Credit Agreement and the other Prepetition ABL Loan Documents, or there shall arise or be granted by the Bankruptcy Court (x) any claim having priority over any or all administrative expenses of the kind specified in clause (b) of Section 503 or clause (b) of Section 507 of the Bankruptcy Code or (y) any Lien on the Collateral having a priority senior to or *pari passu* with the Liens and security interests granted in the Loan Documents or the Prepetition ABL Loan Documents, except, in each case, as provided in the Loan Documents or in the DIP Orders then in effect;

(xii) the DIP Order shall cease to create a valid and perfected Lien on any material portion of the Collateral or to be in full force and effect, shall have been reversed, stayed, vacated, or subject to stay pending appeal, without prior written consent of the Agent;

(xiii) if, unless otherwise approved by the Agent, an order of the Bankruptcy Court shall be entered providing for a change in venue with respect to the Chapter 11 Cases and such order shall not be reversed or vacated within ten (10) days; or

(xiv) failure of the Borrowers to use the proceeds of the Loans as set forth in and in compliance with the Approved Budget (subject to Permitted Variances) and this Agreement.

7.2 Remedies with Respect to Lending Commitments/Acceleration/Etc. Upon the occurrence and during the continuance of an Event of Default Agent may, in Agent's sole discretion, or, at the request of the Required Lenders, shall (a) terminate all or any portion of its commitment to lend to or extend credit to Borrowers under this Agreement and/or any other Loan Document, without prior notice to any Loan Party, and/or (b) demand payment in full of all or any portion of the Obligations (whether or not payable on demand prior to such Event of Default), together with (if applicable) the Prepetition ABL Credit Agreement Premium, and demand that the Letters of Credit be cash collateralized in the manner described in Section 1.7(c) and/or

(c) subject to the DIP Orders, take any and all other and further actions and avail itself of any and all rights and remedies available to Agent under this Agreement, any other Loan Document, under law and/or in equity.

7.3 Remedies with Respect to Collateral. Without limiting any rights or remedies Agent may have pursuant to this Agreement, the other Loan Documents, under applicable law or otherwise but subject in all respects to the DIP Orders (including any notices, waiting periods and other provisions thereunder), upon the occurrence and during the continuance of an Event of Default:

(a) **Any and All Remedies.** Agent may take any and all actions and avail itself of any and all rights and remedies available to Agent under this Agreement, any other Loan Document, under law or in equity, and the rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.

(b) **Collections; Modifications of Terms.** Agent may, but at the direction of Required Lenders shall, (i) notify all appropriate parties that the Collateral, or any part thereof, has been assigned to Agent; (ii) demand, sue for, collect and give receipts for and take all necessary or desirable steps to collect any Collateral or Proceeds in its or any Loan Party's name, and apply any such collections against the Obligations as Agent may elect; (iii) take control of any Collateral and any cash and non-cash Proceeds of any Collateral; (iv) enforce, compromise, extend, renew settle or discharge any rights or benefits of each Loan Party with respect to or in and to any Collateral, or deal with the Collateral as Agent may deem advisable; and (v) make any compromises, exchanges, substitutions or surrenders of Agent deems necessary or proper in its reasonable discretion, including extending the time of payment, permitting payment in installments, or otherwise modifying the terms or rights relating to any of the Collateral, all of which may be effected without notice to, consent of, or any other action of any Loan Party and without otherwise discharging or affecting the Obligations, the Collateral or the security interests granted to Agent under this Agreement or any other Loan Document.

(c) **Insurance.** Agent may file proofs of loss and claim with respect to any of the Collateral with the appropriate insurer, and may endorse in its own and each Loan Party's name any checks or drafts constituting Proceeds of insurance. Any Proceeds of insurance received by Agent may be applied by Agent against payment of all or any portion of the Obligations as Agent may elect in its reasonable discretion.

(d) **Possession and Assembly of Collateral.** Agent may take possession of the Collateral and/or without removal render each Loan Party's Equipment unusable. Upon Agent's request and subject to the DIP Orders and any other Order of the Bankruptcy Court, each Loan Party shall assemble the Collateral and make it available to Agent at a place or places to be designated by Agent.

(e) **Set-off.** Agent and each Lender may and without any notice to, consent of or any other action by any Loan Party (such notice, consent or other action being expressly waived), set-off or apply (i) any and all deposits (general or special, time or demand, provisional or final) at any time held by or for the account of Agent, any Lender or any Affiliate of Agent or any Lender, and/or (ii) any Indebtedness at any time owing by Agent, any Lender or any Affiliate of Agent or any Lender or any Participant in the Loans to or for the credit or the account of any Loan Party, to the repayment of the Obligations irrespective of whether any demand for payment of the Obligations has been made; *provided*, that if any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to Agent for further application in accordance with the provisions of Section 10.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff.

(i) If any Lender, directly or through an Affiliate or branch office thereof, obtains any payment of any Obligation of any Loan Party (whether voluntary, involuntary or through the exercise of any right of setoff or the receipt of any Collateral, Proceeds or "proceeds" (as defined under the applicable UCC) of Collateral) other than pursuant to Section 4.2 and such payment exceeds the amount such Lender would have

been entitled to receive if all payments had gone to, and been distributed by, Agent in accordance with the provisions of the Loan Documents, such Lender shall purchase for cash from other Lenders such participations in their Obligations as necessary for such Lender to share such excess payment with such Lenders to ensure such payment is applied as though it had been received by Agent and applied in accordance with this Agreement (or, if such application would then be at the discretion of the Borrower, applied to repay the Obligations in accordance herewith); *provided*, however, that (A) if such payment is rescinded or otherwise recovered from such Lender, such purchase shall be rescinded and the purchase price therefor shall be returned to such Lender without interest and (B) such Lender shall, to the fullest extent permitted by applicable requirements of law, be able to exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of the applicable Loan Party in the amount of such participation.

(f) **Disposition of Collateral.**

(i) *Sale, Lease, etc. of Collateral.* Agent may, without demand, advertising or notice, all of which each Loan Party hereby waives (except as the same may be required under the UCC, the PPSA or other applicable law and is not waivable under the UCC, the PPSA or such other applicable law), at any time or times in one or more public or private sales or other dispositions, for cash, on credit or otherwise, at such prices and upon such terms as determined by Agent (provided such price and terms are commercially reasonable within the meaning of the UCC or the PPSA to the extent such sale or other disposition is subject to the UCC or the PPSA requirements that such sale or other disposition must be commercially reasonable) (A) sell, lease, license or otherwise dispose of any and all Collateral, and/or (B) deliver and grant options to a third party to purchase, lease, license or otherwise dispose of any and all Collateral. Agent may sell, lease, license or otherwise dispose of any Collateral in its then-present condition or following any preparation or processing deemed necessary by Agent in its Permitted Discretion. Agent may be the purchaser at any such public or private sale or other disposition of Collateral, and in such case Agent may make payment of all or any portion of the purchase price therefor by the application of all or any portion of the Obligations due to Agent and Lenders to the purchase price payable in connection with such sale or disposition. Agent may, in its Permitted Discretion, postpone or adjourn any sale or other disposition of any Collateral from time to time by an announcement at the time and place of the sale or disposition to be so postponed or adjourned without being required to give a new notice of sale or disposition; *provided, however*, that Agent shall provide the applicable Loan Party with written notice of the time and place of such postponed or adjourned sale or disposition. Each Loan Party hereby acknowledges and agrees that Agent's compliance with any requirements of applicable law in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any sale, lease, license or other disposition of such Collateral.

(ii) *Deficiency.* Each Loan Party shall remain liable for all amounts of the Obligations remaining unpaid as a result of any deficiency of the Proceeds of the sale, lease, license or other disposition of Collateral after such Proceeds are applied to the Obligations as provided in this Agreement.

(iii) *Warranties; Sales on Credit.* Agent may sell, lease, license or otherwise dispose of the Collateral without giving any warranties and may specifically disclaim any and all warranties, including but not limited to warranties of title, possession, merchantability and fitness. Each Loan Party hereby acknowledges and agrees that Agent's disclaimer of any and all warranties in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any such disposition of the Collateral. If Agent sells, leases, licenses or otherwise disposes of any of the Collateral on credit, Borrowers will be credited only with payments actually made in cash by the recipient of such Collateral and received by Agent and applied to the Obligations. If any Person fails to pay for Collateral acquired pursuant to this Section 7.3(f) on credit, Agent may re-offer the Collateral for sale, lease, license or other disposition.

(g) **Investment Property; Voting and Other Rights; Irrevocable Proxy.**

(i) All rights of each Loan Party to exercise any of the voting and other consensual rights which it would otherwise be entitled to exercise in accordance with the terms hereof with respect to any Investment Property, and to receive any dividends, payments, and other distributions which it would otherwise be authorized to receive and retain in accordance with the terms hereof with respect to any Investment Property, shall upon written notice to the relevant Loan Party, at the election of Agent following the occurrence and during the continuance of an Event of Default, cease, and all such rights shall thereupon become vested solely in Agent, and Agent (personally or through an agent) shall thereupon be solely authorized and empowered, without notice, to (A) transfer and register in its name, or in the name of its nominee, the whole or any part of the Investment Property, it being acknowledged by each Loan Party that any such transfer and registration may be effected by Agent through its irrevocable appointment as attorney-in-fact pursuant to Section 7.3(g)(ii) and Section 4.4 of this Agreement, (B) exchange certificates and/or instruments representing or evidencing Investment Property for certificates and/or instruments of smaller or larger denominations, (C) exercise the voting and all other rights as a holder with respect to all or any portion of the Investment Property (including, without limitation, all economic rights, all control rights, authority and powers, and all status rights of each Loan Party as a member or as a shareholder (as applicable) of the Issuer), (D) collect and receive all dividends and other payments and distributions made thereon, (E) notify the parties obligated on any Investment Property to make payment to Agent of any amounts due or to become due thereunder, (F) endorse instruments in the name of each Loan Party to allow collection of any Investment Property, (G) enforce collection of any of the Investment Property by suit or otherwise, and surrender, release, or exchange all or any part thereof, or compromise or renew for any period (whether or not longer than the original period) any liabilities of any nature of any Person with respect thereto, (H) consummate any sales of Investment Property or exercise any other rights as set forth in Section 7.3(f) hereof, (I) otherwise act with respect to the Investment Property as though Agent was the outright owner thereof, and (J) exercise any other rights or remedies Agent may have under the UCC, other applicable law, or otherwise.

(ii) EACH LOAN PARTY HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS AGENT AS ITS PROXY AND ATTORNEY-IN-FACT FOR SUCH LOAN PARTY WITH RESPECT TO ALL OF EACH SUCH LOAN PARTY'S INVESTMENT PROPERTY WITH THE RIGHT (EXERCISABLE SOLELY DURING THE CONTINUANCE OF AN EVENT OF DEFAULT), UPON WRITTEN NOTICE TO THE RELEVANT LOAN PARTY, TO TAKE ANY OF THE FOLLOWING ACTIONS: (A) TRANSFER AND REGISTER IN AGENT'S NAME, OR IN THE NAME OF ITS NOMINEE, THE WHOLE OR ANY PART OF THE INVESTMENT PROPERTY, (B) VOTE THE PLEDGED EQUITY, WITH FULL POWER OF SUBSTITUTION TO DO SO, (C) RECEIVE AND COLLECT ANY DIVIDEND OR ANY OTHER PAYMENT OR DISTRIBUTION IN RESPECT OF, OR IN EXCHANGE FOR, THE INVESTMENT PROPERTY OR ANY PORTION THEREOF, TO GIVE FULL DISCHARGE FOR THE SAME AND TO INDORSE ANY INSTRUMENT MADE PAYABLE TO ANY LOAN PARTY FOR THE SAME, (D) EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES, AND REMEDIES (INCLUDING ALL ECONOMIC RIGHTS, ALL CONTROL RIGHTS, AUTHORITY AND POWERS, AND ALL STATUS RIGHTS OF EACH LOAN PARTY AS A MEMBER OR AS A SHAREHOLDER (AS APPLICABLE) OF THE ISSUER) TO WHICH A HOLDER OF THE PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING, WITH RESPECT TO THE PLEDGED EQUITY, GIVING OR WITHHOLDING WRITTEN CONSENTS OF MEMBERS OR SHAREHOLDERS, CALLING SPECIAL MEETINGS OF MEMBERS OR SHAREHOLDERS, AND VOTING AT SUCH MEETINGS), AND (E) TAKE ANY ACTION AND TO EXECUTE ANY INSTRUMENT WHICH AGENT MAY DEEM NECESSARY OR ADVISABLE TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT. THE APPOINTMENT OF AGENT AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE VALID AND IRREVOCABLE UNTIL (X) ALL OF THE OBLIGATIONS (OTHER THAN CONTINGENT INDEMNIFICATION AND EXPENSE REIMBURSEMENT OBLIGATIONS FOR WHICH NO CLAIM HAS BEEN ASSERTED) HAVE BEEN PAID IN FULL IN CASH IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (Y) AGENT AND LENDERS HAVE NO FURTHER OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (Z) THE COMMITMENTS UNDER THIS AGREEMENT HAVE EXPIRED OR HAVE BEEN TERMINATED (IT BEING UNDERSTOOD AND AGREED THAT SUCH OBLIGATIONS WILL BE

AUTOMATICALLY REINSTATED IF AT ANY TIME PAYMENT, IN WHOLE OR IN PART, OF ANY OF THE OBLIGATIONS IS RESCINDED OR MUST OTHERWISE BE RESTORED OR RETURNED BY AGENT OR ANY LENDER FOR ANY REASON WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS A PREFERENCE, FRAUDULENT CONVEYANCE, OR OTHERWISE UNDER ANY BANKRUPTCY, INSOLVENCY, OR SIMILAR LAW, ALL AS THOUGH SUCH PAYMENT HAD NOT BEEN MADE; IT BEING FURTHER UNDERSTOOD THAT IN THE EVENT PAYMENT OF ALL OR ANY PART OF THE OBLIGATIONS IS RESCINDED OR MUST BE RESTORED OR RETURNED, ALL REASONABLE AND DOCUMENTED OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL REASONABLE AND DOCUMENTED ATTORNEYS' FEES AND DISBURSEMENTS) INCURRED BY AGENT IN DEFENDING AND ENFORCING SUCH REINSTATEMENT SHALL HEREBY BE DEEMED TO BE INCLUDED AS A PART OF THE OBLIGATIONS). SUCH APPOINTMENT OF AGENT AS PROXY AND AS ATTORNEY-IN-FACT SHALL BE VALID AND IRREVOCABLE AS PROVIDED HEREIN NOTWITHSTANDING ANY LIMITATIONS TO THE CONTRARY SET FORTH IN ANY ORGANIC DOCUMENTS OF ANY LOAN PARTY, ANY ISSUER, OR OTHERWISE.

(iii) In order to further effect the foregoing transfer of rights in favor of Agent, during the continuance of an Event of Default, each Loan Party hereby authorizes and instructs each Issuer of Investment Property pledged by such Loan Party to comply with any instruction received by such Issuer from Agent without any other or further instruction from such Loan Party, and each Loan Party acknowledges and agrees that each Issuer shall be fully protected in so complying, and to pay any dividends, distributions, or other payments with respect to any of the Investment Property directly to Agent.

(iv) Upon exercise of the proxy set forth herein, all prior proxies given by any Loan Party with respect to any of the Pledged Equity or other Investment Property, as applicable (other than to Agent), are hereby revoked, and no subsequent proxies (other than to Agent) will be given with respect to any of the Pledged Equity or any of the other Investment Property, as applicable, unless Agent otherwise subsequently agrees in writing. Agent, as proxy, will be empowered and may exercise the irrevocable proxy to vote the Pledged Equity and/or the other Investment Property at any and all times during the existence of an Event of Default, including, without limitation, at any meeting of shareholders or members, as the case may be, however called, and at any adjournment thereof, or in any action by written consent, and may waive any notice otherwise required in connection therewith. To the fullest extent permitted by applicable law, Agent shall have no agency, fiduciary, or other implied duties to any Loan Party, any Issuer, any Loan Party, or any other Person when acting in its capacity as such proxy or attorney-in-fact. Each Loan Party hereby waives and releases any claims that it may otherwise have against Agent with respect to any breach, or alleged breach, of any such agency, fiduciary, or other duty.

(v) Any transfer to Agent or its nominee, or registration in the name of Agent or its nominee, of the whole or any part of the Investment Property shall be made solely for purposes of effectuating voting or other consensual rights with respect to the Investment Property in accordance with the terms of this Agreement and is not intended to effectuate any transfer of ownership of any of the Investment Property. Notwithstanding the delivery by Agent of any instruction to any Issuer or any exercise by Agent of an irrevocable proxy or otherwise, Agent shall not be deemed the owner of, or assume any obligations or any liabilities whatsoever of the owner or holder of, any Investment Property unless and until Agent expressly accepts such obligations in a duly authorized and executed writing and agrees in writing to become bound by the applicable Organic Documents or otherwise becomes the owner thereof under applicable law (including through a sale as described in Section 7.3(f) hereof). The execution and delivery of this Agreement shall not subject Agent to, or transfer or pass to Agent, or in any way affect or modify, the liability of any Loan Party under the Organic Documents of any Issuer or any related agreements, documents, or instruments or otherwise. In no event shall the execution and delivery of this Agreement by Agent, or the exercise by Agent of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation whatsoever of any Loan Party to, under, or in connection with any of the Organic Documents of any Issuer or any related agreements, documents, or instruments or otherwise.

(h) **Election of Remedies.** Subject to the Required Lenders' right to direct the Agent to take action pursuant to the terms of this Agreement, Agent shall have the right in Agent's sole discretion to determine which rights, security, Liens and/or remedies Agent may at any time pursue, foreclose upon, relinquish, subordinate, modify or take any other action with respect to, without in any way impairing, modifying or affecting any of Agent's other rights, security, Liens or remedies with respect to such property, or any of Agent's rights or remedies under this Agreement or any other Loan Document.

(i) **Agent's Obligations.** Each Loan Party agrees that Agent shall not have any obligation to preserve rights to any Collateral against prior parties or to marshal any Collateral of any kind for the benefit of any other creditor of any Loan Party or any other Person. Agent shall not be responsible to any Loan Party or any other Person for loss or damage resulting from Agent's failure to enforce its Liens or collect any Collateral or Proceeds or any monies due or to become due under the Obligations or any other liability or obligation of any Loan Party to Agent.

(j) **Waiver of Rights by Loan Parties.** Except as otherwise expressly provided for in this Agreement or by non-waivable applicable law, each Loan Party waives: (i) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent or any Lender on which any Loan Party may in any way be liable, and hereby ratifies and confirms whatever Agent and such Lender may do in this regard, (ii) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Agent to exercise any of its remedies and (iii) the benefit of all valuation, appraisal, marshalling and exemption laws.

8. **LOAN GUARANTY.**

8.1 Guaranty. Each Guarantor hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to Agent and Lenders, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, all of the Obligations and all costs and expenses, including all court costs and documented attorneys' and paralegals' fees and expenses paid or incurred by Agent or Lenders in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, any Borrower, any Guarantor of all or any part of the Obligations (and such costs and expenses paid or incurred shall be deemed to be included in the Obligations). Each Guarantor further agrees that the Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any branch or Affiliate of Agent or any Lender that extended any portion of the Obligations.

8.2 Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each Guarantor waives any right to require Agent or any Lender to sue or otherwise take action against any Borrower, any other Guarantor, or any other Person obligated for all or any part of the Obligations, or otherwise to enforce its payment against any Collateral securing all or any part of the Obligations.

8.3 No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise expressly provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of all of the Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other Guarantor; (iii) any insolvency, bankruptcy, reorganization, arrangement, wind up, receivership, liquidation or other similar proceeding affecting any Borrower or any other Guarantor, or their assets or any

resulting release or discharge of any obligation of any Borrower or any other Guarantor; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Borrower, any other Guarantor, Agent, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower or any other Guarantor, of the Obligations or any part thereof.

(c) Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of Agent or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for all or any part of the Obligations or all or any part of any obligations of any Guarantor; (iv) any action or failure to act by Agent or any Lender with respect to any Collateral; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the payment in full in cash of all of the Obligations).

8.4 Defenses Waived. To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of any Guarantor or the unenforceability of all or any part of the Obligations from any cause, or the cessation from any cause of the liability of any Guarantor, other than the payment in full in cash of all of the Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, or any other Person. Each Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any Collateral, compromise or adjust any part of the Obligations, make any other accommodation with any Borrower or any other Guarantor or exercise any other right or remedy available to it against any Borrower or any other Guarantor, without affecting or impairing in any way the liability of any Guarantor under this Loan Guaranty except to the extent the Obligations have been fully and paid in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower or any other Guarantor or any security.

8.5 Rights of Subrogation. No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Borrower or any other Guarantor, or any Collateral, until the Termination Date.

8.6 Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, arrangement, receivership, wind-up, liquidation, or reorganization of any Borrower or any other Person, or otherwise, each Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not Agent or any Lender is in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy, arrangement, receivership, wind-up, liquidation or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Obligations shall nonetheless be payable by the Loan Parties forthwith on demand by Agent. This Section 8.6 shall remain operative even after the Termination Date and shall survive the payment in full of all of the Obligations.

8.7 Information. Each Guarantor assumes all responsibility for being and keeping itself informed of Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Loan Guaranty, and agrees that neither Agent nor any Lender shall not have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

8.8 Termination. To the maximum extent permitted by law, each Guarantor hereby waives any right to revoke this Loan Guaranty as to future Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Guarantor acknowledges and agrees that (a) no such revocation shall be effective until written notice thereof has been received by Agent, (b) no such revocation shall apply to any Obligations in existence on the date of receipt by Agent of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (c) no such revocation shall apply to any Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of any Lender, (d) no payment by any Borrower, any other Guarantor, or from any other source, prior to the date of Agent's receipt of written notice of such revocation shall reduce the maximum obligation of any Guarantor hereunder, and (e) any payment, by any Borrower or from any source other than a Guarantor which has made such a revocation, made subsequent to the date of such revocation, shall first be applied to that portion of the Obligations as to which the revocation is effective and which are not, therefore, guaranteed hereunder, and to the extent so applied shall not reduce the maximum obligation of any Guarantor hereunder.

8.9 Maximum Liability. The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any federal, provincial, territorial or state corporate law or other law governing business entities, or any state, provincial, territorial, federal or foreign bankruptcy, insolvency, arrangement, liquidation, wind-up, receivership, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Parties, Agent or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "Maximum Liability"). This Section with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of Agent and Lenders to the maximum extent not subject to avoidance under applicable law, and no Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of Agent and Lenders hereunder, provided, that, nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

8.10 Contribution. In the event any Guarantor shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty (such Guarantor a "Paying Guarantor"), each other Guarantor (each a "Non-Paying Guarantor") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Applicable Percentage" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 8.10, each Non-Paying Guarantor's "Applicable Percentage" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (a) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (b) the aggregate Maximum Liability of all Loan Parties hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution

hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantor, the aggregate amount of all monies received by such Loan Parties from Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Guarantor's several liability for the entire amount of the Obligations (up to such Guarantor's Maximum Liability). Each of the Loan Parties covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of all of the Obligations. This provision is for the benefit of Agent, each Lender and the Loan Parties and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

8.11 Liability Cumulative. The liability of each Guarantor under this Section 8 is in addition to and shall be cumulative with all liabilities of each Guarantor to Agent and each Lender under this Agreement and the other Loan Documents to which such Guarantor is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

9. PAYMENTS FREE OF TAXES; OBLIGATION TO WITHHOLD; PAYMENTS ON ACCOUNT OF TAXES.

9.1 Taxes.

(a) Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes, except as required by applicable law. If, however, applicable laws require the Loan Parties to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such laws as the case may be, upon the basis of the information and documentation to be delivered pursuant to clause (e) below.

(b) If any Loan Party shall be required by applicable law to withhold or deduct any Taxes from any payment, then (i) such Loan Party shall withhold or make such deductions as are required by applicable laws, (ii) such Loan Party shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable laws, and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Loan Parties shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made. Upon request by Agent or any Lender or other Recipient, Borrowers shall deliver to Agent or such Lender or such other Recipient, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment of Indemnified Taxes, a copy of any return required by applicable law to report such payment or other evidence of such payment reasonably satisfactory to Agent or such Lender or such other Recipient, as the case may be.

(c) Without limiting the provisions of subsections (a) and (b) above, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(d) Without duplication of payments made pursuant to subsections (a) through (c) above, each Loan Party shall, and does hereby, on a joint and several basis indemnify Agent, each Lender and each other Recipient and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or incurred by Agent, such Lender or any other Recipient on account of, or in connection with any Loan Document or a breach by a Loan Party thereof, and any penalties, interest and reasonable and documented expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to Borrowers shall be conclusive absent manifest error.

(e) If Agent, any Lender or any Participant is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Agent and each Lender, as applicable, shall deliver to Borrowers and each such Participant shall deliver to such Lender granting the participation, at the time or times prescribed by applicable laws or reasonably requested by the Borrowers or such Lender granting the participation, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Agent and each Lender shall deliver to Borrowers and each Participant shall deliver to Agent and such Lender granting the participation, at the time or times prescribed by applicable laws or reasonably requested by the Borrowers or such Lender granting the participation, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction or such other reasonably requested information as will enable Borrowers or such Lender granting the participation, as the case may be, to determine (i) whether or not payments made hereunder or under any other Loan Document are subject to Taxes or information reporting requirements, (ii) if applicable, the required rate of withholding or deduction, and (iii) such Lender's or Participant's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Recipient by the Loan Parties pursuant to this Agreement or otherwise to establish such Recipient's status for withholding tax purposes in the applicable jurisdiction. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 9.1(e)(i), (ii) or (iii)) shall not be required if in the Lender's or Participant's reasonable judgment such completion, execution or submission would subject such Lender or Participant to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or Participant (this provision shall be referred to as the ***"Lender Documentation Exception"***).

Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States:

(i) Each Recipient that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrowers (or such Lender granting a participation as applicable) on or about the date on which such Recipient becomes an agent or a lender (or such Participant is granted a participation) under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or such Lender granting such participation), executed copies of Internal Revenue Service Form W-9 (or any successor form), certifying that such Recipient is exempt from U.S. federal backup withholding tax;

(ii) Each Recipient that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "Non-U.S. Recipient") shall deliver to Borrowers (and such Lender granting a participation in case the Non-U.S. Recipient is a Participant) on or prior to the date on which such Non-U.S. Person becomes an agent or a lender (or such Participant is granted a participation) under this Agreement (and from time to time thereafter upon the reasonable request of Borrowers or such Lender granting such participation but only if such Non-U.S. Recipient is legally entitled to do so), whichever of the following is applicable: (A) executed copies of Internal Revenue Service Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty; (B) executed copies of Internal Revenue Service Form W-8ECI (or any successor form); (C) to the extent a Non-U.S. Recipient is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY (or any successor form) accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-1 or Exhibit I-2, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Recipient is a partnership and one or more direct or indirect partners of such Recipient are claiming the portfolio interest exemption, such Recipient may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-3 on behalf of each such direct and indirect partner and all other required supporting documentation; (D) each Non-U.S. Recipient claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, shall provide (x) a certificate to the effect that such Non-U.S. Recipient is not (I) a "bank" within the

meaning of section 881(c)(3)(A) of the Code, (II) a “10 percent shareholder” of the Borrowers within the meaning of section 871(h)(3)(B) of the Code, or (III) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code (a “***U.S. Tax Compliance Certificate***”) and (y) executed copies of Internal Revenue Service Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form); and/or (E) executed copies of any other form prescribed by applicable law (including FATCA) as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable law to permit Borrowers or any Lender granting a participation, to determine the withholding or deduction required to be made;

(iii) If a payment made to Agent or any Lender (or Participant) under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if Agent or such Lender (or such Participant) were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Agent or such Lender (or such Participant) shall deliver to the Borrowers and such Lender granting such participation at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or such Lender granting such participation such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or such Lender granting such participation as may be necessary for the Borrowers and such Lender granting such participation to comply with their obligations under FATCA and to determine that such Lender or such Participant has complied with such Lender’s or such Participant’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this (iii), “FATCA” shall include any amendments made to FATCA after the date of this Agreement;

(iv) If any form or certification previously delivered by any Recipient expires or becomes obsolete or inaccurate in any respect, such Recipient shall update such form or certification or promptly notify Borrowers (or such Lender granting a participation) of its legal inability to do so; and

(v) Notwithstanding anything herein to the contrary, Agent shall deliver to the Borrowers a duly executed IRS Form W-9.

(f) If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 9.1 (including by the payment of additional amounts pursuant to this Section 9.1), it shall pay to the applicable Loan Party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 9.1(f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 9.1(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 9.1(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person. For purposes of this Section 9.1(f), all references to “refund” shall include the monetary benefit of a credit received in lieu of a refund of Taxes.

(g) Each party’s obligations under this Section 9.1 shall survive any assignment of rights by any Lender or any Participant and the repayment, satisfaction or discharge of all obligations under any Loan Document.

- (h) For purposes of this Section 9.1, the term “applicable law” includes FATCA.

10. GENERAL PROVISIONS.

10.1 Notices.

- (a) Notice by Approved Electronic Communications.

Agent, each Lender and each of its Affiliates is authorized to transmit, post or otherwise make or communicate, in its sole discretion (but shall not be required to do so), by Approved Electronic Communications in connection with this Agreement or any other Loan Document and the transactions contemplated therein, including the posting of Specified Materials by Agent to the Lending Parties on an Approved Electronic System. Agent is hereby authorized to establish procedures to provide access to and to make available or deliver, or to accept, notices, documents and similar items by posting to any Approved Electronic System. Each of the Loan Parties, Agent and each Lender hereby acknowledges and agrees that the use of Electronic Systems and Approved Electronic Communications is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing Agent, each Lender and each of its Affiliates to transmit Approved Electronic Communications. All Approved Electronic Systems and Approved Electronic Communications shall be provided “as is” and “as available”. None of Agent, any Lender or any of its Affiliates or Related Persons warrants the accuracy, adequacy or completeness of any Specified Materials, Electronic System or electronic transmission and disclaims all liability for errors or omissions therein. No warranty of any kind is made by Agent, any Lender or any of its Affiliates or Related Persons in connection with any Electronic System or electronic transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. Each Borrower and each other Loan Party executing this Agreement agrees that neither Agent, nor any Lender has responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Approved Electronic System or any Approved Electronic Communication or otherwise required for any Approved Electronic System or any Approved Electronic Communication.

No Approved Electronic Communications shall be denied legal effect merely because it is made electronically. Approved Electronic Communications that are not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such Approved Electronic Communication, an E-Signature, upon which Agent, each Lender and the Loan Parties may rely and assume the authenticity thereof. Each Approved Electronic Communication containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original. Each E-Signature shall be deemed sufficient to satisfy any requirement for a “signature” and each Approved Electronic Communication shall be deemed sufficient to satisfy any requirement for a “writing”, in each case including pursuant to this Agreement, any other Loan Document, the Uniform Commercial Code, the Federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural law governing such subject matter. Each party or beneficiary hereto agrees not to contest the validity or enforceability of an Approved Electronic Communication or E-Signature under the provisions of any applicable law requiring certain documents to be in writing or signed; *provided*, that nothing herein shall limit such party’s or beneficiary’s right to contest whether an Approved Electronic Communication or E-Signature has been altered after transmission.

- (b) All Other Notices.

All notices, requests, demands and other communications under or in respect of this Agreement or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via an Approved Electronic System or otherwise pursuant

to Section 10.1(a)), shall be in writing and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Agent:

White Oak Commercial Finance, LLC
1155 Avenue of the Americas
New York, New York 10036
Attention: Glenn Schwartz
Email: gschwartz@whiteoakcf.com

with a copy to:

Paul Hastings LLP
200 Park Avenue
New York, New York 10166
Attention: Jennifer Yount and Rafael Alvarado
Email: jenniferyount@paulhastings.com; rafaelalvarado@paulhastings.com

If to any Lender, to the address set forth on Schedule F for such Lender.

If to Borrowers or any other Loan Party:

c/o Nine Energy Service, Inc.
2001 Kirby Drive, Suite 200
Houston, Texas 77019
Attention: Guy Sirkes
Email: Guy.Sirkes@nineenergyservice.com

with a copy to:

Kirkland & Ellis LLP
609 Main Street
Houston, TX 77002
Attention: Mary Kogut, P.C. and James B. Kelly
Email: mary.kogut@kirkland.com; james.kelly@kirkland.com

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party delivered as aforesaid. All such notices, requests, demands and other communications shall be deemed given (i) when personally delivered, (ii) three (3) Business Days after being deposited in the mails with postage prepaid (by registered or certified mail, return receipt requested), (iii) one (1) Business Day after being delivered to the overnight courier service, if prepaid and sent overnight delivery, addressed as aforesaid and with all charges prepaid or billed to the account of the sender, or (iv) when sent by email transmission to an email address designated by such addressee and the sender receives a confirmation of transmission.

10.2 Severability. If any provision of this Agreement or any other Loan Document is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall thereupon be deemed modified only to the extent necessary to render same valid, or not applicable to given circumstances, or excised from this Agreement or such other Loan Document, as the situation may require, and this Agreement and the other Loan Documents shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein or therein, as the case may be.

10.3 Integration. This Agreement and the other Loan Documents represent the final, entire and complete agreement between each Loan Party hereto and thereto, Agent and Lenders and supersede all prior and contemporaneous negotiations, oral representations and agreements, all of which are merged and integrated into this Agreement. THERE ARE NO ORAL UNDERSTANDINGS, REPRESENTATIONS OR AGREEMENTS BETWEEN THE PARTIES THAT ARE NOT SET FORTH IN THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

10.4 Waivers. The failure of Agent or any Lender at any time or times to require any Loan Party to strictly comply with any of the provisions of this Agreement or any other Loan Documents shall not waive or diminish any right of Agent or any Lender later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have been waived by any act or knowledge of Agent or any Lender or any of their agents or employees, but only by a specific written waiver signed by an authorized officer of Agent and delivered to Borrowers. Once an Event of Default shall have occurred, it shall be deemed to continue to exist and not be cured or waived unless specifically cured pursuant to the terms of this Agreement or waived in writing by an authorized officer of Agent and Required Lenders and delivered to Borrowers. Each Loan Party waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, Instrument, Account, General Intangible, Document, Chattel Paper, Investment Property or guaranty at any time held by Agent or any Lender on which such Loan Party is or may in any way be liable, and notice of any action taken by Agent or any Lender, unless expressly required by this Agreement, and notice of acceptance hereof.

10.5 Amendment.

(a) Subject to Section 2.1(d), no amendment, modification or waiver of any provision of this Agreement or any other Loan Document, and no consent or approval with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing (which such writing may be provided via email to the extent acceptable to the Agent) and signed (or sent) by Agent, the Required Lenders (or by Agent with the consent of the Required Lenders or by counsel to the Agent with consent of the Agent or the Required Lenders), and the Loan Parties (or by counsel to the Loan Parties), and then such waiver shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, modification, consent or approval shall, unless in writing (or email to the extent acceptable to the Agent) and signed (or sent) by all the Lenders directly affected thereby (or by Agent with the consent of all the Lenders directly affected thereby or by counsel to the Agent with the consent of all of the Lenders directly affected thereby), in addition to Agent, the Required Lenders (or by Agent with the consent of the Required Lenders), and the Borrowers, do any of the following:

(i) increase or extend the Revolving Commitment of such Lender (or reinstate any Revolving Commitments previously terminated);

(ii) postpone or delay any date fixed for, or reduce or waive, any scheduled installment of principal or any payment of interest, the Prepetition ABL Credit Agreement Premium, fees or other amounts (other than principal) due to such Lender hereunder or under any other Loan Document (for the avoidance of doubt, mandatory prepayments pursuant to Section 1.8(a) may be postponed, delayed, reduced, waived or modified with the consent of the Required Lenders);

(iii) reduce the principal of, or the rate of interest specified herein (it being agreed that waiver of the default interest margin shall only require the consent of Agent) or the amount of interest payable in cash specified herein on the Loans of such Lender, or of the Prepetition ABL Credit Agreement Premium, fees or other amounts payable hereunder or under any other Loan Document for such Lender;

(iv) change the percentage of the Revolving Commitments or of the aggregate unpaid principal amount of the Loans which shall be required for the Lenders or any of them to take any action hereunder;

(v) amend this Section 10.5 or, subject to the terms of this Agreement, the definition of Required Lenders, the definition of Pro Rata Share or any provision providing for consent or other action by all Lenders;

(vi) discharge any Loan Party from its respective payment Obligations under the Loan Documents, or release all or substantially all of the Collateral or the guarantees of the Obligations, except as otherwise may be provided in this Agreement or the other Loan Documents;

(vii) modify the Accounts Advance Rate or the Inventory Advance Rates;

(viii) modify the definition of "Borrowing Base," or any component or defined term within "Borrowing Base";

(ix) change the general criteria for acceptability of Eligible Billed Accounts, Eligible Foreign Billed Accounts, Eligible Unbilled Accounts or Eligible Inventory;

(x) increase the Letter of Credit Limit;

(xi) amend or modify the second sentence of Section 1.2;

(xii) amend or modify Section 1.6(b); or

(xiii) amend or modify Section 4.2.

(b) No amendment, waiver or consent shall, unless in writing and signed by Agent, and the Required Lenders or all Lenders directly affected thereby or all the Lenders, as the case may be (or by Agent with the consent of the Required Lenders or all the Lenders directly affected thereby or all the Lenders), affect the rights or duties of Agent under this Agreement or any other Loan Document.

(c) Notwithstanding anything to the contrary contained in this Section 10.5 or any other provision of this Agreement or any other Loan Document, Agent and the Borrower may amend or modify this Agreement and any other Loan Document (without the consent of any Lender) to (i) cure any ambiguity, omission, mistake, error, defect or inconsistency herein or therein, and (ii) grant a new Lien for the benefit of the Agent and Lenders, extend an existing Lien over additional assets for the benefit of the Lenders or join additional Persons as Loan Parties.

(d) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that any of the matters governed by Section 10.5(a)(i) through (iii) that affect such Defaulting Lender may not be amended without the consent of such Defaulting Lender.

(e) In the event that (i) Agent or Borrowers request the consent of a Lender pursuant to this Section 10.5 with respect to any action to be taken by Lenders or Agent hereunder that requires the consent, authorization, or agreement of a Lender, and such consent, authorization or agreement is denied by such Lender but otherwise granted by the Required Lenders, (ii) any Lender (other than Agent) makes a request makes any request for increased costs pursuant to Section 1.9(b) or (iii) any Lender (other than Agent) invokes the Lender Documentation Exception), then Agent or Borrowing Agent may, at its option, require such Lender to assign its interest in the Loans and its Revolving Loans Commitment to Agent or to another Lender or to any other Person designated by Agent or Borrower and reasonably acceptable to Agent (the "**Designated Lender**"), for a price

equal to (i) the then outstanding principal amount thereof plus (ii) accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Borrowers. In the event Agent or Borrowing Agent elects to require any Lender to assign its interest to Agent or to the Designated Lender, Agent or Borrower will so notify such Lender in writing within thirty (30) days following such Lender's denial, and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) Business Days following receipt of such notice pursuant to the applicable documentation executed by such Lender, Agent or the Designated Lender, as appropriate, and Agent.

10.6 Time of Essence. Time is of the essence in the performance by each Loan Party of each and every obligation under this Agreement and the other Loan Documents.

10.7 Expenses, Fee and Costs Reimbursement. Borrowers hereby agree to promptly and jointly and severally pay to the extent provided for in the DIP Orders and subject to the limitations set forth herein and therein in respect of Agent Advisors (a) all fees, costs and expenses of Agent and each Lender (including Agent's underwriting fees) and (b) all out of pocket fees, costs and expenses of legal counsel to, and appraisers, accountants, consultants and other professionals and advisors retained by or on behalf of, Agent or such Lender, all of which shall be reasonable, prior to the occurrence and continuance of an Event of Default, in connection with: (i) all loan proposals and commitments pertaining to the transactions contemplated hereby (whether or not such transactions are consummated), (ii) the examination, review, due diligence investigation, documentation, negotiation, and closing of the transactions contemplated by the Loan Documents (whether or not such transactions are consummated), (iii) the creation, perfection and maintenance of Liens pursuant to the Loan Documents, (iv) the performance by Agent or any Lender of its rights and remedies under the Loan Documents, (v) the administration of the Loans (including usual and customary fees for wire transfers and other transfers or payments received by Agent or any Lender on account of any of the Obligations) and Loan Documents, (vi) any amendments, modifications, consents and waivers to and/or under any and all Loan Documents (whether or not such amendments, modifications, consents or waivers are consummated), (vii) any periodic public record searches conducted by or at the request of Agent or any Lender (including, title investigations and public records searches), pending litigation and tax lien searches and searches of applicable corporate, limited liability company, partnership and related records concerning the continued existence, organization and good standing of certain Persons), (viii) protecting, storing, insuring, handling, maintaining, auditing, examining, valuing or selling any Collateral, (ix) any litigation, dispute, suit or proceeding relating to any Loan Document, and (x) any workout, collection, bankruptcy, insolvency, receivership, liquidation, wind-up and other enforcement proceedings under any and all of the Loan Documents (it being agreed that such costs and expenses may include the costs and expenses of workout consultants, investment bankers, financial consultants, appraisers, valuation firms and other professionals and advisors retained by or on behalf of Agent as otherwise provided for in this Agreement), and (c) without limitation of the preceding clauses (a) and (b), all out of pocket costs and expenses of Agent in connection with Agent's reservation of funds in anticipation of the funding of the initial Loans to be made hereunder by Agent or any Lender). Any fees, costs and expenses owing by Borrowers or any other Loan Party hereunder shall be due and payable within thirty (30) days after Borrowers' receipt of written demand therefor from Agent or a Lender entitled to reimbursement pursuant to this Section 10.7 (or by such other time as provided in the DIP Orders). This Section 10.7 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

10.8 Benefit of Agreement; Assignability.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of Borrowers, each other Loan Party hereto, Agent and each Lender; **provided**, (a) that neither any Borrower nor any other Loan Party may assign or transfer any of its rights under this Agreement without the prior written consent of Agent, and any prohibited assignment shall be void and (b) assignments by any Lender shall be subject to this Section 10.8. No consent by Agent to any assignment shall release any Loan Party from its liability for any of the Obligations. Agent and each Lender shall have the right to assign all or any of its rights and obligations under the Loan Documents to one or more other Persons subject to Section 10.8(b), and each Loan Party agrees, to the extent applicable, to

execute any agreements, instruments and documents requested by Agent in connection with any such assignments. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, each Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement and the other Loan Documents to secure obligations of such Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank, financial institution or other funding source (other than any Loan Party, any Affiliate thereof or any natural person) or any trustee or agent therefor in support of obligations owing by such Lender to such Person(s).

(b) **Lender Assignments.** Each Lender may sell, transfer, negotiate or assign all or a portion of its rights and obligations hereunder (including all or a portion of its Revolving Commitments and its rights and obligations with respect to its portion of the Loans) (each a “**Sale**”) to:

- (i) any existing Lender;
- (ii) any Affiliate or Approved Fund of any existing Lender;
- (iii) any other Person acceptable to (x) Agent (such acceptance by Agent not to be unreasonably withheld or delayed) and (y) Borrowers (such acceptance by Borrowers not to be unreasonably withheld or delayed); *provided, however*, that:
 - (A) in the event an Event of Default has occurred and is continuing the consent of Borrowers shall not be required for any Sale;
 - (B) the consent of Borrower shall be deemed to have been given unless an objection is delivered to Agent within ten (10) Business Days after written notice of a proposed Sale is delivered to Borrowers;
 - (C) for each Revolving Loan, the aggregate outstanding principal amount (determined as of the effective date of the applicable Assignment and Acceptance) of the Revolving Loan and the Revolving Commitments subject to any such Sale shall be in a minimum amount of \$1,000,000, unless such Sale is made to an existing Lender or an Affiliate or Approved Fund of any existing Lender, is of the assignor’s (together with its Affiliates and Approved Funds) entire interest in such facility or is made with the prior consent of Agent.

Notwithstanding the foregoing, Agent’s refusal to accept a Sale to a Loan Party, a Subsidiary or Affiliate of a Loan Party, or the imposition of conditions or limitations (including limitations on voting) upon Sales to such Persons, shall not be deemed to be unreasonable. No assignment hereunder shall be permitted if to any Ineligible Assignee.

(c) **Procedure.** The assignee and assignor parties to each Sale made in reliance on clause (b) above (other than those described in clause (e) below) shall execute and deliver to Agent an Assignment and Acceptance evidencing such Sale, together with any existing note subject to such Sale (or any affidavit of loss therefor acceptable to Agent), any Tax forms required to be delivered pursuant to Section 9 and payment of an assignment fee in the amount of \$3,500 to Agent, unless waived or reduced by Agent, provided that (1) if a Sale by a Lender is made to an Affiliate or an Approved Fund of such assigning Lender, then no assignment fee shall be due in connection with such Sale, and (2) if a Sale by a Lender is made to an assignee that is not an Affiliate or Approved Fund of such assignor Lender, and concurrently to one or more Affiliates or Approved Funds of such Assignee, then only one assignment fee of \$3,500 (unless waived or reduced by Agent) shall be due in connection with such Sale. Upon receipt of all the foregoing, and conditioned upon such receipt and, if such Sale is made in accordance with Section 10.9, upon Agent consenting to such Sale, from and after

the effective date specified in the Assignment and Acceptance, Agent shall record or cause to be recorded in the Register the information contained in such Assignment and Acceptance.

(d) **Effectiveness.** Subject to the Register recording requirements by Agent relating to an Assignment and Acceptance pursuant to Section 10.9, (i) the assignee thereunder shall become a party hereto and, to the extent that rights and obligations under the Loan Documents have been assigned to such assignee pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender, (ii) any applicable note shall be transferred to such assignee through such entry and (iii) the assignor thereunder shall, to the extent that rights and obligations under this Agreement have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except for those surviving the termination of the Revolving Commitments and the payment in full of the Obligations) and be released from its obligations under the Loan Documents, other than those relating to events or circumstances occurring prior to such assignment (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto).

10.9 Recordation of Assignment. In respect of any Sale of all or any portion of any Lender's interest in this Agreement and/or any other Loan Documents at any time and from time to time, the following provisions shall be applicable:

(a) Borrowers, or any agent appointed by Borrowers, shall maintain a register (the "**Register**") in which there shall be recorded the name and address of each Person holding any Loans or any commitment to lend hereunder, and the principal amount and stated interest payable to such Person hereunder or committed by such Person under such Person's lending commitment. Borrowers hereby irrevocably appoint Agent (and/or any subsequent Agent appointed by Agent then maintaining the Register) as Borrowers' non-fiduciary agent for the purpose of maintaining the Register.

(b) In connection with any Sale as aforesaid, the transferor/assignor shall deliver to Agent then maintaining the Register an assignment and assumption agreement executed by the transferor/assignor and the transferee/assignee, setting forth the specifics of the subject transaction, including but not limited to the amount and nature of Obligations and/or lending commitments being transferred or assigned (and being assumed, as applicable), and the proposed effective date of such transfer or assignment and the related assumption (if applicable).

(c) Subject to receipt of any required tax forms reasonably required by Agent, Agent shall record the subject transfer, assignment and assumption in the Register. Anything contained in this Agreement or other Loan Document to the contrary notwithstanding, no Sale shall be effective until it is recorded in the Register pursuant to this Section 10.9(c). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error; and each Borrower, Agent and each Lender shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement and the other Loan Documents. The Register shall be available for inspection by each Borrower and each Lender at any reasonable time and from time to time upon reasonable prior notice.

10.10 Participations. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, each Lender may, at any time and from time to time, without the consent of, or notice to, any Borrower or Agent, and without in any manner affecting or impairing the validity of any Obligations, sell participations (each, a "**Participation**") to any Person (other than a natural Person, any Loan Party or any Loan Party's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitments and/or the Loans owing to it). In the event of a sale by any Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder and under the other Loan Documents shall remain unchanged for all purposes, (b) Borrowers and Agent shall continue to deal solely and directly with each other in connection with such Lender's rights and obligations hereunder and under the other Loan Documents and (c) all amounts payable by Borrowers shall be determined as if such Lender had not sold such participation and shall be paid directly to

such Lender; *provided, however*, a Participant shall be entitled to the benefits of Section 9.1 as if it were a Lender if Borrowers are notified of the Participation and the Participant complies with Section 9.1(e). Borrowers agree that if amounts outstanding under this Agreement or any other Loan Document are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided, that such right of set-off shall not be exercised without the prior written consent of such Lender and shall be subject to the obligation of each Participant to share with such Lender its share thereof. Borrowers also agree that each Participant shall be entitled to the benefits of Section 10.9 as if it were a Lender. Notwithstanding the granting of any such participating interests: (x) Borrowers shall look solely to Lenders for all purposes of this Agreement, the Loan Documents and the transactions contemplated hereby, (y) Borrowers shall at all times have the right to rely upon any amendments, waivers or consents signed by Agent and Required Lenders as being binding upon all of the Participants, and (z) all communications in respect of this Agreement and such transactions shall remain solely between Borrowers, Agent and Lenders (exclusive of Participants) hereunder. Each Lender granting a participation hereunder shall maintain, as a non-fiduciary agent of Borrowers, a register as to the participations granted and transferred under this Section containing the same information specified in Section 10.9 on the Register as if each Participant were a Lender to the extent required to cause the Loans to be in registered form for the purposes of Sections 163(f), 165(j), 871, 881, and 4701 of the Code.

10.11 Headings; Construction. Section and subsection headings are used in this Agreement only for convenience and do not affect the meanings of the provisions that they precede.

10.12 USA PATRIOT Act Notification; CAML.

(a) Agent hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act, it may be required to obtain, verify and record certain information and documentation that identifies such Person, which information may include the name and address of each such Person and such other information that will allow Agent to identify such Persons in accordance with the USA PATRIOT Act.

(b) Each Loan Party acknowledges that, pursuant to CAML, Agent may be required to obtain, verify and record information regarding directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Parties, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by Agent, or any prospective assignee or participant of a Lender, in order to comply with any applicable CAML, whether now or hereafter in existence.

(c) If the Agent has ascertained the identity of a Loan Party or any authorized signatories of a Loan Party for the purposes of applicable CAML, then the Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a “written agreement” in such regard between each Lender and the Agent within the meaning of applicable CAML; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each Lender agrees that Agent has no obligation to ascertain the identity of a Loan Party or any authorized signatories of a Loan Party on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from a Loan Party or any such authorized signatory in doing so.

10.13 Counterparts; Email Signatures. This Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original,

but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by email as a “.pdf” or “.tiff” attachment shall be effective as delivery of a manually executed counterpart of this Agreement. It is understood and agreed that, subject to applicable law, the words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to any Loan Document shall be deemed to include any E-Signature, delivery or the keeping of any record in electronic form (including deliveries by facsimile, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall have the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system to the extent and as provided for in applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, Parts 2 and 3 of the Personal Information Protection and Electronic Documents Act (Canada), the Electronic Commerce Act 2000 (Ontario), the Electronic Transactions Act (British Columbia), the Electronic Transactions Act (Alberta), or any similar state, federal or provincial laws based on the Uniform Electronic Transactions Act or the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada.

10.14 GOVERNING LAW. THIS AGREEMENT, ALONG WITH ALL OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK (EXCEPT TO THE EXTENT GOVERNED OR SUPERSEDED BY THE BANKRUPTCY CODE) APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES (EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAW). FURTHER, THE LAW OF THE STATE OF NEW YORK SHALL APPLY TO ALL DISPUTES OR CONTROVERSIES ARISING OUT OF OR CONNECTED TO OR WITH THIS AGREEMENT AND ALL SUCH OTHER LOAN DOCUMENTS WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES (EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAW).

10.15 WAIVERS AND JURISDICTION; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; CONSENT TO SERVICE OF PROCESS. ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT IN THE BANKRUPTCY COURT AND, IF THE BANKRUPTCY COURT DOES NOT HAVE, OR ABSTAINS FROM JURISDICTION, THEN THE COURTS OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR IN ANY OTHER COURT (IN ANY JURISDICTION) SELECTED BY THE AGENT IN ITS SOLE DISCRETION, AND EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON UPON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED COURTS AND AMENDMENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR UNDER ANY AMENDMENT, WAIVER, AMENDMENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HERewith OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH

BORROWER AND EACH OTHER LOAN PARTY HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON ANY BORROWER OR ANY OTHER LOAN PARTY AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO THE BORROWERS' NOTICE ADDRESS (ON BEHALF OF THE BORROWERS OR SUCH LOAN PARTY) SET FORTH IN SECTION 10.1 HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE MAIL, OR, AT THE AGENT'S OPTION, BY SERVICE UPON BORROWERS OR ANY OTHER LOAN PARTY IN ANY OTHER MANNER PROVIDED UNDER THE RULES OF ANY SUCH COURTS.

10.16 Publication. Each Borrower and each other Loan Party consents to the publication by Agent and each Lender of a tombstone, press releases or similar advertising material relating to the financing transactions contemplated by this Agreement, and Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.17 Confidentiality. Agent and each Lender agrees to use commercially reasonable efforts not to disclose Confidential Information to any Person without the prior consent of Borrowers; provided, however, that nothing herein contained shall limit any disclosure of the tax structure of the transactions contemplated hereby, or the disclosure of any information (a) to the extent required by applicable law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Loan Document, or as may be required in connection with the examination, audit or similar investigation of Agent, any Lender or any of their Affiliates, (b) to examiners, auditors, accountants or any regulatory authority, (c) to the officers, partners, managers, directors, employees, agents and advisors (including independent auditors, lawyers and counsel) of Agent, any Lender or any of their Affiliates, (d) in connection with any litigation or dispute which relates to this Agreement or any other Loan Document to which Agent or any Lender is a party or is otherwise subject, (e) to a subsidiary or Affiliate of Agent or any Lender, (f) to any assignee or participant (or prospective assignee or participant) which agrees to be bound by this Section 10.17 and (g) to any lender or other funding source of any Lender (each reference to Lender in the foregoing clauses shall be deemed to include the actual and prospective assignees and participants referred to in clause (f) and the lenders and other funding sources referred to in clause (g), as applicable for purposes of this Section 10.17), and provided further, that in no event shall Agent or any Lender be obligated or required to return any materials furnished by or on behalf of Borrowers or any other Loan Party. The obligations of Agent and each Lender under this Section 10.17 shall supersede and replace the obligations of Agent and each Lender under any confidentiality letter or provision in respect of this financing or any other financing previously signed and delivered by Agent or any Lender to Borrowers or any of their respective Affiliates.

10.18 Borrowing Agency Provisions.

(a) Each Borrower hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to (i) borrow, (ii) request advances, (iii) request the issuance of Letters of Credit, (iv) sign and endorse notes, (v) execute and deliver all instruments, documents, applications, security agreements, reimbursement agreements and letter of credit agreements for Letters of Credit and all other certificates, notice, writings and further assurances now or hereafter required hereunder, (vi) make elections regarding interest rates, (vii) give instructions regarding Letters of Credit and agree with the issuer thereof upon any amendment, extension or renewal of any Letter of Credit and (viii) otherwise take action under and in connection with this Agreement and the other Loan Documents, all on behalf of and in the name such Borrower, and hereby authorizes Agent to pay over or credit all Loan proceeds hereunder in accordance with the request of Borrowing Agent.

(b) The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to the Borrowers and at their request. Neither Agent nor any Lender shall incur liability to any Borrower as a result thereof. To induce Agent and each Lender to do so and in consideration thereof, each Borrower hereby indemnifies Agent and each Lender and

holds Agent and each Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Agent or any Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Agent or any Lender on any request or instruction from Borrowing Agent or any other action taken by Agent or any Lender with respect to this Section 10.18 except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

(c) All Obligations shall be joint and several, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted by Agent and Lenders to any Borrower, failure of Agent or any Lender to give any Borrower notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any Borrower, the release by Agent and Lenders of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent and Lenders to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof. Each Borrower waives all suretyship defenses.

10.19 Agent Provisions.

(a) Appointment and Duties.

(i) Each Lender hereby appoints WOCF (together with any successor Agent pursuant to Section 10.19(j)) as Agent hereunder and authorizes Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Loan Party, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (iii) exercise such powers as are reasonably incidental thereto.

(ii) Without limiting the generality of clause (a)(i) above, Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders), and are each hereby authorized, to (A) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection with the Loan Documents, and each Person making any payment in connection with any Loan Document to any Lender is hereby authorized to make such payment to Agent, (B) file and prove claims and file other documents necessary or desirable to allow the claims of the Lenders with respect to any Obligation in any bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Person), (C) act as collateral agent for Agent and each Lender for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (D) manage, supervise and otherwise deal with the Collateral, (E) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (F) except as may be otherwise specified in any Loan Document, exercise all remedies given to Agent and the Lenders with respect to the Loan Parties and/or the Collateral, whether under the Loan Documents, applicable requirements of law or otherwise and (G) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver.

(iii) Under the Loan Documents, Agent (A) is acting solely on behalf of the Lenders (except to the limited extent provided in Section 10.9 with respect to the Register), with duties that are entirely administrative in nature, notwithstanding the use of the defined terms "Agent" or the terms "agent" and "collateral agent" and similar terms in any Loan Document to refer to Agent, which terms are used for title purposes only, (B) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender or any other Person and (C) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Lender by accepting the benefits of the Loan Documents hereby waives and agrees not to assert any claim against Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (A) through (C) above.

(b) **Binding Effect.** Each Lender, by accepting the benefits of the Loan Documents, agrees that (i) any action taken by Agent or the Required Lenders (or, if expressly required hereby, a greater proportion of the Lenders) in accordance with the provisions of the Loan Documents, (ii) any action taken by Agent in reliance upon the instructions of Required Lenders (or, where so required, such greater proportion) and (iii) the exercise by Agent or the Required Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders.

(c) **Use of Discretion.**

(i) Agent shall not be required to exercise any discretion or take, or to omit to take, any action, including with respect to enforcement or collection, except any action it is required to take or omit to take (A) under any Loan Document or (B) pursuant to instructions from the Required Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders).

(ii) Notwithstanding clause (c)(i) above, Agent shall not be required to take, or to omit to take, any action (A) unless, upon demand, Agent receives an indemnification satisfactory to it from the Lenders (or, to the extent applicable and acceptable to Agent, any other Person) against all liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against Agent or any Related Person thereof or (B) that is, in the opinion of Agent or its counsel, contrary to any Loan Document or applicable requirement of law.

(d) **Exclusive Right to Enforce Rights and Remedies.** Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with the Loan Documents for the benefit of all the Lenders. In the event of a foreclosure or similar enforcement action by Agent on any of the Collateral pursuant to a public or private sale or other disposition (including pursuant to section 363(k), section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code), Agent (or any Lender, except with respect to a “credit bid” pursuant to section 363(k), section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code) may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and Agent, as agent for and representative of the Lenders (but not any Lender or Lenders in its or their respective individual capacities) shall be entitled, upon instructions from Required Lenders, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by Agent at such sale or other disposition. The foregoing shall not prohibit (i) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (ii) Agent or any Lender from exercising setoff rights in accordance with Section 7.3(e) or (iii) subject to the following paragraph, Agent or any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any bankruptcy or other debtor relief law; and *provided*, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then the Required Lenders shall have the rights otherwise ascribed to Agent pursuant to Sections 7.2 and 7.3 and in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso and subject to Section 7.3(e)(ii), any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders. In case of the pendency of any bankruptcy or other debtor relief proceeding or any other judicial proceeding relative to any Loan Party, Agent (irrespective of whether the principal of any Loans shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on any Loan Party) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Revolving Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Agent allowed in such judicial proceeding and to collect and receive any monies or

other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to the Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent hereunder.

(e) **Delegation of Rights and Duties.** Agent may, (a) upon any term or condition it specifies, delegate or exercise any of their respective rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Lender) and (b) award the title of joint lead arranger to any Affiliate of Agent. Any such Person shall benefit from this Section 10.19 to the extent provided by Agent.

(f) **Reliance and Liability.**

(i) Agent may, without incurring any liability hereunder, (A) rely on the Register to the extent set forth in Section 10.9, (B) consult with any of its Related Persons and, whether or not selected by it, any other advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Loan Party) and (C) rely and act upon any document and information (including those transmitted by Approved Electronic Communication) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(ii) Agent and its Related Persons shall not be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Lender and Loan Party hereby waive and shall not assert (and Borrower shall cause each other Loan Party not a signatory hereto to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, Agent: (A) shall not be responsible or otherwise incur liability to any Lender or other Person for any action or omission taken in reliance upon the instructions of the Required Lenders or for the actions or omissions of any of its Related Persons selected with reasonable care (other than employees, officers and directors of Agent, when acting on behalf of Agent); (B) shall not be responsible to any Lender or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document; (C) make no warranty or representation, and shall not be responsible, to any Lender or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any Loan Party or any Related Person of any Loan Party in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Loan Party, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by Agent in connection with the Loan Documents; and (D) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Loan Party or as to the existence or continuation or possible occurrence or continuation of any Default or Event of Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from Borrower or any Lender describing such Default or Event of Default clearly labeled "notice of default" (in which case Agent shall promptly give notice of such receipt to all Lenders). For each of the items set forth in clauses (A) through (D) above, each Lender and the Loan Parties hereby waive and agree not to assert (and Borrower shall cause each other Loan Party not a signatory hereto to waive and agree not to assert) any right, claim or cause of action it might have against Agent based thereon.

(g) **Agent Individually.** Agent and its Affiliates may make loans and other extensions of credit to, acquire Equity Interests of, engage in any kind of business with, any Loan Party or Affiliate thereof as though it were not acting as Agent, and may receive separate fees and other payments therefor. To the extent Agent or any of its Affiliates makes any portion of the Revolving Loans or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the terms “Lender” and “Required Lender” and any similar terms shall, except where otherwise expressly provided in any Loan Document, include Agent or such Affiliate, as the case may be, in its individual capacity as Lender or as one of the Required Lenders.

(h) **Lender Credit Decision.**

(i) Each Lender acknowledges that it shall, independently and without reliance upon Agent or any Lender or any of their Related Persons or upon any document (including any offering and disclosure materials in connection with the syndication of the Loans) solely or in part because such document was transmitted by Agent or any of its Related Persons, conduct its own independent investigation of the financial condition and affairs of each Loan Party and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by Agent to the Lenders, Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party that may come in to the possession of Agent or any of its Related Persons.

(ii) If any Lender has elected to abstain from receiving material non-public information (“*MNPI*”) concerning the Loan Parties or their Affiliates such Lender acknowledges that, notwithstanding such election, Agent and/or the Loan Parties will, from time to time, make available syndicate-information (which may contain MNPI) as required by the terms of, or in the course of administering the Revolving Loans to the credit contact(s) identified for receipt of such information on the Lender’s administrative questionnaire who are able to receive and use all syndicate-level information (which may contain MNPI) in accordance with such Lender’s compliance policies and contractual obligations and applicable law, including federal and state securities laws; *provided*, that if such contact is not so identified in such questionnaire, the relevant Lender hereby agrees to promptly (and in any event within one (1) Business Day) provide such a contact to Agent and the Loan Parties upon request therefor by Agent or the Loan Parties. Notwithstanding such Lender’s election to abstain from receiving MNPI, such Lender acknowledges that if such Lender chooses to communicate with Agent, it assumes the risk of receiving MNPI concerning the Loan Parties or their Affiliates.

(i) **Expenses; Indemnities; Withholding.**

(i) Each Lender agrees to reimburse Agent and its Related Persons (to the extent not reimbursed by any Loan Party), promptly upon demand, severally and ratably, for any reasonable costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Other Taxes paid in the name of, or on behalf of, any Loan Party) that may be incurred by Agent or its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including preparation for and/or response to any subpoena or request for document production relating thereto or otherwise)) in respect of, or legal advice with respect to its rights or responsibilities under, any Loan Document.

(ii) Each Lender further agrees to indemnify, defend and hold Agent and its Related Persons (to the extent not reimbursed by any Loan Party), in each case, severally and ratably, harmless from and against liabilities (including, to the extent not indemnified pursuant to Section 9, Taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account

of any Lender) that may be imposed on, incurred by or asserted against Agent or its Related Persons in any matter relating to or arising out of, in connection with or as a result of any Loan Document, any related document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Agent or its Related Persons under or with respect to any of the foregoing; *provided*, that no Lender shall be liable to Agent or its Related Persons to the extent such liability has resulted primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person, as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

(iii) To the extent required by any requirement of law, Agent may withhold from any payment to any Lender under a Loan Document an amount equal to any applicable withholding Tax (including withholding Taxes imposed under Chapters 3 and 4 of Subtitle A of the Code). If the IRS or any other Governmental Authority asserts a claim that Agent did not properly withhold Tax from amounts paid to or for the account of any Lender (because the appropriate certification form was not delivered, was not properly executed, or fails to establish an exemption from, or reduction of, withholding Tax with respect to a particular type of payment, or because such Lender failed to notify Agent or any other Person of a change in circumstances which rendered the exemption from, or reduction of, withholding Tax ineffective, failed to maintain a Register and/or Participant Register or for any other reason), or Agent reasonably determines that it was required to withhold Taxes from a prior payment but failed to do so, such Lender shall promptly indemnify Agent fully for all amounts paid, directly or indirectly, by Agent as Tax or otherwise, including penalties and interest, and together with all expenses incurred by Agent, including legal expenses, allocated internal costs and out-of-pocket expenses. Agent may offset against any payment to any Lender under a Loan Document, any applicable withholding Tax that was required to be withheld from any prior payment to such Lender but which was not so withheld, as well as any other amounts for which Agent is entitled to indemnification from such Lender under this Section 10.19(i)(iii).

(j) Resignation of Agent.

(i) Agent may resign at any time by delivering notice of such resignation to the Lenders and Borrowers, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective in accordance with the terms of this Section 10.19(j)(i). If Agent delivers any such notice, the Required Lenders shall have the right to appoint a successor Agent. If, after thirty (30) days after the date of the retiring Agent's notice of resignation, no successor Agent has been appointed by the Required Lenders that has accepted such appointment, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent from among the Lenders. Each resignation and appointment under this clause (i) shall be subject to the prior consent of Borrowers which may not be unreasonably withheld but shall not be required during the continuance of an Event of Default.

(ii) Effective immediately upon its resignation, (A) the retiring Agent shall be discharged from its duties and obligations under the Loan Documents, (B) the Lenders shall assume and perform all of the duties of the retiring Agent until a successor Agent shall have accepted a valid appointment hereunder, (C) the retiring Agent and its Related Persons shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Agent was, or because such retiring Agent had been, validly acting as Agent under the Loan Documents and (D) subject to its rights under Section 10.19(c), the retiring Agent shall take such action as may be reasonably necessary to assign to the successor Agent its rights as Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Agent a successor Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Agent under the Loan Documents.

(k) Release of Collateral or Guarantors. Each Lender hereby consents to the release and hereby directs Agent to release (or, in the case of clause (ii)(B) below, release or subordinate) the following:

(i) any Subsidiary of Borrower from its guaranty of any Obligation if all of the Equity Interests of such Subsidiary owned by any Loan Party are sold or transferred in a transaction expressly

permitted under the Loan Documents (including pursuant to a waiver or consent), to the extent that, after giving effect to such transaction, such Subsidiary would not be required to guaranty any Obligations pursuant to the Loan Documents; and

(ii) any Lien held by Agent for the benefit of the Lenders against (A) any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Loan Party in a transaction expressly permitted by the Loan Documents (including pursuant to a valid waiver or consent), to the extent all Liens required to be granted in such Collateral pursuant to the Loan Documents after giving effect to such transaction have been granted, (B) any property subject to a Lien permitted hereunder in reliance upon Section 5.25(k)(iv) and Section 5.25(l)(vi) and (C) all of the Collateral and all Loan Parties, upon (x) the occurrence of the Termination Date and (y) to the extent requested by Agent, receipt by Agent and the Lenders of liability releases from the Loan Parties each in form and substance satisfactory to Agent.

Each Lender hereby directs Agent, and Agent hereby agrees, upon receipt of reasonable advance written notice from Borrower, to execute and deliver or file such documents and to perform other actions reasonably necessary to release the guaranties and Liens when and as directed in this Section 10.19(k).

(l) **No Other Duties.** Notwithstanding anything to the contrary contained herein, no Person identified herein or on the facing page or signature pages hereof or otherwise holding the title of “Arranger”, “Lead Arranger” or “Joint Lead Arranger”, if any, shall have or be deemed to have any right, power, obligation, liability, responsibility or duty under this Agreement or the other Loan Documents, other than: (a) in such Person’s capacity as: (i) Agent or a Lender hereunder and (ii) a Released Party; or (b) under Section 10.19.

10.20 [Reserved].

10.21 Defaulting Lender. If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) such Defaulting Lender’s Revolving Commitment and outstanding Revolving Loans shall be excluded for purposes of calculating the fee payable to Lenders in respect of the Unused Line Fee, and such Defaulting Lender shall not be entitled to receive any Unused Line Fee with respect to such Defaulting Lender’s Revolving Commitment or Revolving Loans (in each case not including any fee in connection with any portion of such Defaulting Lenders Revolving Commitment that has been reallocated to non-Defaulting Lenders pursuant to Section 10.21(d) hereof).

(b) the Revolving Commitments and Loans of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.5).

(c) in the event a Defaulting Lender has defaulted on its obligation to fund any Revolving Loan, or purchase any participation pursuant to Section 1.5 hereof, until such time as the Default Excess with respect to such Defaulting Lender has been reduced to zero, any prepayments or repayments on account of the Revolving Loans or participations pursuant to Section 1.5, in each case to the extent they would be otherwise be payable to such Defaulting Lender, shall be applied first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the LC Issuer of Lender Letters of Credit and to each Letter of Credit guarantor/indemnitor in respect of Supported Letters of Credit; third, to provide cash collateral in the amount of 103% of any LC Issuer’s Fronting Exposure with respect to such Defaulting Lender; fourth, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Agent; fifth, if so determined by Agent and the Borrowers, to be held in a Deposit Account and released pro rata in order to (x) satisfy such Defaulting Lender’s potential future funding obligations with respect to Loans under this Agreement and (y) provide cash collateral in the amount of 103% of the LC Issuers’ future Fronting Exposure

with respect to such Defaulting Lender with respect to future Lender Letters of Credit issued under this Agreement; sixth, to the payment of any amounts owing to Agent, the Lenders, any LC Issuers or any Letter of Credit guarantor/indemnitor as a result of any judgment of a court of competent jurisdiction obtained by Agent, any Lender, any LC Issuer or Letter of Credit guarantor/indemnitor against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans or Letter of Credit Liabilities in respect of which such Defaulting Lender has not fully funded its appropriate share and (y) such Loans or Letter of Credit Liabilities were made at a time when the conditions set forth in Section 1.6 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Letter of Credit Liabilities owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Letter of Credit Liabilities owed to, such Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 10.21(c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(d) If any Letter of Credit Liabilities exist at the time a Lender becomes a Defaulting Lender then:

(i) so long as no Default or Event of Default then exists, all or any part of such Letter of Credit Liabilities shall be reallocated among the non-Defaulting Lenders in accordance with their respective Pro Rata Shares of the total Revolving Commitments (calculated without regard to such Defaulting Lender's Revolving Commitments), provided that no Lender's Revolving Exposure shall exceed its Revolving Commitment;

(ii) if the reallocation described in paragraph (i) above cannot, or can only partially, be effected, the Borrowers shall within one (1) Business Day following notice by Agent, cash collateralize such Defaulting Lender's Pro Rata Share of all Letter of Credit Liabilities (after giving effect to any partial reallocation pursuant to paragraph (i) above) for so long as any such Letter of Credit Liabilities remain are outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's Pro Rata Share of the Letter of Credit Liabilities pursuant to this Section 10.21(d), the Borrowers shall not be required to pay any Letter of Credit Fees to such Defaulting Lender with respect to the portion of such Defaulting Lender's Pro Rata Share of the Letter of Credit Liabilities which have been cash collateralized (and the Defaulting Lender shall not be entitled to receive any such fees);

(iv) if the Defaulting Lender's Pro Rata Share of the Letter of Credit Liabilities is reallocated pursuant to this Section 10.21(d), then the Letter of Credit Fees payable to the non-Defaulting Lenders shall be adjusted accordingly; and

(v) if any Defaulting Lender's Pro Rata Share of the Letter of Credit Liabilities is not cash collateralized or reallocated pursuant to this Section 10.21(d), then without prejudice to any rights or remedies of the applicable Letter of Credit guarantor/indemnitor or LC Issuer hereunder, all Letter of Credit Fees payable hereunder with respect to such Defaulting Lender's Pro Rata Share of the Letter of Credit Liabilities shall be payable to the applicable LC Issuer or if applicable, the Letter of Credit guarantor/indemnitor.

(e) So long as any Lender is a Defaulting Lender, no LC Issuer shall be required to issue, extend or increase any Letter of Credit and neither Agent nor any Lender shall be required to provide or enter into any Support Agreement in respect of a Letter of Credit, in each case unless it is reasonably satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or

cash collateral will be provided by the Borrowers, and participating interests in any such newly issued, extended or increased Letter of Credit or Support Agreement shall be allocated among non-Defaulting Lenders in a manner consistent with Section 10.21(d) (and Defaulting Lenders shall not participate therein).

(f) No reallocation permitted pursuant to Section 10.21(d) shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(g) In the event that Agent, the LC Issuers and each Letter of Credit guarantor/indemnitor each agrees in writing that a Defaulting Lender has adequately remedied all matters which caused such Lender to become a Defaulting Lender, then the Pro Rata Shares of the Letter of Credit Liabilities of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on such date such Lender shall purchase at par such of the Revolving Loans of the other Lenders or participations in the Revolving Loans as Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans or participations in accordance with its Pro Rata Share; provided, that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to any other Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

(h) The rights and remedies with respect to a Defaulting Lender under this Section 10.21 are in addition to any other rights and remedies which the Borrowers, Agent, the LC Issuers or any Letter of Credit guarantor/indemnitor, as applicable, may have against such Defaulting Lender.

10.22 Erroneous Payments.

(a) Each Lender hereby agrees that (i) if Agent notifies such Lender that Agent has determined in its sole discretion that any funds received by such Lender from Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise), individually and collectively, an "***Erroneous Payment***") and demands the return of such Erroneous Payment (or a portion thereof), such Lender shall promptly, but in no event later than one (1) Business Day thereafter, return to Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (ii) such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by Agent for the return of any Erroneous Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. A notice of Agent to any Lender under this subsection (a) shall be conclusive, absent manifest error.

(b) Without limiting subsection (a) above, each Lender hereby further agrees that if it receives an Erroneous Payment from Agent (or any of its Affiliates) (i) that is in an amount different than (other than a de minimis difference), or on a different date from, that specified in a notice of payment sent by Agent (or any of its Affiliates) with respect to such Erroneous Payment (an "**Erroneous Payment Notice**"), or (ii) that was not preceded or accompanied by an Erroneous Payment Notice, it shall be on notice that, in each such case, an error has been made with respect to such Erroneous Payment. Each Lender further agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify Agent of such occurrence and, upon demand from Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to Agent the amount of any such Erroneous

Payment (or portion thereof) that was received by such Lender to the date such amount is repaid to Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) Each Loan Party hereby agrees that (i) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, Agent shall be subrogated to all the rights of such Lender with respect to such amount and (ii) an Erroneous Payment that does not consist of the Loan Parties' funds, or to the extent an Erroneous Payment consists of the Loan Parties' funds and such Erroneous Payment has been returned to the applicable Loan Parties, such Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by any Loan Party hereunder or under any of the other Loan Documents.

(d) Each party's obligations under this Section 10.22 shall survive the resignation or replacement of Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of this Agreement, the termination of the Revolving Commitments and the payment in full of the Obligations.

10.23 [Reserved.]

10.24 Waivers Regarding Insolvency Proceedings.

(a) Each Loan Party hereby covenants and agrees that it will not institute against, or join with, encourage or cooperate with any other Person in instituting against, any Lender, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any federal or state bankruptcy or similar law; provided, however, that nothing in this Section 10.24 shall constitute a waiver of any right, if any, to indemnification, reimbursement or other payment from any Lender pursuant to this Agreement. In the event that any Loan Party takes action in violation of this Section 10.24, Agent shall file or cause to be filed an answer with the bankruptcy court or otherwise properly contesting the filing of such a petition by such Loan Party against the applicable Lender or the commencement of such action and raising the defense that such Loan Party has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 10.24(a) shall survive the termination of this Agreement.

(b) Notwithstanding any other provision of this Agreement to the contrary, each Loan Party agrees that any claims of such Loan Party against any Lender in respect of any obligation of a Lender hereunder, if any, are limited to such Lender and the assets thereof (subject to the provisions of Section 10.24(a) hereof). No recourse shall be had against any principal, director, officer, employee, beneficiary, shareholder, partner, member, trustee, agent or affiliate of any Lender or any person owning, directly or indirectly, any legal or beneficial interest in a Lender, or any successors or assigns of any of the foregoing for the payment of any amounts payable hereunder. For the avoidance of doubt, this Section 10.24(b) shall survive the termination of this Agreement.

(c) For the avoidance of doubt, nothing in this Section 10.24 shall be construed to limit or prejudice the right of the Loan Parties and their Affiliates to file a petition for relief as to themselves under the Bankruptcy Code, any Canadian Insolvency Law or under any equivalent bankruptcy or insolvency law.

10.25 DIP Orders Control. To the extent any specific provision hereof or in any other Loan Document is inconsistent with any of the DIP Orders, the Interim DIP Order or Final DIP Order, as applicable, shall control.

10.26 Bankruptcy Matters. This Agreement, the other Loan Documents, and all of the Agent's Liens and other rights and privileges created hereby or pursuant hereto or to any other Loan Document shall be binding upon each Debtor, the estate of each Debtor, and any trustee, other estate representative or any successor in interest of any Debtor in any Chapter 11 Case or any subsequent case commenced under Chapter 7 of the

Bankruptcy Code, and shall not be subject to Section 365 of the Bankruptcy Code. This Agreement and the other Loan Documents shall be binding upon, and inure to the benefit of, the successors of each Agent and the Lenders and their respective assigns, transferees and endorsees. The Agent's Liens created by this Agreement and the other Loan Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any Chapter 11 Case or any other bankruptcy case of any Debtor to a case under Chapter 7 of the Bankruptcy Code or in the event of dismissal of any Chapter 11 Case or the release of any Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the Agent file financing statements or otherwise perfect its Liens under applicable law. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of each Loan Party, the Agent and the Lenders with respect to the transactions contemplated hereby and no Person shall be a third party beneficiary of any of the terms and provisions of this Agreement or any of the other Loan Documents.

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SCHEDULE A

DESCRIPTION OF CERTAIN TERMS

1. Loan Limits for Revolving Loans and Letters of Credit:	
(a) Maximum Revolving Facility Amount:	\$125,000,000
(b) Advance Rates:	
(i) Billed Accounts Advance Rate:	92.5%; <i>provided</i> , that if Dilution with respect to any Borrower exceeds 1.00%, Agent may, at its option (A) reduce such advance rate by the number of full or partial percentage points comprising such excess or (B) establish a Reserve on account of such excess (the “ <i>Dilution Reserve</i> ”).
(ii) Unbilled Accounts Advance Rate:	85%; <i>provided</i> , that if Dilution exceeds 1.00%, Agent may, at its option (A) reduce such advance rate by the number of full or partial percentage points comprising such excess or (B) establish a Dilution Reserve
(iii) Foreign Billed Accounts Advance Rate:	50%; <i>provided</i> , that if Dilution exceeds 1.00%, Agent may, at its option (A) reduce such advance rate by the number of full or partial percentage points comprising such excess or (B) establish a Dilution Reserve
(iv) Inventory Advance Rate:	The lesser of (i) 70% and (ii) 85% of the NOLV Factor of the applicable Eligible Inventory
(c) Sublimit on advances against Eligible Foreign Billed Accounts	\$3,000,000
(d) Sublimit on advances against Eligible Unbilled Accounts:	\$6,000,000
(e) Sublimit on advances against Inventory consisting of raw materials	\$1,000,000
(f) Letter of Credit Limit:	\$5,000,000
3. Interest Rates:	
(a) Revolving Loans:	An interest rate per annum equal to the SOFR Index Rate <i>plus</i> the Applicable Margin
(b) Letters of Credit:	A rate per annum equal to the Applicable Margin
4. Maximum Days re Eligible Accounts:	
(a) Maximum days after original <i>invoice date</i> for Eligible Billed Accounts and Eligible Foreign Billed Accounts:	Ninety (90) days (with respect to Eligible Billed Accounts) One hundred (100) days (with respect to Eligible Foreign Billed Accounts)
(b) Maximum days after original <i>invoice due date</i> for Eligible Billed Accounts and Eligible Foreign Billed Accounts:	Sixty (60) days

(c) Maximum days after <i>services rendered</i> for Eligible Unbilled Accounts:	Thirty (30) days	
5. Agent's Bank:	Wells Fargo Bank, N.A. Account # 2090000511099 ABA Routing # 121000248 Reference: Nine Energy (which bank may be changed from time to time by notice from Agent to Borrowers)	
6. Scheduled Maturity Date:	The date that is one hundred twenty (120) days after the Closing Date.	
7. Revolving Commitment of Lenders:		
Lender	Revolving Commitment	Pro Rata Share
White Oak ABL 3, LLC	\$125,000,000.00	100.00%
Total:	\$125,000,000.00	100.00%

SCHEDULE B

DEFINITIONS

Unless otherwise defined herein, the following terms are used in this Agreement as defined in the UCC: Accounts, Account Debtor, Certificated Security, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Health-Care-Insurance Receivables, Instruments, Inventory, Letter-of-Credit Rights, Proceeds, Supporting Obligations and Tangible Chattel Paper, provided that when used to define a category or categories of the Collateral which is subject to the PPSA, such terms shall include the equivalent category or categories of property set forth in the applicable PPSA.

As used in this Agreement, the following terms have the following meanings:

“ABL Priority Collateral” has the meaning set forth in the Intercreditor Agreement.

“ABR Index Rate” means, as of any SOFR Index Adjustment Date, a rate per annum equal to the highest of: (a) the Federal Funds Rate plus one half of one percent (0.50%); (b) the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by Agent) or any similar release by the Federal Reserve Board (as reasonably determined by Agent), and (c) the Floor.

“ABR Index Rate Loans” means Loans that bear interest at a rate based upon the ABR Index Rate.

“Accounts Advance Rate” means, collectively, the Billed Accounts Advance Rate and the Unbilled Accounts Advance Rate.

“Administrative Agent Account” means a special account established by Agent (f/b/o White Oak ABL 3, LLC) at Wells Fargo Bank, N.A. (account number ending x1099) or, from time to time, another bank or banks reasonably acceptable to Agent.

“Administrative Detail Form” means an administrative detail form supplied by, or otherwise acceptable to, Agent.

“Advance Rates” means, collectively, the Accounts Advance Rate and the Inventory Advance Rate.

“Affiliate” means, with respect to any Person, any other Person in control of, controlled by, or under common control with the first Person, and any other Person who has a substantial interest, direct or indirect, in the first Person or any of its Affiliates, including, any officer or director of the first Person or any of its Affiliates; ***provided, however,*** that neither Agent, any Lender or any of its Affiliates shall be deemed an “Affiliate” of any Borrower for any purposes of this Agreement. For the purpose of this definition, a “substantial interest” shall mean the direct or indirect legal or beneficial ownership of more than ten (10%) percent of any class of equity or similar interest.

“Agent Advisor” means each of Paul Hastings LLP, Blake, Cassels & Graydon LLP. and, upon the Borrower’s consent (such consent not to be unreasonably withheld), any other financial advisor, auditor, attorney, accountant, appraiser, auditor, business valuation expert, environmental engineer or consultant, turnaround consultant, and other consultants, professionals and experts retained by the Agent in connection with the Chapter 11 Cases and the administration of this Agreement.

“Agent’s Office” means the Agent’s address set forth in Section 10.1(b) or such other address as Agent may from time to time notify the Borrowing Agent and each other Lending Party.

“Agreement” and ***“this Agreement”*** have the meanings set forth in the heading to this Agreement.

“Allowed Professional Fees” means any allowed claim by any Professional Persons seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred on or after the Petition Date by such Professional Persons through and including the effective date of the Plan under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code to the extent that such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court and/or in the ordinary course of business and consistent with past practice.

“Anti-Corruption Laws” means all laws, rules, ordinances and regulations of any jurisdiction applicable to the Company or any of its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption, including the United States Foreign Corrupt Practice Act of 1997 and the U.K. Bribery Act 2010.

“Applicable Margin” means a percentage per annum equal to 4.00%.

“Approved Budget” means a projected statement of (a) sources and uses of cash for the Borrowing Agent and the other Debtors, detailing cash receipts and cash disbursements and (b) Borrowing Base levels, in each case, on a weekly basis for the following 13 calendar weeks, in substantially the form of Exhibit K hereto. As used herein, “Approved Budget” shall initially refer to the initial Approved Budget furnished to the Agent on [February [●], 2026], and which is approved by, and in form and substance reasonably satisfactory to, the Agent and thereafter shall refer to the most recent Approved Budget delivered by the Borrowing Agent and approved by the Agent in accordance with Section 5.15(l).

“Approved Electronic Communication” means each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, facsimile, or any Approved Electronic System, whether owned, operated or hosted by Agent, any of its Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Agent pursuant to this Agreement or any other Loan Document, including any financial statement, financial and other report, notice, request, certificate and other information or material; *provided* that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Agent specifically instructs a Person to deliver in physical form.

“Approved Electronic System” means an Electronic System designated as approved by Agent in writing to Borrowing Agent and the Lenders.

“Approved Fund” means, with respect to any Lender, any Person (other than a natural Person) that (i)(a) is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business or (b) temporarily warehouses loans for any Lender or any Person described in clause (a) above and (ii) is advised or managed by (a) such Lender, (b) any Affiliate of such Lender or (c) any Person (other than an individual) or any Affiliate of any Person (other than an individual) that administers or manages such Lender.

“Assignment and Acceptance” means an Assignment and Acceptance Agreement substantially in the form of Exhibit H to the Agreement.

“Authorized Officer” means the chief executive officer, chief operating officer, chief financial officer, chief accounting officer or treasurer, the vice president of finance, the vice president of tax (or, in each case, an officer which is the functional equivalent of the foregoing) of any Borrower and each other Person designated from time to time by any of the foregoing officers of any Borrower in a notice to Agent, which designation shall continue in force and effect until terminated in a notice to Agent from any of the foregoing officers of any Borrower.

“Avoidance Actions” has the meaning specified in the Interim DIP Order or the Final DIP Order, as applicable.

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*).

“Bankruptcy Court” has the meaning assigned to such term in the recitals to this Agreement.

“Base Rate” means an interest rate equal to: (a) the sum of (i) the SOFR Index Rate, as adjusted as of each SOFR Index Adjustment Date, *plus* (ii) the Applicable Margin in effect from time to time per annum; or (b) with respect to the affected Loans, during the existence of a Market Disruption Event (commencing on the first day of the first month following such Market Disruption Event and for each subsequent month occurring during such Market Disruption Event with respect to any outstanding affected Loans), the sum (i) of the ABR Index Rate, as adjusted as of each SOFR Index Adjustment Date, *plus* (ii) the Applicable Margin in effect from time to time per annum.

“Beneficial Ownership Certification” shall mean a certification regarding individual beneficial ownership to the extent expressly required by 31 C.F.R. §1010.230.

“Beneficial Ownership Regulation” shall mean 31 C.F.R. §1010.230.

“Billed Accounts Advance Rate” means the percentage set forth in Section 1(b)(i) of Schedule A.

“Blocked Account” has the meaning set forth in Section 4.1.

“Borrowers” has the meaning set forth in the Preamble to this Agreement.

“Borrowing Agent” means the Company, acting for itself in its capacity as a Borrower or in its capacity as agent for all of the Borrowers (including itself).

“Borrowing Base” means, as of any date of determination, the Dollar Equivalent amount as of such date of determination of:

(a) the aggregate amount of Eligible Billed Accounts multiplied by the Billed Accounts Advance Rate; *plus*

(b) the aggregate amount of Eligible Unbilled Accounts multiplied by the Unbilled Accounts Advance Rate (but in no event to exceed the Unbilled Accounts Sublimit); *plus*

(c) the aggregate amount of Eligible Foreign Billed Accounts multiplied by the Foreign Billed Accounts Advance Rate (but in no event to exceed the Foreign Billed Accounts Sublimit); *plus*

(d) the lower of cost or market value of Eligible Inventory *multiplied by* the applicable Inventory Advance Rate (but in no event to exceed, with respect to Inventory constituting raw materials, the Raw Material Inventory Sublimit); *plus*

(e) the lesser of (i) \$10,000,000 and (ii) an amount equal to 10% of the Borrowing Base (calculated without giving effect to this clause (e)); *minus*

(f) all Reserves which Agent has established pursuant to Section 1.2 (including those to be established in connection with any requested Revolving Loan or Letter of Credit).

“Borrowing Base Certificate” means a certificate of an Authorized Officer of Borrowing Agent setting forth a calculation of the Borrowing Base and Excess Availability as of the last day of the most recently ended calendar month or calendar week as required pursuant to Section 5.15(c)(i), as applicable, in form and detail acceptable to Agent.

“Business Day” means (a) any day other than a Saturday, Sunday or any other day on which Agent or commercial banks in New York are authorized to close, or are in fact closed, (b) any day that any of the Federal Reserve Bank of New York or the New York Stock Exchange is closed, and (c) any other day included in the recommended holiday schedule of the Loan Syndications and Trading Association for calculating delayed compensation; *provided*, that, if such day relates to any interest rate settings as to a Loan that is based on SOFR, any fundings, disbursements, settlements, and payments in respect of any Loan accruing interest based upon the SOFR Index Rate, or any other dealings in Dollars to be carried out pursuant

to this Agreement in respect of any such Loan, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“**Capital Expenditures**” means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of Borrowers, but excluding expenditures made in connection with the acquisition, replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

“**Capitalized Lease**” means any lease which is or should be capitalized on the balance sheet of the lessee thereunder in accordance with GAAP.

“**CAML**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), Part II.1 of the *Criminal Code* (Canada), the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), and other applicable anti-money laundering and/or anti-terrorism laws or government sanctions and “know your client” policies, regulations, laws or rules applicable in Canada, including any guidelines or orders thereunder.

“**Canada**” means the country of Canada, together with any province or territory thereof and any political subdivision of any of them.

“**Canadian Defined Benefit Plan**” means any Canadian Pension Plan which contains a “defined benefit provision” as defined in subsection 147.1(1) of the *Income Tax Act* (Canada).

“**Canadian Dollars**” or “**Cdn\$**” means the lawful currency of Canada, as in effect from time to time.

“**Canadian Insolvency Law**” means legislation in Canada (or any province thereof) relating to bankruptcy, insolvency, reorganization, arrangement, compromise or re-adjustment of debt, liquidation, dissolution or winding-up, or any similar legislation, and specifically, includes, for greater certainty, the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), and the *Winding-up and Restructuring Act* (Canada), each as now and hereafter in effect, and any successors to such statutes and any proceeding under applicable corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

“**Canadian Loan Parties**” means Nine Canada or any other Loan Party incorporated or otherwise organized under the laws of Canada or any province or territory thereof.

“**Canadian Patent Security**” has the meaning assigned to such term in Section 1.6(a)(ii)(H).

“**Canadian Pension Event**” means (a) the voluntary whole or partial wind-up of a Canadian Pension Plan by any Loan Party or any Subsidiary; (b) the filing of a notice of intent to terminate in whole or in part a Canadian Pension Plan or the treatment of a Canadian Pension Plan amendment as a termination or partial termination; (c) the institution of proceedings by a Governmental Authority to terminate in whole or in part or have a trustee appointed to administer a Canadian Pension Plan, or (d) any other event or condition which might constitute grounds for the termination of, winding up or partial termination or winding up or the appointment of trustee to administer, any Canadian Pension Plan.

“**Canadian Pension Plans**” means any plan or arrangement that is required to be registered under Canadian federal or provincial pensions standards legislation and is established, maintained or contributed to or required to be contributed to by a Loan Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

“**Canadian Security**” has the meaning assigned to such term in Section 1.6(a)(ii)(I).

“Canadian Security Agreement” means a collateral pledge agreement governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein dated as of the Closing Date made by Borrowers and the other grantors from time to time party thereto in favor of Agent.

“Canadian Trademark Security” has the meaning assigned to such term in Section 1.6(a)(ii)(I).

“Carve-Out” has the meaning assigned to such term in the Interim DIP Order or the Final DIP Order, as applicable.

“Carve-Out Reserve” means any reserves to cover any portion of the Carve-Out that has not yet been funded or is otherwise not held in the Funded Reserve Account (as such term is defined in the Interim DIP Order or Final DIP Order, as applicable) and which is otherwise required to be funded in accordance with the Carve-Out; provided, however, that the Agent shall not be permitted to establish Carve-Out Reserves for amounts included in the Approved Budget during the time when such amounts are not otherwise required to be funded in accordance with the terms of the Carve-Out.

“Carve-Out Trigger Notice” means a written notice delivered by e-mail (or other electronic means) by the Agent, acting at the direction of the Required Lenders to (i) the Debtors, (ii) their lead restructuring counsel, (iii) the U.S. Trustee, and (iv) counsel to a Committee, if any, which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event (as defined in the DIP Orders) and acceleration of the DIP Obligations (as defined in the DIP Orders), stating that the Post-Carve Out Trigger Notice Cap has been invoked.

“Cash Collateral” has the meaning assigned to such term in the Interim DIP Order or the Final DIP Order, as applicable.

“Cash Dominion Event” means the occurrence of any of the following: (a) Excess Availability is less than \$5,000,000, or (b) an Event of Default has occurred and is continuing.

“Cash Dominion Period” means the period following the occurrence and during the continuance of a Cash Dominion Event during which Agent has exercised its option under Section 4.1 of this Agreement to have exclusive access to the Blocked Accounts; provided, that no “Cash Dominion Period” shall be deemed to have commenced unless and until (a) the Bankruptcy Court shall have approved the commencement of such Cash Dominion Period and (b) the Agent shall have provided at least five (5) Business Days’ prior written notice of the commencement of such Cash Dominion Period to the Borrowers.

“Cash Management Order” means, as applicable, the interim and final order of the Bankruptcy Court in substantially the form reviewed by the Agent prior to the Closing Date, together with all extensions, modifications and amendments, in each case, in form and substance reasonably acceptable to the Agent, which, among other things, (a) authorizes and approves the Debtors’ use of their existing cash management systems, (b) authorizes the Debtors to use existing bank accounts, (c) authorizes the payment of fees, expenses and other charges, whether arising pre-petition or post-petition, in the ordinary course, and (d) waives or extends the deadline with respect to the requirements of Section 345(b) of the Bankruptcy Code.

“Chapter 11 Cases” shall have the meaning provided in the preamble to this Agreement.

“Chapter 11 Plan” means a plan of reorganization in the Chapter 11 Cases.

“Closing Date” means February [●], 2026.

“CME Term SOFR Page” means, as of any time on any SOFR Index Adjustment Date, the display designated as “CME Term SOFR Rates” on the website of CME Group Benchmark Administration Limited at such time on such date (or, if such display is unavailable, then on any successor or substitute page of such service, or any successor to, or substitute for, such service, providing rate quotations comparable to those currently provided on such page of such service, as reasonably determined by Agent from time to time for purposes of providing forward-looking term rates for SOFR).

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collateral**” means all property and interests in property of any Loan Party or the bankruptcy estate of any Loan Party in or upon which a security interest, mortgage, pledge or other Lien is granted pursuant to this Agreement or the other Loan Documents, any DIP Order or otherwise (notwithstanding that any such property may have been excluded from the “Collateral” as such term is defined in the Prepetition ABL Credit Agreement or other Prepetition ABL Loan Documents), including all of the property of each Loan Party described in Section 3.1; provided that Collateral shall exclude any Excluded Collateral.

“**Collateral Account**” means all Deposit Accounts, commodity accounts and securities accounts of any Loan Party, other than Excluded Deposit Accounts.

“**Collections**” has the meaning set forth in Section 4.1.

“**Committee**” means the official committee of unsecured creditors appointed in the Chapter 11 Cases by the U.S. Trustee, if any.

“**Compliance Certificate**” means a compliance certificate substantially in the form of Exhibit F hereto to be signed by an Authorized Officer of Borrowing Agent.

“**Confidential Information**” means confidential information that any Loan Party furnishes to Agent or any Lender pursuant to any Loan Document concerning any Loan Party’s business, but does not include any such information once such information has become, or if such information is, generally available to the public or available to Agent or any Lender (or other applicable Person) from a source other than the Loan Parties which is not, to Agent’s or any Lender’s knowledge, bound by any confidentiality agreement in respect thereof.

“**Confirmation Order**” has the meaning assigned to such term in the RSA.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise, and the terms “**Controlled by**” or “**under common Control with**” shall have the correlative meanings.

“**Control Agreement**” means any agreement entered into among a depository institution, commodities intermediary or securities intermediary at which a Loan Party maintains a Deposit Account, securities account or commodity account, such Loan Party and Agent, pursuant to which Agent obtains control (within the meaning of the UCC) over such Deposit Account, securities account or commodity account, in form and substance reasonably satisfactory to Agent.

“**Controlled Account**” means a Deposit Account, securities account or commodity account that is subject to a Control Agreement.

“**Conversion Date**” means the date on which all the conditions on Annex I are satisfied (or waived by each Lender) and the conversion of the Loans into Exit ABL Loans pursuant to Section 1.14 occurs.

“**Copyright Collateral**” means all copyrights of any Loan Party, registered or unregistered and whether published or unpublished, now or hereafter in force throughout the world including all of such Loan Party’s rights, titles and interests in and to all copyrights registered in the United States Copyright Office or anywhere else in the world, including those copyright registrations or applications therefor set forth in Section 37 of the Information Certificate(s), and registrations and recordings thereof and all applications for registration thereof, whether pending or in preparation, all copyright licenses, the right to sue for past, present and future infringements of any of the foregoing, all rights corresponding thereto, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or licensed by such Loan Party.

“**Debtor**” or “**Debtors**” has the meaning assigned to such term in the recitals to this Agreement.

“Default” means any event which with notice or passage of time, or both, would constitute an Event of Default.

“Default Excess” means with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender’s Pro Rata Share of the aggregate outstanding principal amount of all Revolving Loans (calculated as if all Defaulting Lenders (other than such Defaulting Lender) had funded their respective Pro Rata Shares of all Revolving Loans) over the aggregate outstanding principal amount of all Revolving Loans of such Defaulting Lender.

“Default Rate” has the meaning set forth in Section 2.1.

“Defaulting Lender” means, subject to Section 10.21(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Agent and Borrowing Agent in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Agent, or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified Borrowing Agent and Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by Agent or Borrowing Agent, to confirm in writing to Agent and Borrowing Agent that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Agent and Borrowing Agent), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 10.21(b)) upon delivery of written notice of such determination to Borrowing Agent, and each other Lender.

“Defaulting Lender Rate” means (a) for the first three days from and after the date the relevant payment is due, the Base Rate, and (b) thereafter, the interest rate then applicable to Revolving Loans that bear interest based upon the ABR Index Rate (inclusive of the Applicable Margin).

“Dilution” means, as of any date of determination, with respect to any Borrower, a percentage, based upon the experience of the immediately prior twelve (12) months, that is the result of dividing the Dollar Equivalent amount of (a) bad debt write-downs, discounts, advertising allowances, credits, or other dilutive items with respect to such Borrower’s Accounts during such period, by (b) such Borrower’s billings with respect to Accounts during such period.

“Dilution Reserve” has the meaning set forth in Section 1(b)(i) of Schedule A.

“DIP ABL Credit Facility” has the meaning assigned to such term in the recitals to this Agreement.

“DIP Motion” means the motion and proposed form of Interim DIP Order filed by the Debtors with the Bankruptcy Court on the Petition Date seeking approval, on an interim and final basis, of (among other things) the DIP ABL Credit Facility, and authorization for the use of cash collateral (including such terms and conditions relating to adequate protection in connection therewith), in each case, in form and substance reasonably acceptable to the Agent.

“DIP Orders” mean collectively, the Interim DIP Order and the Final DIP Order and separately, the Interim DIP Order or the Final DIP Order, as the context requires.

“Disbursement Account” means that certain Deposit Account of the Company maintained at JPMorgan Chase Bank, N.A., with an account number ending x8231 (or such other Deposit Account that is a Controlled Account identified by the Company to the Agent from time to time in writing following the Closing Date in Section 41 of the Information Certificate).

“Disqualified Equity Interest” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, matures or is mandatorily redeemable for any consideration other than another Equity Interest (which would not constitute a Disqualified Equity Interest), pursuant to a sinking fund obligation or otherwise (except as a result of a change in control or asset sale so long as any rights of the holders thereof upon the occurrence of such change in control or asset sale event shall be subject to prior to the Termination Date), or is convertible or exchangeable for Indebtedness or redeemable for any consideration other than any Equity Interest (which would not constitute a Disqualified Equity Interest) at the option of the holder thereof, in whole or in part, on or prior to the date that is one hundred eighty (180) days after the earlier of (a) the Maturity Date and (b) the Termination Date; provided that, if such Equity Interest is issued pursuant to a Plan for the benefit of the Company or its Subsidiaries or their officers or employees, such Equity Interest shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by the Company or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Dollar Equivalent” means, at any time, (a) as to any amount denominated in Dollars, the amount hereof at such time, and (b) as to any amount denominated in a currency other than Dollars, the equivalent amount in Dollars as determined by Agent at such time that such amount could be converted into Dollars by Agent according to prevailing exchange rates selected by Agent.

“Dollars” or **“\$”** means United States Dollars, lawful currency for the payment of public and private debts.

“Domestic Accounts Availability” means, at any time of determination, an amount equal to the sum of the clauses (a) and (b) of the definition of Borrowing Base, less the corresponding Reserves applied thereto pursuant to Section 1.2.

“Domestic Subsidiary” means any Subsidiary that is either (a) incorporated or organized under the laws of the United States, any State thereof or the District of Columbia or (b) disregarded for U.S. federal income tax purposes and the parent of such Subsidiary is either the Company or any other Domestic Subsidiary.

“E-Signature” means an electronic symbol, digital signature or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means an electronic system for the delivery of information (including documents), such as IntraLinks On Demand Workspaces™ or DXSyndicate™, that may or may not be provided or administered by Agent or an Affiliate thereof.

“Eligible Billed Account” means, at any time of determination, an Account owned by a Borrower which satisfies the general criteria set forth below and which is otherwise acceptable to Agent in its Permitted Discretion (provided, that Agent may, in its Permitted Discretion, change the general criteria for acceptability

of Eligible Billed Accounts and shall notify Borrowers of such change promptly thereafter). An Account shall be deemed to meet the general criteria if:

(a) neither the Account Debtor nor any of its Affiliates is an (i) Affiliate (including any employee or agent of a Loan Party or Affiliate of a Loan Party), (ii) creditor or (iii) supplier of any Loan Party or any Affiliate of a Loan Party (with Accounts described in the foregoing clauses (ii) and (iii) to be ineligible to the extent of any amounts owed by such applicable Borrower or any other Loan Party or Affiliate of a Loan Party to such Person as a creditor or supplier);

(b) it does not remain unpaid more than the earlier to occur of (i) the number of days after the original invoice date set forth in Section 4(a) of Schedule A or (ii) the number of days after the original invoice due date set forth in Section 4(b) of Schedule A;

(c) the Account Debtor or its Affiliates are not past due (or past any of the applicable dates referenced in clause (b) above) on other Accounts owing to the Borrowers comprising more than 50% of all of the Accounts owing to the Borrowers by such Account Debtor or its Affiliates;

(d) all Accounts owing by the Account Debtor and its Affiliates do not represent more than 20% of all otherwise Eligible Billed Accounts, Eligible Foreign Billed Accounts and Eligible Unbilled Accounts (provided, that Accounts which are deemed to be ineligible solely by reason of this clause (d) shall be considered Eligible Billed Accounts, Eligible Foreign Billed Accounts or Eligible Unbilled Accounts, as applicable, to the extent of the amount thereof which does not exceed 20% of all otherwise Eligible Billed Accounts, Eligible Foreign Billed Accounts and Eligible Unbilled Accounts);

(e) the Account complies with each covenant, representation or warranty contained in this Agreement or any other Loan Document with respect to Eligible Billed Accounts and Eligible Foreign Billed Accounts (including any of the representations set forth in Section 5.4);

(f) the Account is not subject to any contra relationship, counterclaim, dispute, customer deposit or set-off; *provided*, that such Account shall be deemed to be ineligible only to the extent of such contra, counterclaim, dispute, customer deposit or set-off;

(g) the Account Debtor's chief executive office or principal place of business is located in the United States or Canada or the Account Debtor is organized under the laws of the United States or Canada (or any state or province thereof);

(h) the Account is payable solely in Dollars or Canadian Dollars;

(i) it is evidenced by an invoice or other documentation satisfactory to Agent which has been sent to the Account Debtor and it is absolutely owing to such Borrower and does not arise from a sale on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment, retainage or any other repurchase or return basis or consist of progress billings and the payment terms are not "C.O.D.", cash on delivery or other similar terms;

(j) Agent shall have verified the Account in a manner satisfactory to Agent in its Permitted Discretion;

(k) the Account Debtor is not the United States of America or the Government of Canada or any state, province, territory or political subdivision of any of them (or any department, agency or instrumentality thereof), unless the applicable Borrower has complied with the Assignment of Claims Act of 1940 (31 U.S.C. §203 et seq.), or the *Financial Administration Act* (Canada) or other applicable similar state, provincial, territorial or local law in a manner satisfactory to Agent;

(l) it is at all times subject to Agent's duly perfected, first priority security interest and to no other Lien that is not a Permitted Lien, and the goods giving rise to such Account (i) were not, at the time of sale, subject to any Lien except Permitted Liens and (ii) have been sold by the applicable Borrower to the

Account Debtor in the ordinary course of the applicable Borrower's business and delivered to and accepted by the Account Debtor, or the services giving rise to such Account have been performed by the applicable Borrower and accepted by the Account Debtor in the ordinary course of the applicable Borrower's business;

(m) the Account is not evidenced by Chattel Paper or an Instrument of any kind (unless delivered to Agent in accordance with Section 3.2 of this Agreement) and has not been reduced to judgment;

(n) the Account Debtor's total indebtedness to the applicable Borrower does not exceed the amount of any credit limit established by the applicable Borrower or Agent in its Permitted Discretion and the Account Debtor is otherwise deemed to be creditworthy by Agent based on Agent's Permitted Discretion (provided, that Accounts which are deemed to be ineligible solely by reason of this clause (n) shall be considered Eligible Billed Accounts or Eligible Foreign Billed Accounts to the extent the amount of such Accounts does not exceed the lower of such credit limits);

(o) there are no facts or circumstances existing, or which could reasonably be anticipated to occur, which might result in any adverse change in the Account Debtor's financial condition or impair or delay the collectability of all or any portion of such Account;

(p) Agent has been furnished with all documents and other information pertaining to such Account which Agent has reasonably requested, or which the applicable Borrower is obligated to deliver to Agent, pursuant to this Agreement;

(q) the applicable Borrower has not made an agreement with the Account Debtor to extend the time of payment thereof beyond the time periods set forth in clause (b) above;

(r) the applicable Borrower has not posted a surety or other bond in respect of the contract under which such Account arose;

(s) the Account Debtor is not a Sanctioned Person;

(t) it does not have selling terms of more than 60 days; and

(u) the Account Debtor is not subject to any proceeding seeking liquidation, arrangement, receivership, dissolution, wind-up, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law.

"Eligible Foreign Billed Account" means, at any time of determination, an Account owned by a Borrower that is otherwise an "Eligible Billed Account" but for clause (g) of the definition thereof; provided that (a) such Account Debtor is located in an Eligible Jurisdiction, (b) such Account (i) is fully backed by a letter of credit, guaranty or acceptance acceptable to Agent in its Permitted Discretion, and if backed by a letter of credit, such letter of credit has been issued or confirmed by a bank satisfactory to Agent in its Permitted Discretion, is sufficient to cover such Account, and if required by Agent, the original of such letter of credit has been delivered to Agent or Agent's agent and the issuer thereof notified of the assignment of the proceeds of such letter of credit to Agent or (ii) is subject to credit insurance payable to Agent issued by an insurer and on terms, conditions and in an amount acceptable to Agent in its Permitted Discretion, (c) such Account is payable solely in Dollars and (d) such Account is billed and collectible solely in the U.S; provided, further, that the eligibility criteria set forth in clause (t) of the definition of "Eligible Billed Account" shall not apply to the determination of Eligible Foreign Billed Accounts for Specified Extended Terms Accounts.

"Eligible Inventory" means, at any time of determination, Inventory owned by a Borrower which satisfies the general criteria set forth below and which is otherwise acceptable to Agent in its Permitted Discretion (provided, that Agent may, in its Permitted Discretion, change the general criteria for acceptability of Eligible Inventory and shall notify Borrowers of such change promptly thereafter). Inventory shall be deemed to meet the current general criteria if:

(a) it consists of raw materials or finished goods;

- (b) it is in good, new and saleable condition;
- (c) it is not slow-moving (defined as inventory that is (i) over one year old from date of receipt or (ii) in quantities exceeding the last 12 months' sales by unit), obsolete, damaged, contaminated, unmerchantable, returned, rejected, discontinued or repossessed, or supplies and packaging;
- (d) it is not in the possession of a processor, consignee or bailee, or located on premises leased or subleased to the applicable Borrower, or on premises subject to a mortgage in favor of a Person other than Agent, unless (x) such processor, consignee, bailee or mortgagee or the lessor or sublessor of such premises, as the case may be, has executed and delivered all documentation which Agent shall require to evidence the subordination or other limitation or extinguishment of such Person's rights with respect to such Inventory and Agent's right to gain access thereto or (y) a rent Reserve has been established by Agent in accordance with this Agreement in the case of third party leased locations, or such other Reserve satisfactory to Agent in its Permitted Discretion has been established with respect to Inventory in possession of any processor, consignee or bailee, or located on the premises owned by any Loan Party subject to a mortgage in favor of a Person other than Agent;
- (e) it does not consist of (i) fabricated parts, labels, pallets, consigned items, supplies or packaging, (ii) "big lake equipment" or (iii) RedZone's "specialty coil tubing inventory";
- (f) it meets all standards imposed by any Governmental Authority;
- (g) it conforms in all respects to any covenants, warranties and representations set forth in this Agreement and each other Loan Document;
- (h) it is at all times subject to Agent's duly perfected, first priority security interest and no other Lien except a Permitted Lien;
- (i) it is not purchased or manufactured pursuant to a license agreement that is not assignable to each of Agent and its transferees, unless such license agreement is satisfactory to Agent or Agent is in receipt of a Licenser Consent Agreement in form and substance satisfactory to Agent;
- (j) it is situated at a Collateral location listed in Sections 27-32 of the Information Certificate(s) or other location of which Agent has been notified as required by Section 5.8 (and it is not in-transit), in each case which location must be in the continental United States or Canada;
- (k) it is situated at a location holding not less than \$100,000 of the aggregate value of Inventory of the Borrowers;
- (l) no Person other than a Borrower has any direct or indirect ownership interest or title; and
- (m) it is not acquired from a Sanctioned Person.

"Eligible Jurisdiction" means (a) Australia, Saudia Arabia, the United Kingdom, any European Union member, and the United Arab Emirates and (b) any other jurisdiction that Agent may, at the Borrowing Agent's written request, from time to time designate as an "Eligible Jurisdiction" in its Permitted Discretion.

"Eligible Unbilled Account" means any Unbilled Amount of a Borrower which (a) is owing, but which is not yet billed, for sales actually consummated or services actually rendered by such Borrower, as reflected on its books and records, (b) shall become a standard billed Account in the ordinary course of business of such Borrower pursuant to the billing of such amount (and the conversion thereof into an Account), (c) is subject to a perfected first priority security interest in favor of Agent and no other lien except Permitted Liens and would not otherwise be deemed ineligible under the definition of Eligible Billed Accounts (except for the fact that such Unbilled Amount is not yet billed and invoiced), (d) the Unbilled Amount is evidenced by documentation satisfactory to Agent in its Permitted Discretion and has been verified by Agent in a manner satisfactory to Agent, (e) is owing by a Person other than any (i) Affiliate

(including any employee or agent of a Loan Party or Affiliate of a Loan Party), (ii) creditor or (iii) supplier of a Loan Party or an Affiliate of a Loan Party (with such Unbilled Amounts described in the foregoing clauses (ii) and (iii) to be ineligible to the extent of any amounts owed by a Loan Party or an Affiliate of a Loan Party to such Person as a creditor or supplier), and (f) is the product of services rendered not more than the number of days specified in Section 4(c) of Schedule A, as applicable. Notwithstanding anything to the contrary contained in the foregoing, no Unbilled Amount shall be an Eligible Unbilled Account included in the Borrowing Base unless such Unbilled Amount is owing in, and will be billed and invoiced in, denominated in and repayable in, Dollars or Canadian Dollars.

“Equity Control Threshold” has the meaning set forth in Section 7.1(l).

“Equity Interests” means, with respect to a Person, all of the shares of stock, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, or any similar federal or provincial statute of Canada, as in effect from time to time).

“ERISA” means the Employee Retirement Income Security Act of 1974 and all rules, regulations and orders promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with a Loan Party within the meaning of section 414(b) or (c) of the Code (and sections 414(m) and (o) of the Code for purposes of provisions relating to section 412 of the Code and section 302 of ERISA).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party or any ERISA Affiliate.

“Erroneous Payment” has the meaning assigned to it in Section 10.22(a).

“Erroneous Payment Notice” has the meaning assigned to it in Section 10.22(b).

“Event of Default” has the meaning set forth in Section 7.1.

“Excess Availability” means the amount, as determined by Agent, calculated at any date, equal to the difference of (a) the Line Cap, minus (b) the outstanding balance of all Revolving Loans and the aggregate amount of Letter of Credit Liabilities; provided that if any of the Loan Limits for Revolving Loans is exceeded as of the date of calculation, then Excess Availability shall be zero.

“Excluded Collateral” means:

- (a) [reserved];
- (b) Excluded Governmental Approvals;

- (c) Excluded Contracts;
- (d) Excluded JV Equity Interests;
- (e) Excluded PMSI Collateral;
- (f) [reserved];
- (g) Excluded Foreign Stock;
- (h) Excluded Trademark Collateral; and
- (i) All Avoidance Actions (but not proceeds of Avoidance Actions).

provided, however, that (v) no asset or property upon which a Lien has been granted to secure Indebtedness outstanding under or incurred in reliance on Section 5.25(k)(xiv) shall constitute “Excluded Collateral” hereunder, (w) the exclusion from the Lien and security interest granted by any Loan Party hereunder of any Excluded Collateral shall not limit, restrict or impair the grant by such Loan Party of the Lien and security interest in any accounts or receivables arising under any such Excluded Collateral or any payments due or to become due thereunder unless the conditions in effect which qualify such property as Excluded Collateral applies with respect to such accounts and receivables, (x) any proceeds received by any Loan Party from the sale, transfer or other disposition of Excluded Collateral shall constitute Collateral unless the conditions in effect which qualify such property as an Excluded Collateral applies with respect to such proceeds, (y) for the avoidance of doubt, no Excluded Foreign Stock shall secure the Obligations, and (z) any property (including any Equity Interests or intercompany note) that ceases to be “Excluded Collateral” shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Agreement as “Collateral”.

“Excluded Contracts” means any contract to which any of the Loan Parties is a party on the date hereof or which is entered into by any Loan Party after the date hereof which complies with this Agreement (and the provisions of which are not agreed to by a Loan Party for the purposes of excluding such contract from the Lien granted hereunder) to the extent (but only to the extent) that the granting of a security interest therein would be prohibited by (a) such contract under a provision (unless a Loan Party or a Subsidiary may unilaterally waive such prohibition) in such contract in existence on the date hereof or, as to contracts entered into after the date hereof, in existence in compliance with Section 5.25(o) of this Agreement (and the provisions of which are not agreed to by a Loan Party for the purposes of excluding such contract from the Lien granted hereunder), or (b) an applicable Legal Requirement to which such Loan Party or such contract is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and clause (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Loan Party has obtained the consent of the other parties to such Excluded Contract to the creation of a lien and security interest in such Excluded Contract, then such contract shall cease to be an “Excluded Contract” and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Agreement as “Collateral”; provided further, that any proceeds received by any Loan Party from the sale, transfer or other disposition of Excluded Contracts shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

“Excluded Deposit Accounts” means Deposit Accounts that are (a) solely used for the purposes of making payments in respect of payroll, taxes and employees’ wages and benefits for the benefit of any Loan Party or any of its Subsidiaries, (b) trust, escrow and fiduciary accounts, (c) maintained (and at all times will be maintained) solely in connection with an employee benefit plan, (d) which, in the aggregate, do not contain at any time an amount on deposit in excess of \$750,000 (or the Dollar Equivalent thereof), (e) cash collateral accounts to the extent the liens thereunder are permitted pursuant to Section 5.25(l) or (f) zero balance

accounts used for disbursements (and not the receipt of Collections) for which the balance of such account is transferred at the end of each date to a Deposit Account subject to a Control Agreement.

“Excluded Foreign Stock” means the Equity Interests issued by Foreign Subsidiaries of any Loan Party or issued by any Domestic Subsidiary of any Loan Party that is owned directly or indirectly by a Foreign Subsidiary, other than (a) 65% of the voting Equity Interests issued by a first-tier Foreign Subsidiary and (b) 100% of Equity Interests issued by a first-tier Foreign Subsidiary that are not voting Equity Interests.

“Excluded Governmental Approvals” means any governmental approval to the extent (but only to the extent) that a Loan Party is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such property by reason of applicable Legal Requirement to which such Loan Party or such property is subject; provided, however, to the extent that (i) such prohibition is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Loan Party has obtained the consent of the applicable Governmental Authority to the creation of a lien and security interest in such Excluded Governmental Approval, then such governmental approval shall cease to be an “Excluded Governmental Approval” and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Agreement as “Collateral”; provided further, that any proceeds received by any Loan Party from the sale, transfer or other disposition of Excluded Governmental Approval shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

“Excluded JV Equity Interests” means the Equity Interests owned by any Loan Party in a joint venture as of the Closing Date to the extent (but only to the extent) (a) the organizational documents of such joint venture prohibit the granting of a Lien on such Equity Interests or (b) such Equity Interests of such joint venture are expressly required to be pledged as collateral to secure (i) obligations to the other holders of the Equity Interests in such joint venture (other than a holder that is a Subsidiary of the Borrower) or (ii) Indebtedness of such joint venture that is non-recourse to any of the Loan Parties or to any of the Loan Parties’ properties, in each case the provisions of which are not agreed to by a Loan Party for the purpose of excluding such Equity Interests; provided, however, if any of the foregoing conditions ceases to be in effect for any reason, then the Equity Interest in such joint venture shall cease to be an “Excluded JV Equity Interest” and shall automatically be subject to the Lien and security interest granted hereby and to the terms and provisions of this Agreement as “Collateral”; provided further, that any proceeds received by any Loan Party in respect of any (including from the sale, transfer or other disposition of) Excluded JV Equity Interest shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above.

“Excluded PMSI Collateral” means any property and proceeds thereof (including insurance proceeds) of a Loan Party that is now or hereafter subject to a Lien securing (and, for the avoidance of doubt, acquired with the proceeds of) purchase money debt or a Capitalized Lease obligation to the extent (and only to the extent) that (a) the Indebtedness associated with such Lien is permitted under Section 5.25(k)(iv) or 5.25(k)(x) of this Agreement, and (b) the documents evidencing such purchase money debt or Capitalized Lease obligation prohibit or restrict the granting of a Lien in such property; provided, however, to the extent that (i) either of the prohibitions discussed in clauses (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or (ii) the holder of such Lien consents to the granting of a Lien in favor of Agent, then such property and proceeds thereof shall cease to be “Excluded PMSI Collateral” and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Agreement as “Collateral”; provided further, that any proceeds received by any Loan Party from the sale, transfer or other disposition of Excluded PMSI Collateral shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

“Excluded Subsidiary” means any Foreign Subsidiary other than any Subsidiary of a Loan Party that is organized under the laws of Canada.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) that are Other Connection Taxes; (b) United States federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan or Revolving Commitment pursuant to a law in effect on the date on which such Recipient acquires such interest in the Loan or Revolving Commitment or acquires such participation, except in each case to the extent that, pursuant to Section 9.1 amounts with respect to such Taxes were payable either to such Recipient’s assignor (or such Lender granting such participation) immediately before such assignment or grant of participation; (c) Taxes attributable to such Recipient’s failure to comply with Section 9.1(e); (d) any withholding Taxes imposed pursuant to FATCA; and (e) any withholding tax imposed under Part XIII of the *Income Tax Act* (Canada) arising as a result of such recipient either (i) not dealing at arm’s length with a Borrower (for purposes of the *Income Tax Act* (Canada)), or (ii) being, or not dealing at arm’s length with (for purposes of the *Income Tax Act* (Canada)), a “specified shareholder” of a Borrower (for purposes of the *Income Tax Act* (Canada)); provided that Agent shall not be deemed to be a “specified shareholder” or not dealing at arm’s length just by virtue of it being granted, holding, possessing and/or enforcing any security interest in any Collateral, including any Equity Interests.

“Excluded Trademark Collateral” means all United States intent to use trademark applications with respect to which the grant of a security interest therein would impair the validity or enforceability of said intent to use trademark application under federal law; provided, however, to the extent that such law is no longer in effect, then such trademark application shall cease to be “Excluded Trademark Collateral” and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Agreement as “Collateral”; provided further, that any proceeds received by any Loan Party from the sale, transfer or other disposition of Excluded Trademark Collateral shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

“Existing JPM Letters of Credit” means the letters of credit issued by JPMorgan Chase Bank, N.A. outstanding as of the Closing Date and set forth on Schedule C hereto, in each case without giving effect to any increase, extension or renewal thereof.

“Exit ABL Commitments” means the Revolving Commitments converted to “exit revolving credit commitments” under the Exit ABL Facility on the Conversion Date.

“Exit ABL Facility” means the credit agreement to be entered into on the Conversion Date containing such terms consistent with the Exit ABL Term Sheet.

“Exit ABL Letters of Credit” means the Letters of Credit deemed issued under the Exit ABL Facility on the Conversion Date.

“Exit ABL Loans” means the Loans converted to “exit loans” under the Exit ABL Facility on the Conversion Date.

“Exit ABL Term Sheet” means the “Exit ABL Facility Term Sheet” under and as defined in the RSA, including but not limited to the terms and conditions under the heading “Agreement to Roll; Exit ABL Facility”.

“Extraordinary Receipts” means any cash or cash equivalents received by or paid to or for the account of any Loan Party not in the ordinary course of business, including amounts received in respect of foreign, United States, Canadian, state, provincial, territorial or local tax refunds, purchase price adjustments, indemnification payments, and pension plan reversions unless otherwise proposed to be used (and so used) for alternative purposes in accordance with the Approved Budget.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation or rules adopted pursuant to such intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent (0.01%)) charged to major money center banks on such day on such transactions as determined by Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fee Letter” means that certain Fee Letter, dated as of the Closing Date, between Borrowers and WOFC, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Final DIP Order” means an order of the Bankruptcy Court in the Chapter 11 Cases, which order (a) shall be in form and substance, and on terms and conditions, satisfactory to the Agent, (b) shall, subject to the foregoing, authorize and approve, on a final basis, among other things, the DIP ABL Credit Facility and the transactions related thereto (including the making of the Loans, and the incurrence of the Obligations), the Debtors’ use of cash collateral, and the grant of adequate protection, (c) shall be in full force and effect, and (d) (i) shall not have been reversed, vacated, or stayed and (ii) shall not have been amended, supplemented or otherwise modified since entry thereof by the Bankruptcy Court unless in accordance with this Agreement.

“Financial Advisor” means each of Moelis & Company and FTI Consulting, Inc., together with any replacement or successor financial advisor retained by the Debtors with the consent of Agent (such consent not to be unreasonably withheld).

“First Day Orders” means the orders entered by the Bankruptcy Court in respect of first day motions and applications in respect of the Chapter 11 Cases, including, without limitation, any motions related to the Loan Documents, cash management, debtor-in-possession cash collateral and any critical vendor or supplier motions), which First Day Orders shall be in form and substance reasonably acceptable to the Agent.

“Fiscal Year” means the fiscal year of Loan Parties which ends on December 31st of each year.

“Floor” means a rate of interest equal to 1.50%.

“Foreign Accounts Availability” means, at any time of determination, an amount equal to the sum of the clause (c) of the definition of Borrowing Base, less the corresponding Reserves applied thereto pursuant to Section 1.2.

“Foreign Billed Accounts Advance Rate” means the percentage set forth in Section 1(b)(iii) of Schedule A.

“Foreign Billed Accounts Sublimit” means the amount set forth in Section 1(c) of Schedule A.

“Foreign Subsidiary” means any Subsidiary of a Loan Party that is not (a) a Domestic Subsidiary or (b) a Loan Party.

“FracTech Acquisition” means the acquisition by Nine Downhole of Frac Technology AS, a Norwegian private limited company, pursuant to that certain Securities Purchase Agreement dated as of October 1, 2018, by and among Nine Downhole and the sellers party thereto.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to any LC Issuer of a Lender Letter of Credit, such Defaulting Lender’s Pro Rata Share of the outstanding Letter of Credit Liabilities with respect to Letters of Credit issued by such LC Issuer and (b) with respect to any Letter of Credit guarantor/indemnitor, such Defaulting Lender’s Pro Rata Share of the outstanding Letter of Credit Liabilities with respect to Supported Letters of Credit supported by a Support Agreement to which such Letter of Credit guarantor/indemnitor is a party, in each case other than Letter of Credit Liabilities as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or cash collateralized.

“GAAP” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the United States accounting profession), which are applicable to the circumstances as of the date of determination, in any case consistently applied.

“Governmental Authority” means the government of the United States of America, Canada or any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantors” has the meaning set forth in the heading to this Agreement.

“Guaranty”, “Guaranteed” or to “Guarantee”, as applied to any Indebtedness, liability or other obligation, means (a) a guaranty, directly or indirectly, in any manner, including by way of endorsement (other than endorsements of negotiable instruments for collection in the ordinary course of business), of any part or all of such Indebtedness, liability or obligation, and (b) an agreement, contingent or otherwise, and whether or not constituting a guaranty, assuring, or intended to assure, the payment or performance (or payment of damages in the event of non-performance) of any part or all of such Indebtedness, liability or obligation by any means (including, the purchase of securities or obligations, the purchase or sale of property or services, or the supplying of funds).

“Impacted Loans” has the meaning assigned to such term in Section 2.1(d).

“Indebtedness” means (without duplication), with respect to any Person, (a) all obligations or liabilities, contingent or otherwise, for borrowed money, (b) all obligations represented by promissory notes, bonds, debentures or the like, or on which interest charges are customarily paid, (c) all liabilities secured by any Lien on property owned or acquired, whether or not such liability shall have been assumed, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables which are not ninety (90) days past the invoice date incurred in the ordinary course of business, but including the maximum potential amount payable under any earn-out or similar obligations), (f) all obligations of such Person under Capitalized Leases, (g) all obligations (contingent or otherwise) of such Person as an account party or applicant in respect of letters of credit and/or bankers’ acceptances, or in respect of financial or other hedging obligations (valued at the termination value of such hedging obligations), (h) all Equity Interests issued by such Person subject to repurchase or redemption at any time on or prior to the Scheduled Maturity Date, other than voluntary repurchases or redemptions that are at the sole option of such Person, (i) all principal outstanding under any synthetic lease, off-balance sheet loan or similar financing product, and (j) all Guarantees and other contingent obligations of such Person in respect of the obligations of others of the kinds referred to in clauses (a) through (i) above.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Ineligible Assignee” means (a) any natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), (b) any Loan Party or any of its Affiliates or (c) any Defaulting Lender or any Affiliate of any Defaulting Lender or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or an Affiliate thereof.

“Information Certificate(s)” means (a) as of the Closing Date, the information certificate(s) annexed hereto and (b) as of any date after the Closing Date, the information certificate(s) described in the immediately foregoing clause (a) as most recently updated and delivered to Agent (including pursuant to Section 5.15(c)(ii)).

“Intellectual Property” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, Canadian, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, industrial designs, industrial design licenses, trade secrets, trademarks and trademark licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercreditor Agreement” means that certain Intercreditor Agreement dated as of January 30, 2023, between the Prepetition ABL Agent, as “ABL Representative” (as successor in such capacity to JPMorgan Chase Bank, N.A.), U.S. Bank National Association, as collateral agent, as “Notes Representative”, and the Loan Parties (as modified by (a) that certain joinder, resignation and acknowledgment agreement dated as of the Closing Date, by and among Agent, as ABL Representative for the new ABL Creditors, JPMorgan Chase Bank, N.A., as resigning ABL Representative, and acknowledged and agreed to by U.S. Bank National Association, as Notes Representative, and each Loan Party and (b) the DIP Orders).

“Interim DIP Order” means an order of the Bankruptcy Court in the Chapter 11 Cases in connection with the DIP Motion, which order shall (a) be in form and substance, and on terms and conditions, reasonably satisfactory to the Agent, (b) subject to the foregoing, authorize and approve, on an interim basis, among other things, the DIP ABL Credit Facility and all other matters set forth in, and transactions contemplated by, the DIP Motion (including the DIP ABL Credit Facility, the making of the Loans, and the incurrence of all other Obligations in accordance with the terms hereof, the Debtors’ use of cash collateral, and the grant of adequate protection), (c) be in full force and effect, and (d) (i) shall not have been reversed, vacated, or stayed and (ii) shall not have been amended, supplemented or otherwise modified since entry thereof by the Bankruptcy Court unless in accordance with this Agreement.

“Inventory Advance Rate” means the percentage(s) set forth in Section 1(b)(iv) of Schedule A.

“Inventory Availability” means, at any time of determination, an amount equal to the sum of clause (d) of the definition of Borrowing Base, less the corresponding Reserves applied thereto pursuant to Section 1.2.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, or a purchase or other acquisition or assumption of any Indebtedness or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Investment Property” means the collective reference to (a) all “investment property” as such term is defined in Section 9-102 of the UCC, (b) all “financial assets” as such term is defined in Section 8-Schedule B-18

102(a)(9) of the UCC, and (c) whether or not constituting “investment property” as so defined, all Pledged Equity.

“**Issuers**” means the collective reference to each issuer of Investment Property.

“**Jacksboro Project**” means that certain testing facility located in Jack County, Texas, which is in development as of the Closing Date but which upon completion will be operated by the Loan Parties.

“**Judgment Currency**” has the meaning set forth in Section 6.3(b).

“**LC Issuer**” means one or more banks, trust companies or other Persons in each case expressly identified by Agent from time to time, in its sole discretion, as an LC Issuer for purposes of issuing one or more Letters of Credit hereunder. Without limitation of Agent’s discretion to identify any Person as an LC Issuer, no Person shall be designated as an LC Issuer unless such Person maintains reporting systems acceptable to Agent with respect to letter of credit exposure and agrees to provide regular reporting to Agent satisfactory to it with respect to such exposure.

“**Legal Requirement**” means any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, but not limited to, Regulations T, U, and X.

“**Lender**” has the meaning set forth in the heading to this Agreement.

“**Lender Documentation Exception**” has the meaning set forth in Section 9.1(e).

“**Lender Letter of Credit**” means a Letter of Credit issued by an LC Issuer that is also, at the time of issuance of such Letter of Credit, a Lender.

“**Lending Office**” means, as to any Lender, the account or office of such Lender described as such in such Lender’s Administrative Detail Form, or such other account, office or offices as a Lender may from time to time notify Borrowing Agent and Lending Parties.

“**Lending Parties**” means, collectively, Agent, each LC Issuer and Lenders.

“**Letter of Credit**” means a standby letter of credit issued for the account of any Borrower by an LC Issuer which expires by its terms within one year after the date of issuance (and in any event at least thirty (30) days prior to the Maturity Date unless otherwise cash collateralized pursuant to Section 1.7(c)). Notwithstanding the foregoing, a Letter of Credit may provide for automatic extensions of its expiry date for one or more successive one (1) year periods, provided, however, that the LC Issuer that issued such Letter of Credit has the right to terminate such Letter of Credit on each such annual expiration date. Each Letter of Credit shall be either a Lender Letter of Credit or a Supported Letter of Credit.

“**Letter of Credit Fees**” has the meaning set forth in Section 1.5(b).

“**Letter of Credit guarantor/indemnitor**” means any Lending Party that is obligated under or in respect of a Support Agreement.

“**Letter of Credit Liabilities**” means, at any time of calculation, the sum of (a) without duplication, the amount then available to be drawn under all outstanding Lender Letters of Credit and all Supported Letters of Credit, in each case without regard to whether any conditions to drawing thereunder can then be met, plus (b) without duplication, the aggregate unpaid amount of all reimbursement obligations in respect of previous drawings made under all such Lender Letters of Credit and Supported Letters of Credit, plus (c) all interest, fees and costs due or, in Agent’s estimation, likely to become due in connection with outstanding Letters of Credit.

“**Letter of Credit Limit**” means the amount set forth in Section 1(f) of Schedule A.

“License” means any license or agreement under which a Loan Party is granted rights with respect to Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of assets or property or any other conduct of its business.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement in the nature of a security interest of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capitalized Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

“Line Cap” means, at any time of determination, the lesser of (x) the Maximum Revolving Facility Amount minus Reserves and (y) the Borrowing Base.

“Liquid Investments” means (a) readily marketable direct full faith and credit obligations of the United States of America or Canada or obligations unconditionally guaranteed by the full faith and credit of the United States of America or Canada; (b) commercial paper issued by (i) any Lender or any Affiliate of any Lender or (ii) any commercial banking institutions or corporations rated at least P-1 by Moody’s or A-1 by S&P; (c) certificates of deposit, time deposits, and bankers’ acceptances issued by (i) any of the Lenders or (ii) any other commercial banking institution which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than \$250,000,000 and rated Aa by Moody’s or AA by S&P; (d) repurchase agreements which are entered into with any of the Lenders or any major money center banks included in the commercial banking institutions described in clause (c) and which are secured by readily marketable direct full faith and credit obligations of the government of the United States of America or Canada or any agency thereof; (e) investments in any money market fund which holds investments substantially of the type described in the foregoing clauses (a) through (d); and (f) other investments made through the Agent or its Affiliates. All the Liquid Investments described in clauses (a) through (d) above shall have maturities of not more than 365 days from the date of issue.

“Loan Account” has the meaning set forth in Section 2.4.

“Loan Documents” means, collectively, this Agreement and all notes, guaranties, security agreements, deeds of hypothec, mortgages, landlord’s agreements, Lock Box and Blocked Account agreements, the Fee Letter, the Assignment and Acceptance, the Canadian Security Agreement and any other agreements, documents and instruments now or hereafter executed or delivered by any Borrower, any Loan Party in connection with this Agreement.

“Loan Guaranty” means Section 8 of this Agreement.

“Loan Limits” means, collectively, the Loan Limits for Revolving Loans and Letters of Credit set forth in Section 1 of Schedule A and all other limits on the amount of Loans and Letters of Credit set forth in this Agreement.

“Loan Party” means, individually, any Borrower, any Guarantor or any Subsidiary party to this Agreement; and **“Loan Parties”** means, collectively, Borrowers, Guarantors and all Subsidiaries party to this Agreement, provided that, no Excluded Subsidiary shall be a Loan Party for any purpose of this Agreement.

“Loans” means the Revolving Loans.

“Lock Box” has the meaning set forth in Section 4.1.

“Market Disruption Event” means any of the following: (a) any Lender notifies Agent that the SOFR Index Rate does not adequately and fairly reflect the cost to such Lender of funding its respective Loans, or any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the SOFR Index Rate or to determine or charge interest rates

based upon such SOFR Index Rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing; or (b) the circumstances set forth in Section 2.1(d)(i) exist or the Scheduled Unavailability Date has occurred, and no SOFR Successor Rate has been determined in accordance with Section 2.1(d).

“Material Adverse Effect” means any event, act, omission, condition or circumstance which, which individually or in the aggregate, has or could reasonably be expected to have a material adverse effect on (a) the business, operations, prospects, properties, assets or condition, financial or otherwise, of the Loan Parties, taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform any of the obligations under any of the Loan Documents, or (c) the validity or enforceability of, or Agent and Lenders’ rights and remedies under, any of the Loan Documents; provided, however, that, Material Adverse Effect shall expressly exclude the effect of the filing of the Chapter 11 Cases and the events and conditions resulting from or leading up thereto.

“Material Contract” means has the meaning set forth in Section 5.19.

“Maturity Date” means the earliest of (a) the Scheduled Maturity Date, (b) the Termination Date, (c) any earlier date on which the Revolving Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof, (d) the date on which the Obligations become due and payable pursuant to this Agreement, whether by acceleration or otherwise, (e) the effective date of the Chapter 11 Plan, (f) the consummation of a sale of all or substantially all of the Loan Parties’ assets pursuant to Section 363 of the Bankruptcy Code, (g) the date of a conversion of the Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code, unless otherwise consented to in writing by the Agent and (h) the date of dismissal of the Chapter 11 Cases, unless otherwise consented to in writing by the Agent.

“Maximum Lawful Rate” has the meaning set forth in Section 2.5.

“Maximum Liability” has the meaning set forth in Section 8.9.

“Maximum Revolving Facility Amount” means the amount set forth in Section 1(a) of Schedule A.

“Milestones” has the meaning set forth in Section 5.30.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or with respect to which any Loan Party has any current or contingent liability.

“Negotiable Document” means a Document that is “negotiable” within the meaning of Article 7 of the UCC.

“Net Orderly Liquidation Value” with respect to Eligible Inventory means the net orderly liquidation value of such Eligible Inventory as determined by Agent from time to time based upon the most recent Inventory appraisal received by the Agent prepared by an appraiser, and in a manner acceptable to Agent.

“NOLV Factor” means the quotient, expressed as a percentage, of (a) the Net Orderly Liquidation Value of Eligible Inventory divided by (b) the book value of Eligible Inventory, which will be adjusted monthly or at such other times as Agent shall determine in its discretion.

“Non-Paying Guarantor” has the meaning set forth in Section 8.10.

“Non-U.S. Recipient” has the meaning set forth in Section 9.1(e)(ii).

“Notes Collateral Agent” means U.S. Bank National Association, as collateral agent for the holders of the Senior Secured Notes, or any successor thereto.

“Notes Priority Collateral” has the meaning set forth in the Intercreditor Agreement.

“Notice of Borrowing” has the meaning set forth in Section 1.4.

“Notice of LC Credit Event” means a notice from an Authorized Officer of Borrowing Agent to Agent with respect to any issuance, increase or extension of a Letter of Credit specifying: (a) the date of issuance or increase of a Letter of Credit; (b) the identity of the LC Issuer with respect to such Letter of Credit; (c) the expiry date of such Letter of Credit; (d) the proposed terms of such Letter of Credit, including the face amount; and (e) the transactions that are to be supported or financed with such Letter of Credit or increase thereof.

“Obligations” means all present and future Loans, advances, debts, liabilities, fees, expenses, obligations, guaranties, covenants, duties and indebtedness at any time owing by any Borrower or any Loan Party to Agent and Lenders (including the Prepetition ABL Credit Agreement Premium (if applicable)), whether evidenced by this Agreement, any other Loan Document or otherwise whether arising from an extension of credit, opening of a Letter of Credit, guaranty, indemnification or otherwise, whether direct or indirect (including those acquired by assignment and any participation by any Lender in Borrowers’ indebtedness owing to others), whether absolute or contingent, whether due or to become due, and whether arising before or after the commencement of a proceeding under the Bankruptcy Code, any Canadian Insolvency Law or any similar statute.

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

“Organic Documents” means, with respect to any Person, the certificate of incorporation, articles of incorporation, certificate of formation, certificate of limited partnership, by-laws, operating agreement, limited liability company agreement, limited partnership agreement or other similar governance document of such Person.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Outstanding Amount” means with respect to the revolving credit facility provided in this Agreement on any date, the sum of (a) the aggregate outstanding principal amount of all Revolving Loans as of such date, and (b) the amount of any outstanding Letters of Credit as of such date, after giving effect, without duplication, to any borrowings and prepayments or repayments of Revolving Loans and the issuance of any Letters of Credit.

“Overadvance” has the meaning set forth in Section 1.7(a).

“Participant” has the meaning set forth in Section 10.10.

“Patent Collateral” means (a) all inventions and discoveries, whether patentable or not, all letters patent and applications for letters patent throughout the world, including those patents and patent applications set forth in Section 36 of the Information Certificate(s), (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a), (c) all patent licenses, and other agreements providing any Loan Party with the right to use any items of the type referred to in clauses (a) and (b) above, and (d) all proceeds of, and rights associated with, the foregoing

(including licenses, royalties income, payments, claims, damages and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, and for breach or enforcement of any patent license.

“Paying Guarantor” has the meaning set forth in Section 8.10.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (other than a Multiemployer Plan) that is maintained or is contributed to by a Loan Party and or ERISA Affiliate, or with respect to which any Loan Party or ERISA Affiliate has any liability, and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Discretion” means a determination made by Agent in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment exercised in good faith.

“Permitted Indebtedness” has the meaning set forth in Section 5.25(k).

“Permitted Investments” has the meaning set forth in Section 5.25(m).

“Permitted Liens” has the meaning set forth in Section 5.25(l).

“Permitted Variances” means the amount of aggregate “operating disbursements” (excluding (x) any professional fees and expenses and (y) any fees and expenses related to or incurred in connection with this Agreement and the transactions contemplated herein) (the **“Operating Disbursements”**) made during any applicable Variance Test Period that is not greater than 115% of projected Operating Disbursements for such Variance Test Period as set forth in the Approved Budget as in effect as of the last day of the applicable Variance Test Period (and not, for the avoidance of doubt, the Approved Budget required to be delivered on the last day of such Variance Test Period).

“Person” means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, government or any agency or political division thereof, or any other entity.

“Petition Date” has the meaning assigned to such term in the recitals to this Agreement.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan, but other than a Multiemployer Plan), maintained by any Loan Party or any such plan to which any Loan Party (or with respect to any such plan subject to Section 412 or 430 of the Code or Section 302 or Title IV of ERISA, any ERISA Affiliate) is required to contribute.

“Pledged Equity” means all Equity Interests of any Issuer, including those listed on Sections 20 and 43 of the Information Certificate(s); all registrations, certificates, articles, by-laws, regulations, limited liability company agreements or constitutive agreements governing or representing any such interests; all options and other rights, contractual or otherwise, at any time existing with respect to such interests, as such interests are amended, modified, or supplemented from time to time, and together with any interests in any Pledged Equity of an Issuer taken in extension or renewal thereof or substitution therefor, and including, without limitation, to the extent attributable to, or otherwise related to, such pledged Equity Interests, all of such Loan Party’s (a) interests in the profits and losses of each Issuer of Pledged Equity, (b) rights and interests to receive distributions of each such Issuer’s assets and properties, and (c) rights and interests, if any, to participate in the management or each Issuer related to such pledged Equity Interests.

“Post-Carve Out Trigger Notice Cap” means Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$1,000,000 incurred after the first business day following delivery by the Agent of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise.

“PPSA” means the *Personal Property Security Act* (Alberta), including the regulations thereto, provided that, if validity, perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction other than Alberta, **“PPSA”** means the *Personal Property Security Act* or such other applicable legislation in effect from time to time in such other jurisdiction (including the Civil Code of Quebec and the regulations respecting the register of personal and movable real rights thereunder) for purposes of the provisions hereof relating to such validity, perfection, effect of perfection or non-perfection or priority.

“Prepayment Event” means: (a) any sale (other than sales of inventory in the ordinary course of business), transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Loan Party other than assets with an aggregate fair value which do not exceed \$2,500,000 in any Fiscal Year; (b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any of any Loan Party with an aggregate fair value immediately prior to such event equal to or greater than \$2,500,000 in any Fiscal Year; and (c) the receipt by any Loan Party of any Extraordinary Receipts in excess of \$2,500,000 in the aggregate in any Fiscal Year, in each case of each of preceding clauses (a), (b) and (c), solely to the extent such property or assets constitute ABL Priority Collateral, in each case, excluding any amounts proposed to be used (and so used) for alternative purposes in accordance with the Approved Budget.

“Prepetition ABL Agent” has the meaning assigned to such term in the recitals to this Agreement.

“Prepetition ABL Credit Agreement Premium” has the meaning assigned to such term in the Fee Letter, which premium (a) in the amount of \$2,500,000 became fully earned, due and payable under the Prepetition ABL Loan Documents on the Petition Date and (b) is subject to the terms of the Fee Letter.

“Prepetition ABL Credit Agreement” has the meaning assigned to such term in the recitals to this Agreement.

“Prepetition ABL Lenders” has the meaning assigned to such term in the recitals to this Agreement.

“Prepetition ABL Loan Documents” means the “Loan Documents” as defined in the Prepetition ABL Credit Agreement.

“Prepetition ABL Obligations” means all “Obligations” as defined in the Prepetition ABL Credit Agreement.

“Prepetition ABL Revolving Loans” means all “Revolving Loans” under, and as defined in, the Prepetition ABL Credit Agreement.

“Prepetition Adequate Protection 507(b) Claims” means, collectively, the “ABL Adequate Protection Claims” and the “Senior Secured Notes Adequate Protection Claims”, each as defined in the Interim DIP Order (or the Final DIP Order, when applicable).

“Prepetition Adequate Protection Liens” has the meaning assigned to such term “Adequate Protection Liens” in the Interim DIP Order (or the Final DIP Order, when applicable).

“Prepetition Letters of Credit” means all “Letters of Credit” under, and as defined in, the Prepetition ABL Credit Agreement. As of the Closing Date, the only Prepetition Letter of Credit is that certain irrevocable standby letter of credit, dated as of September 15, 2025, by and among the Company, as

applicant, NCS Multistage Inc. and NCS Multistage LLC, as beneficiaries, and Wells Fargo Bank, N.A., as issuer, the face amount of which is \$1,661,064.66 as of the Closing Date.

“Pro Rata Share” means: (a) a Lender’s obligation to make all or a portion of the Revolving Loans, (b) a Lender’s right to receive payments of interest, fees, and principal with respect to the Revolving Loans, and (c) all other computations and other matters related to the Revolving Commitments or the Revolving Loans, the percentage obtained by dividing (x) the Revolving Exposure of such Lender by (y) the aggregate Revolving Exposure of all Lenders.

“Professional Persons” means any persons or firms retained by the Debtors pursuant to Section 327, 328, or 363 of the Bankruptcy Code.

“Protective Advances” has the meaning set forth in Section 1.3.

“Raw Material Inventory Sublimit” means the amount(s) set forth in Section 1(e) of Schedule A.

“Recipient” means Agent, any Lender, any Participant, or any other recipient of any payment to be made by or on account of any Obligation of any Loan Party under this Agreement or any other Loan Document, as applicable.

“Register” has the meaning set forth in Section 10.9(a).

“Reimbursement Obligations” means, at any date, the obligations of each Borrower then outstanding to reimburse (a) Agent or any other Letter of Credit guarantor/indemnitor for payments made by Agent or such other Letter of Credit guarantor/indemnitor under a Support Agreement, and/or (b) any LC Issuer, for payments made by such LC Issuer under a Lender Letter of Credit.

“Related Person” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Released Parties” has the meaning set forth in Section 6.1.

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

“Required Lenders” means, at any time, Lenders having or holding at least 50.1% of the aggregate Revolving Exposure of all Lenders; provided that (x) if there are less than three (3) unaffiliated Lenders, Required Lenders shall mean all Lenders, and (y) the Revolving Commitment of, and the portion of the liabilities held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Reserves” has the meaning set forth in Section 1.2.

“Restricted Payment” means, with respect to any Person, any direct or indirect dividend or distribution (whether in cash, securities or other property) or any direct or indirect payment of any kind or character (whether in cash, securities or other property) in consideration for or otherwise in connection with any retirement, purchase, redemption or other acquisition of any Equity Interest of such Person, or any options, warrants or rights to purchase or acquire any such Equity Interest of such Person; provided that, the term “Restricted Payment” shall not include any dividend or distribution payable solely in Equity Interests of such Person or warrants, options or other rights to purchase such Equity Interests.

“Revolver Usage” means the aggregate amount of outstanding Loans (inclusive of Protective Advances), plus Letter of Credit Liabilities.

“Revolving Commitment” means, with respect to each Lender, its Revolving Commitment, and with respect to all Lenders, their Revolving Commitments, in each case as such Dollar amounts are set forth beside

such Lender's name under the applicable heading on Schedule A to the Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 10.8 of this Agreement; *provided* that the aggregate amount of the Revolving Commitments shall in no event exceed the Total Revolving Commitments.

“Revolving Exposure” means, with respect to any Lender, as of any date of determination (a) prior to the termination of the Revolving Commitments, the amount of such Lender's Revolving Commitment, and (b) after the termination of the Revolving Commitments, the aggregate outstanding principal amount of the Revolving Loans and Letter of Credit Liabilities of such Lender.

“Revolving Loans” has the meaning set forth in Section 1.1(a).

“Royalties” means all royalties, fees, expense reimbursement and other amounts payable by a Loan Party under a License.

“Royalty Litigation” means the lawsuit filed on April 8, 2020, in the U.S. District Court for the Western District of Texas (Waco Division) by NCS Multistage Inc. and NCS Multistage, LLC, against the Company regarding the alleged infringement of U.S. Patent No. 10,465,445 (a patent relating to a certain airlock system).

“Royalty Reserve” means reserves for all accrued Royalties, whether or not then due and payable by a Loan Party.

“RSA” means that certain Restructuring Support Agreement dated as of February 1, 2026, by and among the Loan Parties party thereto, the “Consenting Noteholders” referred to therein, the “Consenting Prepetition ABL Lenders” referred to therein and the other parties thereto.

“RSA Termination Event” means the termination of the RSA by any party thereto in accordance with Section 12 of the RSA.

“Sanctioned Entity” means (a) a country or a government of a country, region or territory, (b) an agency of the government of a country, region or territory, (c) an organization directly or indirectly controlled by a country, region or territory or its government, (d) a Person resident in a country, region or territory, in each case, that is subject to a country, region or territory sanctions program administered and enforced by OFAC or other applicable Sanctions authority, including, without limitation, as of the Closing Date, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea, Zaporizhzhia and Kherson Regions of Ukraine, Cuba, Iran, North Korea and Syria.

“Sanctioned Person” means, at any time, (a) a Person named on any Sanctions-related list of designated Persons maintained by OFAC or other applicable Sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Entity or (c) any Person owned or controlled (as such terms are defined by applicable Sanctions) by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty's Treasury of the United Kingdom, or (c) the Government of Canada.

“Scheduled Maturity Date” means the date set forth in Section 6 of Schedule A.

“Scheduled Unavailability Date” has the meaning ascribed thereto in Section 2.1(d)(iii)(B).

“SEC” means, the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Securities Act” means the Securities of Act of 1933, as amended.

“Senior Officer” means the current president, chief executive officer, executive vice president, chief financial officer, general counsel, treasurer or assistant treasurer of any Loan Party.

“Senior Secured Notes” means the 13.000% senior secured notes due 2028 issued by the Company.

“Settlement” has the meaning set forth in Section 1.12(c).

“Settlement Date” has the meaning set forth in Section 1.12(c).

“SOFA Availability” means, at any time of determination, an amount equal to the sum of clause (e) of the definition of Borrowing Base, less the corresponding Reserves applied thereto pursuant to Section 1.2.

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

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

“SOFR Index Adjustment Date” means (a) the Closing Date and (b) thereafter, the last Business Day of each calendar month as any Obligations remain outstanding.

“SOFR Index Rate” means, as of any SOFR Index Adjustment Date, the greater of (a) the Floor, and (b) the rate per annum for the forward-looking term rate for SOFR for a period one (1) month, which appears on the CME Term SOFR Page on or about 5:00 a.m. (New York time) on the date of such SOFR Index Adjustment Date; provided, that, to the extent that the rate described in this clause (b)(i) is not ascertainable pursuant to the foregoing provisions of this definition, then the rate described in this clause (b)(i) shall be the interest rate per annum determined by Agent in Agent’s reasonable discretion in accordance with Section 2.1(d).

“SOFR Index Rate Loans” means Loans that bear interest at a rate based upon the SOFR Index Rate.

“SOFR Screen Rate” means the SOFR quote on an applicable screen page that Agent designates to determine SOFR pursuant to Section 2.1 (or such other commercially available source providing such quotations as may be designated by Agent from time to time).

“SOFR Successor Rate” has the meaning set forth in Section 2.1(d).

“SOFR Successor Rate Conforming Changes” means, with respect to any proposed SOFR Successor Rate, any conforming changes to the definition of Base Rate, SOFR Index Rate, ABR Index Rate, SOFR Screen Rate, CME Term SOFR Page, Business Day, U.S. Government Securities Business Day, or any related, similar or analogous definitions, timing and frequency of determining rates, making payments of interest, the applicability and length of lookback periods, and other technical, administrative and operational matters as may be appropriate, in the reasonable discretion of Agent, to reflect the adoption of such SOFR Successor Rate and to permit the administration thereof by Agent in a manner substantially consistent with market practice or, if Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such SOFR Successor Rate exists, in such other manner of administration as Agent determines is reasonably necessary in connection with the administration of this Agreement.

“Specified Extended Terms Accounts” means Accounts owed by (a) Leaders Oil Field Equipment LLC with selling terms of not more than 95 days or (b) Haliburton Saudi Industries Services Ltd., Baker Hughes Trading Co. Ltd. or Energy Oilfield Supplies, in each case with selling terms of not more than 90 days.

“Specified Materials” means, collectively, all written materials provided by or on behalf of any Loan Party relating to the Loan Parties (or any of them) or their respective Affiliates or any other materials or matters relating to the Loan Documents (including any amendments or waivers of the terms thereof or supplements thereto).

“Stated Rate” has the meaning set forth in Section 2.5.

“Subsidiary” means any corporation or other entity of which a Person owns, directly or indirectly, through one or more intermediaries, more than 50% of the Equity Interests at the time of determination. Unless the context indicates otherwise, references to a Subsidiary shall be deemed to refer to a Subsidiary of Borrowers.

“Support Agreement” has the meaning set forth in Section 1.5(a).

“Supported Letter of Credit” means a Letter of Credit issued by an LC Issuer in reliance on one or more Support Agreements.

“Swap Agreement” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that, no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or their respective Subsidiaries shall be a Swap Agreement.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Date” means the date on which all of the Obligations (including any interest, fees and other charges accruing during the Chapter 11 Cases) have been paid in full in cash and all of Lender’s lending commitments under this Agreement and under each of the other Loan Documents have been terminated (in each case, including, if applicable, upon the occurrence of the effective date of the Chapter 11 Plan and refinancing in full of the Obligations on the Conversion Date pursuant to the terms hereof).

“Total Revolving Commitments” means, the Revolving Commitments of all Lenders; *provided* that the aggregate amount of the Total Revolving Commitments shall in no event exceed \$125,000,000.

“Trademark Collateral” means (a) (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos and other source or business identifiers, and all goodwill of the business associated therewith, now existing or hereafter adopted or acquired, including those trademarks set forth in Section 35 of the Information Certificate(s), whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America, or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing (collectively referred to as the “Trademark”), (b) all trademark licenses for the grant by or to any Loan Party of any right to use any trademark, (c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable, clause (b), (d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b), and (e) all Proceeds of, and rights associated with, the foregoing, including any claim by any Loan Party against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark

license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

“**UCC**” means, at any given time, the Uniform Commercial Code as adopted and in effect at such time in the State of New York or such other applicable jurisdiction.

“**Unbilled Accounts Advance Rate**” means the percentage set forth in Section 1(b)(ii) of Schedule A.

“**Unbilled Accounts Sublimit**” means the amount set forth in Section 1(d) of Schedule A.

“**Unbilled Amounts**” means, as to a Borrower, all obligations owing to such Borrower and all rights to payment owing to such Borrower, including but not limited to all such obligations and rights to payment constituting Accounts, arising out of or in connection with the rendition of services which have been performed for or provided to any customer but have not yet been billed or invoiced to such customer.

“**Unfunded Capital Expenditures**” means, as to any Loan Party, without duplication, a Capital Expenditure (a) funded from such Loan Party’s internally generated cash flow or (b) which is not financed from the proceeds of any Indebtedness (other than the Revolving Loans; it being understood and agreed that, to the extent any Capital Expenditures are financed with Revolving Loans, such Capital Expenditures shall be deemed Unfunded Capital Expenditures), calculated in accordance with GAAP.

“**Unused Line Fee**” means the unused line fee described in clause (c) of the Fee Letter.

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

“**U.S. Loan Parties**” means all Loan Parties other than the Canadian Loan Parties.

“**U.S. Tax Compliance Certificate**” has the meaning set forth in Section 9.1(e)(ii).

“**Variance Report**” means (a) a report in substantially the form of Exhibit L or (b) any variance report in form and detail reasonably satisfactory to the Agent, which variance report, in each case, shall (i) include explanations for all material variances (i.e. the greater of 5% or \$100,000), together with back-up schedules and any other supporting information as reasonably requested by Agent and (ii) include reasonably detailed calculations and information demonstrating compliance with Section 5.29.

“**Variance Test As Of Date**” shall have the meaning set forth in “Variance Test Period”.

“**Variance Test Period**” means each two-week period ending on the applicable Variance Testing Test Date (the “**Variance Test As Of Date**”).

“**Variance Testing Test Date**” means (i) initially, February [13], 2026 and (ii) thereafter, the Friday of every two weeks thereafter (commencing on February [27], 2026).

“**WOCF**” has the meaning set forth in the Preamble to this Agreement.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including determinations made pursuant to the exhibits hereto) shall be made, and all financial statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with GAAP consistently applied. If at any time any change in GAAP would affect the computation of any financial ratio or financial requirement set forth in any Loan Document, and either Borrowers or Agent shall so request, Agent, Lenders and Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; **provided**, that until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP

prior to such change therein and (b) Borrowers shall provide to Agent financial statements and other documents required under this Agreement and the other Loan Documents which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of any Loan Party at "fair value", as defined therein.

Notwithstanding anything to the contrary contained in the paragraph above or the definitions of Capital Expenditures or Capitalized Leases, in the event of a change in GAAP after the Closing Date requiring all leases to be capitalized, only those leases (assuming for purposes of this paragraph that they were in existence on the Closing Date) that would constitute Capitalized Leases on the Closing Date shall be considered Capitalized Leases (and all other such leases shall constitute operating leases) and all calculations and deliverables under this Agreement or the other Loan Documents shall be made in accordance therewith (other than the financial statements delivered pursuant to this Agreement; *provided*, that all such financial statements delivered to Agent in accordance with the terms of this Agreement after the date of such change in GAAP shall contain a schedule showing the adjustments necessary to reconcile such financial statements with GAAP as in effect immediately prior to such change).

References in this Agreement to "Articles", "Sections", "Annexes", "Exhibits" or "Schedules" shall be to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. "Include", "includes" and "including" shall be deemed to be followed by "without limitation". "Or" shall be construed to mean "and/or". Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. References "from" or "through" any date mean, unless otherwise specified, "from and including" or "through and including", respectively. Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among the parties hereto shall be made in lawful money of the United States and in immediately available funds. Time is of the essence for each performance obligation of the Loan Parties under this Agreement and each Loan Document. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. References to any statute or act shall include all related current regulations and all amendments and any successor statutes, acts and regulations. References to any agreement, instrument or document (a) shall include all schedules, exhibits, annexes and other attachments thereto and (b) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or in any other Loan Document). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Unless otherwise specified herein Dollar (\$) baskets set forth in the representations and warranty, covenants and event of default provisions of this Agreement (and other similar baskets) are calculated as of each date of measurement by the Dollar Equivalents thereof as of such date of measurement.

In this Agreement, where the context so requires, (i) any term defined in this Agreement by reference to the "UCC" shall also have any extended, alternative or analogous meaning given to such term in the PPSA, in all cases for the extension, preservation or betterment of the security and rights of the Collateral (including, without limitation, "general intangibles" shall include "intangibles", "documents" shall include "documents of title"), (ii) all references in this Agreement to "Article 8" also to applicable Canadian securities transfer laws (including, without limitation, the Securities Transfer Act, SA 2006 (Alberta)), (iii) all references in this Agreement to a financing statement, continuation statement, amendment or termination statement shall be deemed to refer also to the analogous documents used under applicable Canadian personal property security laws, including, without limitation, where applicable, financing change statements, and (iv) all references to federal or state securities law shall be deemed to refer also to analogous federal, provincial and territorial securities laws in Canada.

Exhibit 2

Initial Budget

Exhibit 3**Priorities Annex****(in descending order of priority)**

Priority	DIP Collateral that constitutes ABL Priority Collateral⁹ or that would otherwise constitute ABL Priority Collateral	DIP Collateral that constitutes Notes Priority Collateral or that would otherwise constitute Notes Priority Collateral	Unencumbered Property	Claims
<u>First</u>	Carve-Out	Carve-Out	Carve-Out	Carve-Out
<u>Second</u>	Permitted Prior Liens	Permitted Prior Liens	DIP Liens	DIP Superpriority Claims
<u>Third</u>	DIP Liens	Prepetition Senior Secured Notes Adequate Protection Liens	Prepetition ABL Adequate Protection Liens	Prepetition ABL Adequate Protection Claims
<u>Fourth</u>	Prepetition ABL Adequate Protection Liens	Prepetition Senior Secured Notes Liens	Prepetition Senior Secured Notes Adequate Protection Liens	Prepetition Senior Secured Notes Adequate Protection Claims
<u>Fifth</u>	Prepetition ABL Liens	DIP Liens		
<u>Six</u>	Prepetition Senior Secured Notes Adequate Protection Liens	Prepetition ABL Adequate Protection Liens		
<u>Seventh</u>	Prepetition Senior Secured Notes Liens	Prepetition ABL Liens		

⁹ “ABL Priority Collateral” and “Notes Priority Collateral” shall have the meanings set forth in the Prepetition Intercreditor Agreement.