

**ARRANGEMENT AGREEMENT**

**between**

**TRICAN WELL SERVICE LTD.**

**and**

**CANYON SERVICES GROUP INC.**

**March 21, 2017**

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## ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** is dated March 21, 2017 between:

**TRICAN WELL SERVICE LTD.**, a corporation existing under the laws of the Province of Alberta with its head office in the City of Calgary, in the Province of Alberta ("**Trican**")

- and -

**CANYON SERVICES GROUP INC.**, a corporation existing under the laws of the Province of Alberta with its head office in the City of Calgary, in the Province of Alberta ("**Canyon**")

**WHEREAS** Trican and Canyon wish to complete a transaction involving the acquisition by Trican of all the issued and outstanding Canyon Shares in exchange for Trican Shares on the terms set out herein;

**AND WHEREAS** the Parties intend to carry out the transactions contemplated by this Agreement by way of a plan of arrangement of Canyon under the provisions of the ABCA;

**AND WHEREAS** the board of directors of each of Trican and Canyon has determined that it would be in the best interests of Trican and Canyon, respectively, to enter into this Agreement and complete the transactions contemplated herein;

**AND WHEREAS**, on the date hereof, Trican entered into the Canyon Support Agreements, and Canyon entered into the Trican Support Agreements, in each case with the respective parties thereto;

**AND WHEREAS** the Parties have entered into the Agreement to provide for matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION** of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9;
- (b) "**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement and other than any transaction involving only a Party and one or more of its wholly-owned Subsidiaries or between or among one or more of such Party's wholly-owned Subsidiaries, any inquiry or the making of any proposal or offer to a Party or its shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104) relating to (whether in one transaction or a series of transactions and whether oral or in writing and whether or not subject to conditions):
  - (i) any direct or indirect sale, issuance or acquisition from such Party or the Party's shareholders as the case may be, that, when taken together with any securities of the Party held by the proposed acquiror and any group of Persons acting

jointly or in concert with such acquiror, would constitute beneficial ownership of 20% or more of any class of equity or voting securities of such Party;

- (ii) any direct or indirect sale or disposition (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale) of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of such Party and its Subsidiaries;
  - (iii) any amalgamation, arrangement, share exchange, merger, business combination, consolidation, recapitalization, liquidation, dissolution, winding-up, reorganization or other similar transaction involving such Party or any of its Subsidiaries;
  - (iv) any take-over bid, issuer bid, exchange offer or other similar transaction involving such Party that, if consummated, would result in a Person or group of Persons acting jointly or in concert acquiring beneficial ownership of 20% or more of any class of equity or voting securities of such Party; or
  - (v) any other similar transaction or series of transactions involving a Party or any of its Subsidiaries;
- (c) "**affiliate**" has the meaning set forth in the *Securities Act* (Alberta);
  - (d) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Arrangement Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
  - (e) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement;
  - (f) "**Arrangement Resolution**" means the special resolution of the Canyon Securityholders in respect of the Arrangement to be considered by the Canyon Securityholders at the Canyon Meeting in substantially the form of Schedule B hereto;
  - (g) "**Articles of Arrangement**" means the articles of arrangement of Canyon in respect of the Arrangement to be filed with the Registrar after the Final Order has been granted, which shall be in a form and content satisfactory to each of the Parties, acting reasonably;
  - (h) "**associate**" has the meaning set forth in the *Securities Act* (Alberta);
  - (i) "**business day**" means any day, other than a Saturday, a Sunday or a statutory holiday, in the Province of Alberta;
  - (j) "**Canyon Bank Facility**" means the \$100 million revolving credit facility of Canyon, as amended, including the \$50 million accordion feature, with a syndicate of financial institutions maturing on July 21, 2018;
  - (k) "**Canyon Circular**" means the notice of the Canyon Meeting to be sent to Canyon Securityholders and the accompanying management information circular to be prepared in connection with the Canyon Meeting, together with any amendments thereto or supplements thereof in accordance with the terms of this Agreement;
  - (l) "**Canyon Debt**" means total consolidated indebtedness, including long-term debt, bank debt, and working capital deficiency of Canyon;

- (m) "**Canyon Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by Canyon to Trican with this Agreement;
- (n) "**Canyon Employee Obligations**" means any obligations or liabilities of Canyon to pay any amount to or on behalf of its directors, officers, consultants or Canyon Employees (other than for salary, vacation pay or directors' fees in the ordinary course and in amounts consistent with historic practices and not including payments made in respect of Canyon Incentive Awards and other than fees payable to the special committee of the board of directors of Canyon in connection with the transactions contemplated by this Agreement) and, without limiting the generality of the foregoing, Canyon Employee Obligations shall include the obligations of Canyon to officers or other Canyon Employees for severance, or other termination payments pursuant to the Canyon Employment Agreements and arising under applicable Laws as a result of a change of control of Canyon;
- (o) "**Canyon Employees**" means the officers and other employees of Canyon;
- (p) "**Canyon Employment Agreements**" means the employment agreements entered into between Canyon and certain Canyon Employees, the details of which are set forth in the Canyon Disclosure Letter;
- (q) "**Canyon Financial Statements**" means the consolidated comparative annual financial statements of Canyon as at and for the years ended December 31, 2016 and December 31, 2015, together with the notes thereto and the auditor's report thereon;
- (r) "**Canyon Information**" means the information provided by Canyon, which is required to be or otherwise included in the Trican Circular under Securities Laws;
- (s) "**Canyon Incentive Awards**" means, collectively, the Canyon Incentive Units, the Canyon PSUs and the Canyon Options;
- (t) "**Canyon Incentive Plans**" means, collectively, the Canyon Stock Based Compensation Plan, the Canyon PSU Plan and the Canyon Stock Option Plan;
- (u) "**Canyon Incentive Units**" means the incentive based units awarded pursuant to the Canyon Stock Based Compensation Plan;
- (v) "**Canyon Meeting**" means the meeting of the Canyon Securityholders, including any adjournment or postponement thereof, that is to be convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement Resolution and, if determined by the board of directors of Canyon, certain other annual meeting matters as set out in the Canyon Disclosure Letter;
- (w) "**Canyon Optionholders**" means the holders of Canyon Options;
- (x) "**Canyon Options**" means the outstanding stock options of Canyon, whether or not vested, entitling the holders thereof to acquire Canyon Shares issued pursuant to the Canyon Stock Option Plan;
- (y) "**Canyon Public Disclosure**" means all information filed by Canyon since January 1, 2016 with any securities commission or similar regulatory authority in compliance, or intended compliance, with Securities Laws, which is available for public viewing on the SEDAR website at [www.sedar.com](http://www.sedar.com) under Canyon's profile;
- (z) "**Canyon PSU Account**" has the meaning ascribed thereto in the Canyon PSU Plan;

- (aa) "**Canyon PSU Plan**" means the performance share unit plan of Canyon, a true and complete copy of which is set forth in the Canyon Disclosure Letter;
- (bb) "**Canyon PSUs**" means the outstanding performance share units awarded pursuant to the Canyon PSU Plan;
- (cc) "**Canyon Securityholders**" means the Canyon Shareholders, the Canyon Optionholders and the holders of Canyon Incentive Units;
- (dd) "**Canyon Shareholders**" means the holders of Canyon Shares;
- (ee) "**Canyon Shares**" means the common shares in the capital of Canyon;
- (ff) "**Canyon Stock Based Compensation Plan**" means the stock based compensation plan of Canyon, as amended, a true and complete copy of which is set forth in the Canyon Disclosure Letter;
- (gg) "**Canyon Stock Option Plan**" means the stock option plan of Canyon, as amended, a true and complete copy of which is set forth in the Canyon Disclosure Letter;
- (hh) "**Canyon Support Agreements**" means the agreements between Trican and each of the directors and executive officers of Canyon, pursuant to which such directors and executive officers have agreed to vote the Canyon Shares beneficially owned or controlled or subsequently acquired by them in favour of the Arrangement Resolution and to otherwise support the Arrangement;
- (ii) "**Certificate**" means the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement;
- (jj) "**change of control**" means the completion of a transaction or series of transactions whereby Canyon, or its Subsidiaries or affiliates, or any Person in direct or indirect control of Canyon or its Subsidiaries or affiliates comes under the control of a third party who previous to such transaction or series of transactions was not an affiliate of Canyon or its Subsidiaries;
- (kk) "**change of control provision**" means any contractual provision whereby the occurrence of a change of control of a party to a Contract either directly or indirectly causes an alteration of the terms and conditions of such Contract or confers contractual rights upon the other party to such Contract including rights to purchase assets or rights to terminate all or any term of such Contract;
- (ll) "**Commissioner**" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his designee;
- (mm) "**Competition Act**" means the *Competition Act*, R.S.C. 1985, c. C-34;
- (nn) "**Competition Act Approval**" means, in respect of the Arrangement, the occurrence of one of the following: (i) the receipt of an advance ruling certificate under subsection 102(1) of the Competition Act; or (ii) (a) the applicable waiting period under subsection 123(1) of the Competition Act, and any extension thereof, shall have expired or shall have been terminated under subsection 123(2) of the Competition Act, or the obligation to submit a notification under Part IX of the Competition Act shall have been waived pursuant to paragraph 113(c) of the Competition Act and (b) unless such requirement is waived in writing by the Parties, receipt of a No Action Letter;

- (oo) "**Confidentiality Agreement**" means the confidentiality and standstill agreement between Trican and Canyon dated March 10, 2017;
- (pp) "**Contract**" means any legally binding agreement, commitment, engagement, contract, franchise, license, obligation or undertaking (written or oral) to which Trican or any of its Subsidiaries or Canyon or any of its Subsidiaries, as the case may be, is a party or by which either Party or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject;
- (qq) "**Court**" means the Court of Queen's Bench of Alberta;
- (rr) "**CT Act**" means the *Canada Transportation Act*, S.C. 1996, c. C-10;
- (ss) "**CT Act Approval**" means either (a) Trican, on the one hand, and Canyon, on the other hand, shall have received notice of an opinion from the Minister of Transport that the transactions contemplated by this Agreement do not raise concerns with respect to the public interest as it relates to national transportation, in accordance with subsection 53.1(4) of the CT Act; or (b) the transactions contemplated by this Agreement shall have been approved by the Governor in Council in accordance with Section 53.2(7) of the CT Act, and in all cases the completion of the transactions contemplated by this Agreement shall not be prohibited under Section 53.2(1) of the CT Act;
- (tt) "**Damages Event**" has the meaning ascribed thereto in Section 7.2;
- (uu) "**deliberate**" breach of any representation, warranty or covenant by Trican or Canyon means that, as applicable, an executive officer of Trican or Canyon (a) had actual knowledge that a representation or warranty of the Party to which he served as an executive officer was materially false when made or (b) as to a covenant herein, directed or allowed Trican or Canyon, each as applicable, to take an action, fail to take an action or permit an action to be taken or occur that he knew at such time constituted or would result in a material breach of a covenant herein by such Party;
- (vv) "**Dissent Rights**" means rights afforded to the registered Canyon Shareholders as described in the Plan of Arrangement;
- (ww) "**Effective Date**" means the date shown on the Certificate;
- (xx) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;
- (yy) "**Encumbrance**" means in the case of a property or asset, any mortgage, pledge, capital lease, assignment, charge, lien, security interest, adverse interest in property, debenture, claim, trust, royalty or other third party interest, security interest, conditional sales contract or other title retention agreements or similar interest or instruments to charging or creating a security interest in or against title or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (zz) "**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertaking, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including, without limitation, legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and Release of Hazardous Substances;
- (aaa) "**Exchange**" means the Toronto Stock Exchange;



- (bbb) "**Exchange Ratio**" means 1.7 Trican Shares for each Canyon Share outstanding at the Effective Time;
- (ccc) "**Final Order**" means the order of the Court approving the Arrangement in the form acceptable to Trican and Canyon, each acting reasonably, as such order may be amended by the Court (with prior written consent of both Trican and Canyon, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to Trican and Canyon, each acting reasonably) on appeal;
- (ddd) "**Governmental Entity**" means: (a) any multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) any subdivision, agent, commission, board or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the Exchange;
- (eee) "**Hazardous Substances**" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including hydraulic fracturing fluids, chemicals and proppants, as well as petroleum and all derivatives thereof or synthetic substitutes therefor;
- (fff) "**IFRS**" means International Financial Reporting Standards as incorporated in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis;
- (ggg) "**Interim Order**" means an order of the Court, in a form acceptable to Trican and Canyon, each acting reasonably, containing declarations and directions in respect of the notices to be given and the conduct of the Canyon Meeting with respect to the Arrangement as more fully set out in this Agreement;
- (hhh) "**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any Permit of any Governmental Entity or self-regulatory authority and the term "applicable" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities; and "Laws" includes Environmental Laws;
- (iii) "**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to a Party, any fact or state of facts, circumstance, change, effect, occurrence or event which, either individually is or in the aggregate (i) are, or individually or in the aggregate would reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or financial condition of such Party and its Subsidiaries, on a consolidated basis, or (ii) prevents or materially delays, or could reasonably be expected to prevent or materially delay, the completion of the Arrangement by the Outside Date, except, in the case of clause (i) above, for and excluding any fact or state of facts, circumstance, change, effect, occurrence or event to the extent resulting from or arising in connection with:
- (i) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, or market conditions or in national or global financial or capital

markets, including changes in currency exchange, interest or inflation rates, credit, commodity or securities markets;

- (ii) any change generally affecting the oilfield services industry as a whole, including changes in Laws (including Tax Laws), IFRS and royalties;
- (iii) any natural disaster;
- (iv) changes in the price (on a current or forward basis) of crude oil, natural gas or related hydrocarbons;
- (v) the failure of such Party to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of this Agreement, or changes in the market price or trading volume of such Party's securities after the date of this Agreement (it being understood that the underlying facts giving rise or contributing to such failure or change may, if not otherwise excluded from the definition of Material Adverse Change or Material Adverse Effect, be deemed either alone or in combination to constitute, or be taken into account in determining whether there has been, a Material Adverse Change or Material Adverse Effect);
- (vi) the announcement or performance of this Agreement, or the consummation of the transactions contemplated in this Agreement;
- (vii) any actions taken (or omitted to be taken) at the written request, or with the prior written consent, of the other Party hereto;
- (viii) any action taken by the Party or any of its Subsidiaries that is required pursuant to this Agreement (excluding any obligation to act in the ordinary course of business);
- (ix) any change in the market price or trading volume of any securities of Trican or Canyon, as the case may be (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred); or
- (x) in respect of Trican, any matter that has been expressly disclosed by Trican in the Trican Disclosure Letter, and in respect of Canyon, any matter that has been expressly disclosed by Canyon in the Canyon Disclosure Letter, in each case, only to the extent so disclosed,

*provided*, however, that with respect to paragraphs (i), (ii), (iii) and (iv) above, such matter does not have a materially disproportionate effect on the Party and its Subsidiaries, taken as a whole, relative to comparable entities operating in the oilfield services industry, in which case, the relevant exclusion from this definition of "Material Adverse Change" or "Material Adverse Effect" referred to in paragraphs (i), (ii), (iii) and (iv) above would not apply; and references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a Material Adverse Change or Material Adverse Effect has occurred;

- (jjj) "**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

- (kkk) "**No Action Letter**" means written confirmation from the Commissioner stating that the Commissioner does not, at that time, intend to make an application under section 92 of the Competition Act;
- (lll) "**Outside Date**" means August 31, 2017, subject to the right of Trican to postpone the Outside Date for up to an additional three months (in one-month increments) if the Competition Act Approval has not been obtained, by giving written notice to Canyon to such effect no later than 5:00 p.m. (Calgary time) on the date that is not less than five days prior to the original Outside Date (and any subsequent Outside Date), or such later date as may be agreed to in writing by the Parties;
- (mmm) "**Parties**" means Trican and Canyon, and "**Party**" means either one of them;
- (nnn) "**Permitted Encumbrances**" means: (a) with respect to Canyon, Encumbrances specifically set forth in the Canyon Disclosure Letter and with respect to Trican, Encumbrances specifically set forth in the Trican Disclosure Letter; (b) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are registered on title and not of such nature as to materially adversely affect the use of the property subject thereto; (c) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy taxes or to control or regulate any Party's or any of its Subsidiaries' interests in any manner; (d) undetermined or inchoate liens incurred or created in the ordinary course of business as security for a Party's or any of its Subsidiaries' share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time; (e) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; (f) liens granted in the ordinary course of business to a Governmental Entity respecting operations pertaining to petroleum and natural gas rights; (g) liens for taxes, assessments and governmental charges that are not due and payable or delinquent; and (h) any Encumbrances under a Party's or any of its Subsidiaries' existing credit facilities or other borrowing arrangements disclosed in writing to the other Party;
- (ooo) "**Permits**" means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Entity;
- (ppp) "**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);
- (qqq) "**Plan of Arrangement**" means the plan of arrangement substantially in the form set forth in Schedule A hereto and any amendments or variations thereto made in accordance with Section 8.3 or Article 6 of the Plan of Arrangement;
- (rrr) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;
- (sss) "**Regulatory Approvals**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating

the Arrangement, in each case required or advisable under Laws in connection with the Arrangement, including the Competition Act Approval and the CT Act Approval;

- (ttt) "**Release**" has the meaning prescribed in any Environmental Law and includes, without limitation, to release, spill, leak, pump, pour, emit, empty, discharge, inject, escape, leach, dispose, dump, deposit, spray, bury, abandon, incinerate, seep, place, inoculate, throw and exhaust;
- (uuu) "**Representatives**" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;
- (vvv) "**Securities Laws**", in the context that refers to one or more Persons, means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, notices, blanket orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date, that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities, including the rules of the Exchange;
- (www) "**Subsidiary**" has the meaning set forth in the *Securities Act* (Alberta);
- (xxx) "**Superior Proposal**" means a written *bona fide* Acquisition Proposal from a Person other than the other Party or an affiliate thereof to acquire not less than all of the outstanding Trican Shares or Canyon Shares, as applicable, or all or substantially all of the assets (on a consolidated basis) of the Party subject to the Acquisition Proposal, which the board of directors of such Party determines, in good faith:
  - (i) complies with Securities Laws and did not result from or involve a breach of Section 7.1;
  - (ii) is not subject to any financing condition and that the funds or other consideration necessary to complete the Acquisition Proposal are or are reasonably likely to be available to fund completion of the Acquisition Proposal at the time and on the basis set out therein;
  - (iii) is not subject to any due diligence condition;
  - (iv) after consultation with its financial advisor(s), would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for shareholders of such Party to the transaction contemplated by this Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c));
  - (v) after consultation with its financial advisor(s) and outside counsel, is reasonably likely to be consummated at the time and on the terms proposed, without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal; and
  - (vi) after receiving the advice of outside counsel, that the failure by the board of directors of such Party to accept, recommend, approve or enter into a definitive agreement to implement, as applicable, such Acquisition Proposal would be inconsistent with its fiduciary duties;

- (yyy) "**Tax**" or "**Taxes**" means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, however denominated, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, large corporation, capital gain, alternative minimum, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, real or personal property, health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all employment insurance, health insurance and Canada and other Governmental Entity pension plan and workers compensation premiums or contributions including any interest, fines or penalties for failure to withhold, collect or remit any tax and any liability for such taxes imposed by Law with respect to any other Person arising pursuant to any tax sharing, indemnification or other agreements or any liability for taxes of any predecessor or transferor entity and whether disputed or not;
- (zzz) "**Tax Act**" means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (5th Supp.);
- (aaaa) "**Tax Returns**" means any and all reports, estimates, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;
- (bbbb) "**Trican Bank Facility**" means the \$227,260,725.54 revolving credit facility of Trican with a syndicate of financial institutions maturing on October 31, 2018;
- (cccc) "**Trican Circular**" means the notice of the Trican Meeting to be sent to Trican Shareholders and the accompanying management information circular to be prepared in connection with the Trican Meeting, together with any amendments thereto or supplements thereof in accordance with the terms of this Agreement;
- (dddd) "**Trican Debt**" means total consolidated indebtedness, including long-term debt, bank debt under the Trican Bank Facility, Trican Senior Notes and working capital deficiency of Trican;
- (eeee) "**Trican Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by Trican to Canyon with this Agreement;
- (ffff) "**Trican Financial Statements**" means the consolidated comparative annual financial statements of Trican as at and for the years ended December 31, 2016 and December 31, 2015, together with the notes thereto and the auditor's report thereon;
- (gggg) "**Trican Information**" means the information provided by Trican, which is required to be or is otherwise included in the Canyon Circular under Securities Laws;
- (hhhh) "**Trican Meeting**" means the meeting of Trican Shareholders, including any adjournment or postponement thereof, that is to be convened to consider, and if deemed advisable approve, the Trican Share Issuance Resolution, and if determined by the board of directors of Trican, certain other annual meeting matters as set out in the Trican Disclosure Letter;
- (iiii) "**Trican Note Purchase Agreements**" means the three separate note purchase agreements governing the Trican Senior Notes;
- (jjjj) "**Trican Options**" means stock options issued by Trican pursuant to the stock option plan of Trican, as amended from time to time, a true and complete copy of which is set forth in the Trican Disclosure Letter;

- (kkkk) "**Trican Public Disclosure**" means all information filed by Trican since January 1, 2016 with any securities commission or similar regulatory authority in compliance, or intended compliance, with Securities Laws, which is available for public viewing on the SEDAR website at [www.sedar.com](http://www.sedar.com) under Trican's profile;
- (llll) "**Trican Senior Notes**" means senior notes and subordinated make-whole senior notes issued by Trican pursuant to the Trican Note Purchase Agreements;
- (mmmm) "**Trican Share Issuance Resolution**" means the ordinary resolution of the Trican Shareholders to authorize and approve the issuance by Trican of the Trican Shares to the Canyon Shareholders pursuant to the Arrangement;
- (nnnn) "**Trican Shareholders**" means the holders of Trican Shares;
- (oooo) "**Trican Shares**" means the common shares in the capital of Trican;
- (pppp) "**Trican Support Agreements**" means the agreements, between Canyon and each of the directors and executive officers of Trican, pursuant to which such directors and executive officers have agreed to vote all the Trican Shares beneficially owned or controlled or subsequently acquired by them in favour of the Trican Share Issuance Resolution and to otherwise support the Arrangement; and
- (qqqq) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

## 1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings is for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

## 1.3 Article References

Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

## 1.4 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular number include the plural and vice versa and words importing the use of gender include all genders.

## 1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

## 1.6 Entire Agreement

This Agreement, the Confidentiality Agreement, the Trican Support Agreements and the Canyon Support Agreements, together with the agreements and documents herein and therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

## **1.7 Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

## **1.8 Schedules**

The following Schedules annexed to this Agreement, being:

Schedule A - Plan of Arrangement  
Schedule B - Form of Arrangement Resolution  
Schedule C - Representations and Warranties of Trican  
Schedule D - Representations and Warranties of Canyon

are incorporated by reference into this Agreement and form a part hereof.

## **1.9 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature that are required to be made shall be made in a manner consistent with IFRS principles.

## **1.10 Disclosure Letters**

The Trican Disclosure Letter and the Canyon Disclosure Letter and all information contained therein is "Confidential Information" for the purposes of the Confidentiality Agreement and may not be disclosed, other than (a) as permitted under the Confidentiality Agreement, or (b) in circumstances where a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

## **1.11 References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **1.12 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference "**to the knowledge of**" a Party, it refers to the actual knowledge of the President and Chief Executive Officer and the Senior Vice President, Finance and Chief Financial Officer, in the case of Trican, and the actual knowledge of the President and Chief Executive Officer, the Vice President, Finance and Chief Financial Officer and the General Counsel, in the case of Canyon, as the case may be, as of the date of this Agreement and after due inquiry, and such officers shall make such inquiry as is reasonable in the circumstances.

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 The Arrangement**

The Parties agree to carry out the Arrangement in accordance with the terms of the Plan of Arrangement pursuant to which (among other things) Canyon Shareholders (other than those who have validly exercised Dissent Rights) shall receive, for each Canyon Share held, such number of Trican Shares equal to the Exchange Ratio. Certificates representing fractional Trican Shares shall not be issued, but in lieu thereof, a Canyon Shareholder otherwise entitled to a fractional interest in a Trican

Share, shall receive the nearest whole number of Trican Shares as applicable, with fractions equal to 0.5 or more being rounded up.

## **2.2 Trican Approval**

Trican represents and warrants to Canyon that its board of directors:

- (a) has unanimously determined, after receiving the advice of its financial and legal advisors, that:
  - (i) the Arrangement is fair to the Trican Shareholders;
  - (ii) it will recommend that the Trican Shareholders vote in favour of the Trican Share Issuance Resolution;
  - (iii) the Arrangement and entry into this Agreement are in the best interests of Trican and the Trican Shareholders; and
- (b) has received an opinion from RBC Dominion Securities Inc., the financial advisor to Trican, that the Exchange Ratio is fair, from a financial point of view, to Trican.

## **2.3 Canyon Approval**

Canyon represents and warrants to Trican that its board of directors:

- (a) has unanimously determined, after receiving the advice of its financial and legal advisors, that:
  - (i) the Arrangement is fair to the Canyon Securityholders;
  - (ii) it will recommend that the Canyon Securityholders vote in favour of the Arrangement Resolution;
  - (iii) the Arrangement and entry into this Agreement are in the best interests of Canyon and the Canyon Securityholders; and
- (b) has received an opinion from Peters & Co. Limited, the financial advisor to Canyon, that the consideration to be received by the Canyon Shareholders under the Arrangement is fair, from a financial point of view, to the Canyon Shareholders.

## **2.4 Obligations of Trican**

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, Trican shall take all action necessary in accordance with all applicable Laws, including Securities Laws, to:

- (a) call, give notice of, convene and hold the Trican Meeting as promptly as practicable, and in any event not later than June 15, 2017 (subject to any adjournments or postponements required or permitted by this Agreement), to vote upon the Trican Share Issuance Resolution pursuant to the Arrangement and any other matters as may be properly brought before such meeting; and
- (b) subject to the board of directors of Trican withdrawing, modifying, qualifying or changing its recommendation in Section 2.2(a) in accordance with this Agreement, solicit proxies of Trican Shareholders in favour of the Trican Share Issuance Resolution; provided that Trican shall, if so requested by Canyon, acting reasonably, engage a proxy solicitation agent for such purpose.



Trican shall use its commercially reasonable efforts to obtain and furnish to Canyon the Trican Information required on its behalf to be included in the Canyon Circular. Subject to Canyon's compliance with its obligations under Section 2.5, Trican shall use its commercially reasonable efforts to prepare the Trican Circular and mail to the Trican Shareholders the Trican Circular in a manner agreed to by Canyon, acting reasonably. Trican shall give Canyon and its legal counsel a reasonable opportunity to review and comment on the drafts of the Trican Circular and other related documents, and shall give reasonable consideration to any comments made by Canyon and its counsel relating to the disclosure contained therein regarding the Arrangement, and agrees that all Canyon Information included in the Trican Circular must be in content satisfactory to Canyon, acting reasonably. As of the date (i) the Trican Circular is first mailed to the Trican Shareholders and the date of any Trican Meeting, the information contained in the Trican Circular (other than the Canyon Information), and (ii) the Canyon Circular is first mailed to the Canyon Securityholders and the date of any Canyon Meeting, the Trican Information contained in the Canyon Circular, shall be complete and correct in all material respects, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and shall comply in all material respects with all applicable Laws. Trican agrees to promptly notify Canyon if any Trican Information included in the Canyon Circular becomes false or misleading at any time prior to the Canyon Meeting. Trican agrees to promptly correct any information contained in the Trican Circular which shall have become false or misleading at any time prior to the Trican Meeting. Without limiting the generality of the foregoing, Trican shall ensure that the Trican Circular provides Trican Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Trican Meeting, and, subject to the terms of this Agreement, contains the unanimous recommendation of the board of directors of Trican that the Trican Shareholders vote in favour of the Trican Share Issuance Resolution.

## **2.5 Obligations of Canyon**

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, Canyon shall take all action necessary in accordance with all applicable Laws, including Securities Laws, to:

- (a) make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;
- (b) in accordance with the terms of and the procedures contained in the Interim Order, call, give notice of, convene and hold the Canyon Meeting as promptly as practicable, and in any event not later than June 15, 2017 (subject to any adjournments or postponements required or permitted by this Agreement) to vote upon the Arrangement Resolution and any other matters as may be properly brought before such meeting (provided that, except as otherwise required by Law, Canyon will not propose or submit for consideration at the Canyon Meeting any business other than (i) the approval of the Arrangement and the Arrangement Resolution, and (ii) annual meeting matters set forth in the Canyon Disclosure Letter, without the prior written consent of Trican);
- (c) subject to the board of directors of Canyon withdrawing, modifying, qualifying or changing its recommendation in Section 2.3(a) in accordance with this Agreement, solicit proxies of Canyon Securityholders in favour of the Arrangement and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any transactions contemplated by this Agreement, including, if so requested by Trican, acting reasonably, using a proxy solicitation agent for such purpose and cooperating with any Persons engaged by Trican to solicit proxies in favour of the approval of the Trican Share Issuance Resolution; and
- (d) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order as soon as reasonably practicable, but in

any event not later than the third business day after the later of the date on which (i) the Arrangement Resolution is passed at the Canyon Meeting, and (ii) the Trican Share Issuance Resolution is passed at the Trican Meeting.

Canyon shall use its commercially reasonable efforts to obtain and furnish to Trican the Canyon Information required on its behalf to be included in the Trican Circular. Subject to Trican complying with its obligations under Section 2.4, Canyon shall use its commercially reasonable efforts to prepare the Canyon Circular and mail to the Canyon Securityholders the Canyon Circular in a manner agreed to by Trican, acting reasonably. Canyon shall give Trican and its legal counsel a reasonable opportunity to review and comment on the drafts of the Canyon Circular and other related documents, and shall give reasonable consideration to any comments made by Trican and its counsel, and agrees that all Trican Information included in the Canyon Circular must be in content satisfactory to Trican, acting reasonably. As of the date (i) the Canyon Circular is first mailed to the Canyon Securityholders and the date of any Canyon Meeting, the information contained in the Canyon Circular (other than the Trican Information), and (ii) the Trican Circular is first mailed to the Trican Shareholders and the date of any Trican Meeting, the Canyon Information contained in the Trican Circular, shall be complete and correct in all material respects, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and shall comply in all material respects with all applicable Laws. Canyon agrees to promptly notify Trican if any Canyon Information included in the Trican Circular becomes false or misleading at any time prior to the Trican Meeting. Canyon agrees to promptly correct any information contained the Canyon Circular which shall have become false or misleading at any time prior to the Canyon Meeting. Without limiting the generality of the foregoing, Canyon shall ensure that the Canyon Circular provides Canyon Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Canyon Meeting, and, subject to the terms of this Agreement, contains the unanimous recommendation of the board of directors of Canyon that the Canyon Securityholders vote in favour of the Arrangement Resolution.

## **2.6 Interim Order**

The notice of motion for the application referred to in Section 2.5(a) shall request that the Interim Order provide, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Canyon Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution to be placed before the Canyon Meeting shall be 66 2/3% of the votes cast on the Arrangement Resolution by Canyon Securityholders present in person or by proxy at the Canyon Meeting (such that each Canyon Shareholder is entitled to one vote for each Canyon Share held, each Canyon Optionholder is entitled to one vote for each Canyon Share underlying such holder's Canyon Options, and each holder of Canyon Incentive Units is entitled to one vote for each Canyon Share underlying such holder's Canyon Incentive Units, all voting together as a single class) and, if required under Securities Laws, by a majority of the votes cast on the Arrangement Resolution by Canyon Shareholders present in person or by proxy at the Canyon Meeting after excluding the votes of those Persons whose votes are required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;
- (c) that the Canyon Meeting may be adjourned or postponed from time to time in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (d) for the grant of the Dissent Rights to the registered Canyon Shareholders as set forth in the Plan of Arrangement;
- (e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

- (f) confirmation of the record date for the purposes of determining the Canyon Securityholders entitled to receive material and vote at the Canyon Meeting in accordance with the Interim Order;
- (g) that the record date for Canyon Securityholders entitled to notice of and to vote at the Canyon Meeting will not change in respect of any adjournment(s) or postponement(s) of the Canyon Meeting; and
- (h) for such other matters as the Parties may agree in writing, each acting reasonably.

In the application referred to in Section 2.5(a), Canyon shall inform the Court that the Parties intend to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act for the issuance of the Trican Shares pursuant to the Arrangement and that, in connection therewith, the Court will be required to approve the substantive and procedural fairness of the terms and conditions of the Arrangement to each Person to whom Trican Shares will be issued. Each Person to whom Trican Shares will be issued on completion of the Arrangement will be given adequate notice advising them of their right to attend and appear before the Court at the hearing of the Court for the Final Order and providing them with adequate information to enable such Person to exercise such right.

## **2.7 Trican Meeting**

The Trican Circular in respect of the Trican Meeting shall provide that the requisite approval for the Trican Share Issuance Resolution shall be a majority of the votes cast on the Trican Share Issuance Resolution by Trican Shareholders present in person or by proxy at the Trican Meeting (such that each Trican Shareholder is entitled to one vote for each Trican Share held).

## **2.8 Conduct of Meetings**

- (a) Subject to the terms of this Agreement (and, in the case of Canyon, the Interim Order), Trican agrees to convene and conduct the Trican Meeting and Canyon agrees to convene and conduct the Canyon Meeting, in each case, in accordance with their respective constating documents and applicable Laws and each agrees not to propose to adjourn or postpone its meeting without the prior written consent of the other Party:
  - (i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity; or
  - (ii) except as required under Section 6.4 or 7.1(c).
- (b) Notwithstanding the receipt by a Party of a Superior Proposal in accordance with Section 7.1, unless this Agreement is terminated in accordance with its terms or except as required by applicable Law or by a Governmental Entity, the Party receiving such Superior Proposal shall continue to take all steps reasonably necessary to hold its meeting of shareholders and to cause the Arrangement Resolution or the Trican Share Issuance Resolution, as applicable, to be voted on at such meeting and shall not propose to adjourn or postpone such meeting other than as contemplated by Section 2.8(a).
- (c) Each Party shall advise the other Party as reasonably requested, and on a daily basis on each of the last seven business days prior to their respective shareholder meetings called to consider the Arrangement contemplated hereby, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting.

- (d) Each Party shall provide the other with copies of or access to material information regarding the Trican Meeting or the Canyon Meeting, as the case may be, generated by any proxy solicitation services agent or requested from time to time by the other Party.
- (e) The Parties shall cooperate to schedule and convene the Trican Meeting and the Canyon Meeting on the same date (subject to any adjournments or postponements required or permitted by this Agreement); provided that, in the case of the Canyon Meeting, the Arrangement Resolution shall be considered prior to any annual meeting business set forth in the Canyon Disclosure Letter, unless Trican consents in writing, such consent not to be unreasonably withheld.
- (f) Canyon shall advise Trican of any written communication received after the date of this Agreement from any shareholder or other Person in opposition to the Arrangement or any written notice of dissent, purported dissent exercise or withdrawal of Dissent Rights by a Canyon Shareholder, and written communications sent by or on behalf of Canyon to any Canyon Shareholder exercising or purporting to exercise Dissent Rights.
- (g) Canyon shall not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to the Dissent Rights without the prior written consent of Trican.

## **2.9 Court Proceedings**

Canyon will provide Trican and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by Trican for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of Trican and its legal counsel with respect to any such information required to be supplied by Trican and included in such material and any other matters contained therein. Canyon will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, Canyon will not object to legal counsel to Trican making submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, acting reasonably, provided such submissions are discussed in advance of the application with counsel for Canyon and are consistent with this Agreement and the Plan of Arrangement. Canyon will also provide legal counsel to Trican, on a timely basis, with copies of any notice and evidence served on Canyon or its legal counsel in respect of the application for the Final Order or any appeal therefrom. Subject to applicable Laws, Canyon will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with Trican's prior written consent, such consent not to be unreasonably withheld or delayed; provided that nothing herein shall require Trican to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases Trican's obligations set forth in any such filed or served materials or under this Agreement. Canyon shall oppose any proposal from any Person that the Final Order contains any provisions inconsistent with this Agreement.

## **2.10 Effective Date**

The Arrangement shall become effective at the Effective Time. Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 6, each of Trican and Canyon shall, as soon as practicable, execute and deliver such closing documents and instruments. Canyon shall proceed, no later than the fifth business day following the satisfaction or waiver of such conditions precedent (other than the conditions precedent that by their terms are to be satisfied as of the Effective Date), to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to Section 193(10) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have

occurred in the order set out therein without any further act or formality. Subject to the satisfaction or waiver of the conditions precedent in Article 6, Trican shall, on the Effective Date, provide to its transfer agent an irrevocable direction authorizing and directing the transfer agent to issue the Trican Shares to the Canyon Shareholders and shall irrevocably direct the depository under the Arrangement to distribute the Trican Shares to the Canyon Shareholders in accordance with the terms of the Plan of Arrangement.

## **2.11 Canyon Employee Obligations**

- (a) The Parties acknowledge and agree that the Arrangement will result in a "change of control" for the purposes of the Canyon Employment Agreements. Trican acknowledges and agrees that the Canyon Employee Obligations pursuant to the Canyon Employment Agreements shall become payable on or following the Effective Date (notwithstanding whether the employment of a Canyon Employee party to any such Canyon Employment Agreement will be terminated effective as at the Effective Date). Trican further agrees to cause Canyon to allocate and pay such amounts in accordance with the terms of the relevant agreements, as set forth in the Canyon Disclosure Letter, on the Effective Date, in each case conditional upon the execution by the applicable Canyon Employee of a mutual release in favour of Trican and Canyon in the form and substance satisfactory to Trican and Canyon, each acting reasonably; provided that the Parties acknowledge and agree that the aggregate change of control and severance payments under the Canyon Employment Agreements shall not exceed \$7.0 million. Notwithstanding the foregoing, in no event shall a Canyon Employee be entitled to receive both a severance payment and a change of control payment pursuant to this Section 2.11 or his or her Canyon Employment Agreement.
- (b) The Canyon Disclosure Letter sets forth details of the Canyon Employee Obligations pursuant to the Canyon Employment Agreements, including: (i) the name of each individual entitled to a payment; (ii) the name and date of the agreement under which the payment arises; (iii) the total amount of each individual's payment, including any earned but unpaid bonuses pursuant to applicable Canyon Employee Plan; and (iv) the method of calculating such payment or estimated payment.

## **2.12 Treatment of Canyon Incentive Awards**

- (a) The Parties acknowledge and agree that the Arrangement will result in a "change of control" for purposes of the Canyon Incentive Plans. The board of directors of Canyon shall, notwithstanding any provision of any of the Canyon Incentive Plans to the contrary, approve the vesting of all outstanding Canyon Incentive Awards effective immediately prior to the Effective Time and conditional upon the subsequent consummation of the Arrangement, and such other matters as may be necessary in order that all such outstanding Canyon Incentive Awards will be fully vested and, where applicable, exercisable immediately prior to the Effective Time.
- (b) All of the Canyon Options and Canyon Incentive Units outstanding prior to the Effective Date shall be deemed to have been exercised or surrendered in accordance with the Plan of Arrangement.
- (c) In the case of Canyon PSUs, Trican or Canyon, at the direction of Trican, shall make the payments set forth in the Canyon Disclosure Letter immediately after the Effective Date.
- (d) The Canyon Disclosure Letter includes particulars of all Canyon Incentive Awards outstanding as of the date hereof, including: (i) the names of holders of Canyon Incentive Awards and the number of such awards held by them; (ii) the date of issuance; (iii) the scheduled date of vesting and/or expiry, as applicable; (iv) the exercise price of each Canyon Option; (v) subject to exercise on a cashless basis, the estimated number of Canyon Shares issuable to each holder of Canyon Options and Canyon Incentive Units and the estimated withholding tax related thereto; and (vi) the estimated cash payment to each holder of Canyon PSUs pursuant to Section 2.12(c) and the estimated withholding Taxes related thereto.

- (e) Subject to Section 2.12(f), Canyon shall be exclusively responsible for any withholding obligations of Taxes from any amounts paid for the Canyon Employee Obligations and in connection with the exercise or settlement of any Canyon Incentive Awards (whether pursuant to the Plan of Arrangement or otherwise), and Canyon shall deliver the consideration for the foregoing net of such amounts to Canyon Employees and holders of Canyon Incentive Awards, as applicable. Any such amounts deducted, withheld and remitted by Canyon will be treated for all purposes under this Agreement as having been paid to the Canyon Employees and holders of Canyon Incentive Awards, as applicable, in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Entity.
- (f) The Parties agree that satisfaction of the income tax remittance obligation with respect to the exercise or surrender of Canyon Incentive Awards may also be accomplished by way of the withholding by Canyon or Trican from the Trican Shares received under the Arrangement of such number of Trican Shares as may be determined by Trican, in its sole discretion, to be necessary to satisfy the income tax remittance obligation of such Canyon Incentive Awards. Canyon and/or Trican may sell any such withheld Trican Shares, as trustee for any holders of Canyon Incentive Awards to satisfy the remittance obligation and, in connection with such exercise or surrender, the holder of the Canyon Incentive Awards shall consent to the sale and grant to Canyon and/or Trican, as trustee for the holder of the Canyon Incentive Awards, an irrevocable power of attorney to effect the sale of such Trican Shares. Any Trican Shares withheld shall be sold through the facilities of the Exchange and the funds used to satisfy the remittance obligation.

### **2.13 Board of Directors of Trican**

The Parties agree that the board of directors of Trican will take commercially reasonable steps to appoint Brad Fedora, the current President and Chief Executive Officer of Canyon, to the board of directors of Trican immediately following completion of the Arrangement to serve until the next annual meeting of Trican Shareholders or until his successor is duly appointed.

### **2.14 Shareholder Communications**

Trican and Canyon agree to co-operate and participate in presentations to investors regarding the Arrangement, and to promptly advise, consult and co-operate with each other in issuing any press releases or otherwise making any public statements with respect to this Agreement or the Arrangement and, subject to Section 5.3, in making any filing with any Governmental Entity or with any stock exchange, including the Exchange, with respect thereto. Each Party shall use all commercially reasonable efforts to enable the other Party to review and comment on all such presentations and press releases prior to the use or release thereof, as the case may be, and shall enable the other Party to review and comment on such filings prior to the filing thereof; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make disclosure in accordance with applicable Laws, and if such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. The Parties agree to issue jointly a press release with respect to this Agreement as soon as practicable after its due execution.

### **2.15 U.S. Securities Laws**

The Arrangement shall be structured and executed such that, assuming the Court considers the fairness of the terms and conditions of the Arrangement and grants the Final Order, the issuance of the Trican Shares issuable to Canyon Securityholders under the Arrangement will not require registration under the U.S. Securities Act, in reliance upon Section 3(a)(10) thereof. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in this Section 2.15.

## 2.16 Privacy Issues

- (a) For the purposes of this Section 2.16 only, the following definitions shall apply:
- (i) **"applicable law"** means, in relation to any person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives and orders of and the terms of all judgments, orders and decrees issued by any authorized authority by which such person is bound or having application to the transaction or event in question, including applicable privacy laws.
  - (ii) **"applicable privacy laws"** means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law including the *Personal Information Protection Act* (Alberta).
  - (iii) **"authorized authority"** means, in relation to any person, transaction or event, any (a) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, 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, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event.
  - (iv) **"Personal Information"** means information about an identifiable individual.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement (the **"Disclosed Personal Information"**).
- (c) Prior to the completion of the Arrangement:
- (i) the Parties agree to only collect, use and disclose Personal Information as is necessary for the purposes of determining if the Parties are to proceed with the Arrangement; and
  - (ii) a Party in receipt of Disclosed Personal Information may not use or disclose any such Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement.
- (d) Each Party acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Arrangement.
- (e) Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with applicable Law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording,

copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

- (f) Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information provided to it shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access to such information in order to complete the Arrangement.
- (g) Each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.
- (h) In the event of the completion of the Arrangement, each Party undertakes to: (i) use or disclose the Disclosed Personal Information of the other Party only for those purposes for which the information was initially collected from or in respect of the individuals to which such Disclosed Personal Information relates and solely for the purposes of carrying on the business or activity or carrying out the objects for which the Arrangement took place, unless otherwise permitted or required under applicable Laws; and (ii) abide by any applicable Laws surrounding withdrawal of consent.
- (i) In the event the Arrangement is not completed or in the event this Agreement is terminated at any time prior to the Effective Date or, upon the reasonable request of either Party, each Party shall cease all use of the Disclosed Personal Information acquired in connection with this Agreement and will return such Disclosed Personal Information to the other Party or, at the other Party's request, destroy in a secure manner.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF TRICAN**

#### **3.1 Representations and Warranties**

Trican hereby makes to Canyon the representations and warranties set forth in Schedule C hereto, and acknowledges that Canyon is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

#### **3.2 Investigation**

Any investigation by Canyon and its advisors shall not mitigate, diminish or affect the representations and warranties of Trican pursuant to this Agreement.

#### **3.3 Survival of Representations and Warranties**

The representations and warranties of Trican contained in this Agreement shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated, provided that such termination shall not affect any claim arising from a deliberate prior breach of any such representations or warranties.



## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF CANYON**

### **4.1 Representations and Warranties**

Canyon hereby makes to Trican the representations and warranties set forth in Schedule D hereto, and acknowledges that Trican is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

### **4.2 Investigation**

Any investigation by Trican and its advisors shall not mitigate, diminish or affect the representations and warranties of Canyon pursuant to this Agreement.

### **4.3 Survival of Representations and Warranties**

The representations and warranties of Canyon contained in this Agreement shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated, provided that such termination shall not affect any claim arising from a deliberate prior breach of any such representations or warranties.

## **ARTICLE 5 COVENANTS**

### **5.1 Covenants of Trican**

Trican covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) agreed to in writing by Canyon (such agreement to be subject to applicable Law, not be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iii) set forth in the Trican Disclosure Letter:

- (a) the business of Trican and its Subsidiaries shall be conducted only in, and Trican and its Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice, and Trican shall use all commercially reasonable efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;
- (b) Trican shall not, and shall not permit any of its Subsidiaries to, directly or indirectly: (i) amend Trican's constating documents or amend in any material respects the constating documents of any of its Subsidiaries; (ii) except in relation to internal transactions solely involving Trican and its wholly-owned Subsidiaries or solely among such Subsidiaries, declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its shares owned by any Person; (iii) except in relation to: (A) internal transactions solely involving Trican and its wholly-owned Subsidiaries or solely among such Subsidiaries, (B) Trican Shares issuable pursuant to the terms of outstanding Trican Options, and (C) incentive award grants in the ordinary course of business consistent with past practice, issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Trican or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Trican or any of its Subsidiaries; (iv) split, consolidate, redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) amend the terms of any of its securities; (vi) redeem, purchase or acquire any outstanding Trican Shares; (vii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Trican or any of its Subsidiaries; (viii) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series

of related transactions, assets, securities, properties, interests or businesses if such acquisition would hinder or delay the consummation of the transactions contemplated by this Agreement; (ix) sell, lease, transfer or otherwise dispose of any of its assets if such sale, lease, transfer or disposition would hinder or delay the consummation of the transactions contemplated by this Agreement; (x) make any change in Trican's methods of accounting, except as required by concurrent changes in IFRS; (xi) amend, modify or terminate any material insurance policy of Trican or its Subsidiaries in effect on the date of this Agreement; (xii) waive, release, grant or transfer any rights of value or modify or change any existing license or lease which is material to the business of Trican or its Subsidiaries, taken as a whole, other than in the ordinary course of business; (xiii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing; (xiv) abandon or fail to diligently pursue any application for any material licences, permits, authorizations or registrations, or (xv) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;

- (c) Trican shall not, and shall not permit any of its Subsidiaries to, directly or indirectly: (i) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances in excess of \$50 million of value; (ii) sell, pledge, dispose of or encumber any assets of Trican or any of its Subsidiaries in excess of \$50 million of value; (iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries) or purchase of any property or assets of any other individual or entity in excess of \$50 million of value; (iv) pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are material to the business of Trican, except in the ordinary course of business consistent with past practice; (v) waive release or relinquish, or authorize or propose to do so, any contractual right which is material to the business of Trican, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Trican's most recently publicly available financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice; (vi) enter into any license, lease, contract or other document which is material to the business of Trican or waive, release, grant or transfer any rights of value or modify or change any existing license, lease, contract or other document which is material to the business of Trican, other than in the ordinary course of business consistent with past practice; or (vii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) except for capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property or threats to human safety or the environment, Trican shall not incur or commit to incur any capital expenditures exceeding \$15.0 million in aggregate prior to the Effective Date;
- (e) Trican will make all necessary filings and applications under applicable Laws, including Securities Laws, required to be made on the part of Trican in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such applicable Laws;
- (f) Trican shall apply to list the Trican Shares issuable or to be made issuable pursuant to the Arrangement on the Exchange and shall use its commercially reasonable efforts to obtain approval, subject only to customary conditions, for the listing of such Trican Shares on the Exchange;

- (g) Trican shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 7.2 or Section 7.3, and shall take all such actions as may be necessary to ensure that it maintains such availability to be able to pay such amount if and when required;
- (h) Trican shall use its commercially reasonable efforts (taking into account insurance market conditions and offerings and industry practices) to cause its current insurance (or reinsurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to Trican, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (i) subject to Section 5.3, Trican will deliver to Canyon, as soon as they become available, true and complete copies of any material reports, communications or statements which relate to Trican and its Subsidiaries from or required to be filed by Trican with any Governmental Entity relating to the Regulatory Approvals subsequent to the date hereof;
- (j) Trican shall not (i) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2016, except as may be required by applicable Law; (ii) make or revoke any material election relating to Taxes; (iii) settle, compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes except for any settlement, compromise or agreement that is not material to Trican; (iv) enter into any Tax sharing, Tax allocation or Tax indemnification agreement; (v) make a request for a Tax ruling to any Governmental Entity; or (vi) consent to any waiver of the limitations period applicable to any material Tax claim or assessment of Tax without at least ten business days' notice in writing to Canyon and prior written consent of Canyon, which shall not be unreasonably withheld, conditioned or delayed;
- (k) Trican shall not settle or compromise any claim (i) material to its business if such settlement or compromise would hinder or delay the consummation of the transactions contemplated by this Agreement, or (ii) brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date; and
- (l) Trican shall not agree, resolve or commit to do any of the matters prohibited in this Section 5.1.

Nothing in this Agreement is intended to or shall result in Canyon exercising material influence over the operations of Trican, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

## **5.2 Covenants of Canyon**

Canyon covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) agreed to in writing by Trican (such agreement to be subject to applicable Law and not to be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iii) set forth in the Canyon Disclosure Letter:

- (a) the business of Canyon and its Subsidiaries shall be conducted only in, and Canyon and its Subsidiaries shall not take any action except in, the ordinary course of business and consistent

with past practice, and Canyon shall use all commercially reasonable efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;

- (b) Canyon shall not, and shall not permit any of its Subsidiaries to, directly or indirectly: (i) amend Canyon's constating documents or amend in any material respects the constating documents of any of its Subsidiaries; (ii) except in relation to internal transactions solely involving Canyon and its wholly-owned Subsidiaries or among such Subsidiaries, declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its shares owned by any Person; (iii) except (A) in relation to internal transactions solely involving Canyon and its wholly-owned Subsidiaries or among such Subsidiaries, and (B) Canyon Shares issuable pursuant to the terms of outstanding Canyon Incentive Awards (as set forth in the Canyon Disclosure Letter and in accordance with Section 2.12), issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Canyon or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Canyon or any of its Subsidiaries; (iv) split, consolidate, redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) amend the terms of any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Canyon or any of its Subsidiaries; or (vii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) Canyon shall not, and shall not permit any of its Subsidiaries to, directly or indirectly: (i) sell, pledge, dispose of or encumber any assets of Canyon or any of its Subsidiaries in excess of \$1.0 million of value; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries) or purchase of any property or assets of any other individual or entity in excess of \$2.0 million of value; (iii) incur any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances; (iv) pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are material to the business of Canyon; (v) waive release or relinquish, or authorize or propose to do so, any contractual right which is material to the business of Canyon, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Canyon's most recently publicly available financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice; (vi) enter into any license, lease, contract or other document which is material to the business of Canyon or waive, release, grant or transfer any rights of value or modify or change any existing license, lease, contract or other document which is material to the business of Canyon, other than in the ordinary course of business consistent with past practice; (vii) enter into or terminate any hedges, swaps or other financial instruments or like transaction; or (viii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) except for (i) the aggregate amount and for the specified purposes set forth in Canyon's previously approved 2017 capital budget (a true and complete copy of which is set forth in the Canyon Disclosure Letter), and (ii) capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property or threats to human safety or the environment, Canyon shall not incur or commit to incur any capital expenditures prior to the Effective Date;
- (e) except for the grant of Canyon PSUs as set forth in the Canyon Disclosure Letter, Canyon (i) shall not, and shall not permit any of its Subsidiaries to, except in the ordinary course of

business consistent with past practice or pursuant to existing employment, pension, termination or compensation arrangements or agreements (copies of which are set forth in the Canyon Disclosure Letter), grant to any executive officer or director an increase in compensation in any form, grant to any other employee any increase in compensation in any form, make any loan to any officer or director, or take any action with respect to the grant of any severance, retention or termination pay to, or the entering into of any employment agreement with, any executive officer or director of Canyon or any of its Subsidiaries, or with respect to any increase of benefits payable under its current employment, severance or termination pay policies, and (ii) the board of directors of Canyon and its committees shall not use any discretion which may be available to them under the terms of the Canyon Incentive Plans or any awards granted thereunder except to provide for exercise, vesting and payout of the Canyon Incentive Awards as provided in Section 2.12;

- (f) neither Canyon nor any of its Subsidiaries shall adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, retention, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of employees, except as is necessary to comply with applicable Law or non-discretionary requirements of pre-existing plans;
- (g) Canyon shall use its commercially reasonable efforts (taking into account insurance market conditions and offerings and industry practices) to cause its current insurance (or reinsurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to Canyon, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (h) subject to Section 5.3, Canyon will deliver to Trican, as soon as they become available, true and complete copies of any material reports, communications or statements which relate to Canyon and its Subsidiaries from or required to be filed by Canyon with any Governmental Entity subsequent to the date hereof;
- (i) Canyon shall not (i) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2016, except as may be required by applicable Law; (ii) make or revoke any material election relating to Taxes; (iii) settle, compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes except for any settlement, compromise or agreement that is not material to Canyon; (iv) enter into any Tax sharing, Tax allocation or Tax indemnification agreement; (v) make a request for a Tax ruling to any Governmental Entity; or (vi) consent to any waiver of the limitations period applicable to any material Tax claim or assessment of Tax without at least ten business days' notice in writing to Trican and prior written consent of Trican, which shall not be unreasonably withheld, conditioned or delayed;
- (j) Canyon will conduct itself so as to keep Trican fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business; provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party or otherwise prevented by applicable Law or is in respect of customer specific or competitively sensitive information;
- (k) Canyon shall not settle or compromise any claim (i) material to its business, or (ii) brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date without the prior written consent of Trican;

- (l) Canyon will make all necessary filings and applications under applicable Laws, including Securities Laws, required to be made on the part of Canyon in connection with the transactions contemplated herein and shall take all commercially reasonable action necessary to be in compliance with such applicable Laws;
- (m) Canyon shall use commercially reasonable efforts to obtain resignations and mutual releases (in a form satisfactory to Trican, acting reasonably) from each of the directors and officers of Canyon and each of its Subsidiaries to be effective as of the Effective Time;
- (n) Canyon shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 7.2 or Section 7.3, and shall take all such actions as may be necessary to ensure that it maintains such availability to be able to pay such amount if and when required; and
- (o) Canyon shall not agree, resolve or commit to do any of the matters prohibited in this Section 5.2.

Nothing in this Agreement is intended to or shall result in Trican exercising material influence over the operations of Canyon, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

### **5.3 Mutual Covenants**

Each of the Parties covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms:

- (a) subject to Section 5.3(d), it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use their commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Arrangement, including using its commercially reasonable efforts to promptly: (i) obtain all necessary waivers, consents and approvals required to be obtained by it from parties to loan agreements, leases and other contracts; (ii) obtain all necessary exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws; (iii) defend all lawsuits or other legal, regulatory or other proceedings against it challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the Arrangement; (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Section 6.2 and Section 6.3; and (v) carrying out the terms of the Interim Order and the Final Order applicable to it and complying promptly with all requirements imposed by applicable Laws on it or its Subsidiaries with respect to this Agreement or the Arrangement;
- (b) it shall cooperate with the other Party in connection with the performance by it and its Subsidiaries of their obligations under this Section 5.3, including permitting the other Party a reasonable opportunity to review in advance, and to provide comments on, any proposed communications of any nature with a Governmental Entity, which comments shall be considered and given due regard;
- (c) it shall use commercially reasonable efforts to, and shall cause its Subsidiaries to use commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent set forth in Section 6.1(e) and Section 6.1(f), including using commercially reasonable efforts to: (i) obtain all Regulatory Approvals, (ii) cooperate fully with the other Party and such other Party's counsel, recognizing that certain competitively sensitive information shall be exchanged only on

a counsel-only basis and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, (iii) as promptly as possible, but in any event within 15 business days of the date hereof unless otherwise mutually agreed to in writing, make all necessary notifications or applications in respect of Regulatory Approvals, including the notification required under subsection 114(1) of the Competition Act, a request for an advance ruling certificate under subsection 102(1) of the Competition Act or a No Action Letter and the notification required under subsection 53.1(1) of the CT Act; provided that, Trican shall be responsible for preparing and filing on behalf of the Parties, in cooperation and consultation with Canyon in accordance with this Section 5.3, the joint submissions of the Parties with respect to subsection 102(1) of the Competition Act and the information required to be provided under subsection 53.1(2) of the CT Act, other than Canyon's materials supplied to the Commissioner under subsection 114(1) of the Competition Act which Canyon shall be responsible for supplying pursuant to subsection 53.1(1) and 53.1(2) of the CT Act); (iv) supply as promptly as practicable any additional information or documentary materials that may be required or as the parties or their counsel agree may be advisable pursuant to the Competition Act or any similar Laws, (v) certify completeness of its response to any supplementary information request received under subsection 114(2) of the Competition Act and in conjunction with the transactions contemplated by this Agreement as promptly as practicable after the date of issuance of any such supplementary information request or request for additional information and documentary material, as applicable, but in no event later than ninety days after such issuance, unless otherwise mutually agreed to in writing, and to take all actions necessary to assert, defend and support its certification of the completeness of its response to such supplementary information request or substantial compliance with such request for additional information and documentary material, and (vi) prepare and file, as promptly as practicable, all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals, and authorizations in respect of the Regulatory Approvals;

- (d) notwithstanding anything else in this Section 5.3, the Parties shall use commercially reasonable efforts to obtain the Regulatory Approvals and to remove each and every impediment under any Laws that may be asserted by any Governmental Entity so as to enable consummation of the Arrangement as soon as possible. For greater certainty, nothing in this Section 5.3 shall require either Party to offer, agree or consent to sell, assign, license, hold separate, or take any other action, before or after the Effective Date, with respect to any assets or businesses, or interests in any assets or businesses, of Trican or Canyon, or any of their respective Subsidiaries, as applicable and as the case may be, including agreeing and consenting to (i) restrictions on, or impairment of, its ability to own, manage, operate, or otherwise exercise full ownership rights of, any assets or businesses, or interest in any assets or businesses, or (ii) the creation of, termination or amendment of relationships, contractual rights, obligations, licenses, ventures or other arrangements, with respect to, before or after the Effective Date, any assets or businesses, or interests in any assets or businesses, of either Party or any of its Subsidiaries;
- (e) as applicable, or as required by Law, it shall not engage in any meetings or material communications with any Governmental Entity in relation to the Regulatory Approvals or the Arrangement, without counsel for the other Party being advised of same, having been given the opportunity to participate in such meetings or communications, and in any event shall immediately notify and provide copies to the other Party's counsel of any communications to or from a Governmental Entity in relation to the Arrangement;
- (f) it shall not deliberately take any action, refrain from taking any action or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Arrangement, or that will have, or would reasonably be expected to have, the effect of materially delaying, impairing or impeding the granting of the Regulatory Approvals;

- (g) except for non-substantive communications with securityholders, and subject to its obligations under Section 2.14, it shall furnish promptly to the other Party or its counsel, a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Arrangement; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby; and
- (h) it shall promptly notify the other Party in writing of any material change (actual, anticipated, contemplated or, to the knowledge of such Party, threatened, financial or otherwise) in its business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise) or financial condition, or of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) by any Governmental Entity or third party relating to the transactions contemplated hereby.

#### **5.4 Access to Information and Confidentiality**

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, Canyon shall, and shall cause its Subsidiaries and Representatives to, subject to all applicable Laws and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, use its commercially reasonable efforts to afford to Trican and the Representatives of Trican access at all reasonable times to their officers, employees, agents, properties, books, records and contracts, and shall furnish Trican with all data and information as Trican may reasonably request, subject to the conditions contained in the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, as well as in accordance with the Competition Act, for the sole purpose of permitting Trican to be in a position to expeditiously and efficiently integrate the businesses and operations of Trican and Canyon immediately upon but not prior to the Effective Date.

#### **5.5 Pre-Arrangement Reorganization**

- (a) Subject to Section 5.5(b), Canyon agrees that, upon request of Trican, Canyon shall use its commercially reasonable efforts to (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as Trican may request, acting reasonably (each a "**Pre-Arrangement Reorganization**"), (ii) cooperate with Trican and its advisors to determine the nature of the Pre-Arrangement Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, and (iii) cooperate with Trican and its advisors to seek to obtain consents or waivers which might be required from Canyon's lenders under its existing credit facilities in connection with the Pre-Arrangement Reorganizations, if any, provided that any costs, fees or expenses associated therewith shall be at Trican's sole expense.
- (b) Canyon will not be obligated to participate in any Pre-Arrangement Reorganization under Section 5.5(a) unless Canyon determines in good faith that such Pre-Arrangement Reorganization:
  - (i) does not change the Exchange Ratio such as to reduce the consideration to be received by the Canyon Shareholders under the Arrangement;
  - (ii) would not impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 6 or the ability of Canyon or Trican to consummate, and would not materially delay the consummation of, the Arrangement;
  - (iii) would not impose any incremental Tax on Canyon Shareholders;



- (iv) does not require Canyon to obtain the approval of any Canyon Securityholders or, after the mailing of Canyon Circular, to require any amendment thereto;
- (v) would not require Canyon to contravene any Laws;
- (vi) would have a Material Adverse Effect on Canyon; and
- (vii) is effected as close as reasonably practicable prior to the Effective Time.

Further, Canyon shall not be required to effect a Pre-Arrangement Reorganization unless Trican has waived or confirmed in writing the satisfaction of all conditions in its favour under Section 6.1 and Section 6.2 (other than the conditions that by their terms are to be satisfied as of the Effective Date). If the Arrangement is not completed, Trican shall (A) forthwith reimburse Canyon for all out of pocket costs and expenses incurred by Canyon or its Representatives in connection with considering or implementing a Pre-Arrangement Reorganization, and (B) indemnify and save harmless Canyon, its Subsidiaries and their respective Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties separate or incurred by any of them in connection with any actions or omissions by any of them in connection with or arising directly or indirectly out of any Pre-Arrangement Reorganization (which indemnity shall include any costs and expenses incurred by Canyon in order to restore the organizational structure of Canyon to a substantially similar structure of Canyon as of the date hereof).

- (c) Trican must provide written notice to Canyon of any proposed Pre-Arrangement Reorganization at least ten business days prior to the Effective Date. Upon receipt of such notice, subject to Section 5.5(b), Canyon and Trican shall work cooperatively and use their commercially reasonable efforts to prepare, prior to the Effective Time, all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Arrangement Reorganization, including any amendment to this Agreement or the Plan of Arrangement (provided that such amendments do not require Canyon to obtain approval of Canyon Securityholders).
- (d) Trican waives any breach of a representation, warranty or covenant by Canyon, where such breach is a result of an action taken by Canyon or its Subsidiaries in good faith pursuant to a request by Trican in accordance with this Section 5.5.

## **ARTICLE 6 CONDITIONS**

### **6.1 Mutual Conditions**

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order and the Final Order shall have each been obtained on terms consistent with this Arrangement, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the Trican Share Issuance Resolution shall have been passed a majority of the votes cast by the Trican Shareholders at the Trican Meeting;
- (c) the Arrangement Resolution shall have been passed by the Canyon Securityholders at the Canyon Meeting in accordance with the Interim Order;

- (d) the Articles of Arrangement to be filed with the Registrar in accordance with this Agreement shall be in form and substance satisfactory to each of the Parties, acting reasonably;
- (e) each of the Competition Act Approval and the CT Act Approval has been obtained and is in full force and effect;
- (f) all Regulatory Approvals (other than the Competition Act Approval) required to be obtained, or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect on either of Trican (before or after completion of the Arrangement) or Canyon;
- (g) the conditional approval to the listing of the Trican Shares issuable pursuant to the Arrangement on the Exchange shall have been obtained;
- (h) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered or promulgated by any Governmental Entity or by any elected or appointed public official in Canada or elsewhere, whether or not having the force of Law, and no Law, regulation, policy, judgment, decision, order, agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, ruling or directive (whether or not having the force of Law) shall have been enacted, promulgated, amended or applied, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Trican or Canyon from consummating the Arrangement, or that would be reasonably expected to have a Material Adverse Effect on either of Trican (before or after completion of the Arrangement) or Canyon; and
- (i) no act, action, suit, proceeding, objection or opposition shall have been threatened against or affecting either Party before any domestic or foreign court, tribunal or governmental agency or other regulatory or administrative agency or commission by any private person in Canada or elsewhere, whether or not having the force of Law, which, in the sole judgment of the other Party, prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Trican or Canyon from consummating the Arrangement, or that would be expected to have a Material Adverse Effect on either of Trican (before or after completion of the Arrangement) or Canyon.

## 6.2 Trican Conditions

The obligation of Trican to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) (i) the representations and warranties in paragraph (k) of Schedule D shall be true and correct in all respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak of an earlier date, the accuracy of which shall be determined as of such earlier date), except for such failures to be true and correct that are *de minimis*, (ii) the representations and warranties in paragraphs (a), (b), (c), (d) and (nn) of Schedule D shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date, and (iii) all other representations and warranties made by Canyon in this Agreement shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of

which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Canyon (and for this purpose, any reference to "material", "Material Adverse Effect" or "Material Adverse Change" in such representations and warranties shall be ignored), and Canyon shall have provided to Trican a certificate of two executive officers of Canyon (on behalf of Canyon and without personal liability) certifying the foregoing on the Effective Date;

- (b) Canyon shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time; and Canyon shall have provided to Trican a certificate of two executive officers of Canyon (on behalf of Canyon and without personal liability) certifying compliance with such covenants on the Effective Date;
- (c) no Material Adverse Change in respect of Canyon shall have occurred after the date hereof and prior to the Effective Date; and
- (d) holders of less than 5% of the outstanding Canyon Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

The conditions in this Section 6.2 are for the exclusive benefit of Trican and may be asserted by Trican regardless of the circumstances or may be waived in writing by Trican in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Trican may have.

### **6.3 Canyon Conditions**

The obligation of Canyon to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) (i) the representations and warranties in paragraph (k) of Schedule C shall be true and correct in all respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak of an earlier date, the accuracy of which shall be determined as of such earlier date), except for such failures to be true and correct that are *de minimis*, (ii) the representations and warranties in paragraphs (a), (b), (c) and (d) of Schedule C shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date, and (iii) all other representations and warranties made by Trican in this Agreement shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Trican (and for this purpose, any reference to "material", "Material Adverse Effect" or "Material Adverse Change" in such representations and warranties shall be ignored), and Trican shall have provided to Trican a certificate of two executive officers of Trican (on behalf of Trican and without personal liability) certifying the foregoing on the Effective Date;
- (b) Trican shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time; and Trican shall have provided to Canyon a certificate of two executive officers of Trican (on behalf of Trican and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of Trican shall have occurred after the date hereof and prior to the Effective Date.

The conditions in this Section 6.3 are for the exclusive benefit of Canyon and may be asserted by Canyon regardless of the circumstances or may be waived by Canyon in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Canyon may have.

#### **6.4 Notice and Cure Provisions**

Each Party shall give prompt written notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would reasonably be expected to:

- (a) cause any of the representations or warranties of either Party contained herein to be untrue or inaccurate in any material respect; or
- (b) result in the failure to comply with or satisfy any covenant or condition to be complied with or satisfied by either Party,

in each case to the extent that the conditions in Section 6.2(a) and Section 6.2(b), in the case of Canyon's representations, warranties and covenants, and Section 6.3(a) and Section 6.3(b), in the case of Trican's representations, warranties and covenants, would not be capable of being satisfied at any time from the date hereof until the Effective Date.

Neither Canyon nor Trican may elect to terminate this Agreement pursuant to Section 8.1(e) unless promptly, and in any event prior to the issuance of the Certificate by the Registrar, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be. If any such notice is delivered, provided that the receiving Party is proceeding diligently to cure any such matter capable of cure prior to the Outside Date to the satisfaction of the Party delivering such notice, acting reasonably, no Party may terminate this Agreement until the earlier of (i) the expiration of a period of ten business days from the date of receipt of such notice, and (ii) the Outside Date, if such matter has not been cured by such date. More than one notice may be delivered by a Party. If such notice has been delivered within ten business days prior to the date of the Trican Meeting or the Canyon Meeting, Trican or Canyon, as the case may be, may elect to postpone the meeting of its shareholders until the expiry of such period.

#### **6.5 Merger of Conditions**

Subject to applicable Law, the conditions set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released upon the issuance of a Certificate in respect of the Arrangement.

### **ARTICLE 7 ADDITIONAL AGREEMENTS**

#### **7.1 Mutual Covenant Regarding Non-Solicitation**

- (a) Each Party shall immediately cease and cause to be terminated all existing solicitation, encouragement, discussion or negotiation (including through any Representatives on its behalf), if any, with any parties conducted before the date of this Agreement with respect to any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal in respect of such Party, and, in connection therewith, such Party shall discontinue access to any of its confidential information, properties, facilities, books and records; such Party shall also promptly, but in any event within five business days, request the return or destruction of all material including or incorporating such information respecting such Party provided to any third parties who have entered into a confidentiality agreement with such Party relating to an

Acquisition Proposal in respect of such Party and shall use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of the applicable confidentiality agreements with such parties. Each Party undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that such Party has entered into prior to the date of this Agreement and that such Party enters into after the date of this Agreement.

- (b) Neither Party shall, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
- (i) solicit, initiate or knowingly encourage or facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any Acquisition Proposal in respect of such Party or any inquiries, proposals or offers relating to any Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal in respect of such Party;
  - (ii) enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other Person any information with respect to its businesses, operations, results of operations, properties or financial condition in connection with any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise knowingly encourage, facilitate, cooperate with, assist or participate in, any effort or attempt of any other Person to do or seek to do any of the foregoing;
  - (iii) waive, terminate, amend, modify or release any third party or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from or otherwise forbear in respect of, any rights or other benefits under confidential information and/or standstill agreements (which, for greater certainty, does not prohibit the automatic release of a party in accordance with the pre-existing terms of any standstill provision);
  - (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal that is publicly announced, it being understood that publicly taking no position or a neutral position with respect to any Acquisition Proposal prior to the earlier of three business days following the public announcement or disclosure of the Acquisition Proposal or 72 hours prior to the applicable shareholders' meeting will not be considered to be in violation of this Section 7.1, provided that the board of directors of the Party that is subject to the Acquisition Proposal has rejected such Acquisition Proposal and affirmed such Party's recommendation in Section 2.2(a) or Section 2.3(a), as applicable, before the end of such three business day period or 72 hours, as applicable; or
  - (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality and standstill agreement contemplated under Section 7.1(b)(vi));

provided, however, that notwithstanding any other provision hereof, each Party and its Representatives may (A) comply with Part 2 – Division 3 of NI 62-104 relating to the provision of directors' circulars and making appropriate disclosure with respect thereto to its securityholders, and (B) prior to the approval of the Arrangement Resolution at the Canyon Meeting, in the case of Canyon, or prior to the approval of the Trican Share Issuance Resolution at the Trican Meeting, in the case of Trican:

- (vi) enter into or participate in any discussions or negotiations with a third party that is not in material breach of any confidentiality or standstill agreement to which such Party is a party and who seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality and standstill agreement in favour of such Party that contains a standstill provision that such Party determines in good faith is no less onerous or more beneficial to such third party than that in the Confidentiality Agreement and is otherwise on terms that such Party determines in good faith are no less favourable to such Party than those found in the Confidentiality Agreement (provided that such confidentiality and standstill agreement shall (A) allow for disclosure thereof, along with all information provided thereunder, to the other Party as set out below, (B) allow disclosure of the making and terms of any Acquisition Proposal made by the third party as contemplated herein, and (C) not contain any provision restricting such Party from complying with this Section 7.1) may furnish to such third party any information concerning such Party and its businesses, properties and assets, in each case if, and only to the extent that:
    - (A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of this Section 7.1, and in respect of which the board of directors of such Party determines in good faith, after consultation with its outside legal and financial advisors, constitutes or could reasonably be expected to lead to a Superior Proposal; and
    - (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, the Party shall (1) provide prompt notice to the other Party to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together, if applicable, with a copy of the confidentiality and standstill agreement referenced above and, if not previously provided to such other Party, copies of all information provided to such third party concurrently with the provision of such information to such third party, (2) notify the other Party orally and in writing of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include a copy of any such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to the other Party and copies of all information provided to the third party), within 24 hours of the receipt thereof, and (3) keep the other Party promptly informed of the material changes in the status and material details of any such inquiry, offer or proposal and answer the other Party's reasonable questions with respect thereto; and
  - (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the board of directors of the Party subject to the Superior Proposal concludes in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 7.1(c) and after receiving the advice of outside counsel, that the failure by the board of directors to take such action would be inconsistent with its fiduciary duties under applicable Laws, and the Party subject to the Superior Proposal (A) complies with its obligations set forth in Section 7.1, (B) terminates this Agreement in accordance with Section 8.1(f), and (C) concurrently therewith pays the amount required by Section 7.2 to the other Party.
- (c) Following receipt of a Superior Proposal, the Party subject to the Superior Proposal shall give the other Party, orally and in writing, at least five days advance notice of any decision by the

board of directors of the Party subject to such Superior Proposal to accept, recommend, approve or enter into an agreement to implement such Superior Proposal, which notice shall confirm that the board of directors has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the third party making the Superior Proposal and shall provide a true and complete copy of the Superior Proposal and the agreement to implement such Superior Proposal, including all financing documents, and any amendments thereto. During such five day period, the Party subject to the Superior Proposal agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in Section 2.2(a) or Section 2.3(a), as applicable. In addition, during such five day period, the Party subject to such Superior Proposal shall, and shall cause its financial and legal advisors to, negotiate in good faith with the other Party and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable the Party subject to such Superior Proposal to proceed with the Arrangement as amended rather than the Superior Proposal. In the event the other Party proposes to amend this Agreement and the Arrangement on a basis such that the board of directors of the Party subject to the Superior Proposal determines that the proposed transaction is no longer a Superior Proposal and so advises the board of directors of the other Party prior to the expiry of such period, the board of directors of the Party subject to such Acquisition Proposal shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement and the Parties hereto will enter into an amended version of this Agreement reflecting such amendments. In the event that a Party provides the notice contemplated by this Section 7.1(c) on a date which is less than five days prior to the Trican Meeting or the Canyon Meeting, the other Party shall be entitled to (a) adjourn or postpone its shareholders' meeting, and (b) require the Party subject to the Superior Proposal to adjourn or postpone its shareholders' meeting, in each case to a date that is not more than ten business days after the date of such notice, provided that, in no event shall the date of such adjourned or postponed meeting be later than five business days prior to the Outside Date.

- (d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the shareholders of the Party subject to such Acquisition Proposal or other material terms or condition thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c), and the other Party shall be afforded a new five day period from the date on which such Party received all of the materials set forth in Section 7.1(c) with respect to the new Superior Proposal from the Party subject thereto.
- (e) The board of directors of each Party shall promptly reaffirm the recommendation and determination in Section 2.2(a) and Section 2.3(a), as applicable, by press release after (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal, or (ii) the Parties have entered into an amended agreement pursuant to Section 7.1(c) which results in any Acquisition Proposal not being a Superior Proposal. The Parties shall each have an opportunity to review the form and content of such release and make reasonable changes thereto.
- (f) Each Party shall ensure that its Representatives are aware of the provisions of this Section 7.1 applicable to such Party. Each Party shall be responsible for any breach of this Section 7.1 by such Party's Representatives.
- (g) Each Party agrees that all information that may be provided to it by the other Party with respect to any Superior Proposal pursuant to this Section 7.1 be treated as if it were "Confidential Information" as that term is defined in the Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Confidentiality Agreement or in order to enforce their rights under this Agreement in legal proceedings.

## 7.2 Agreement as to Damages

If at any time after the execution of this Agreement:

- (a) (i) the board of directors of one Party has withdrawn, modified, qualified or changed any of its recommendations or determinations referred to in Section 2.2(a) or Section 2.3(a), as applicable, in a manner adverse to the other Party or shall have resolved to do so prior to the Effective Date, or has failed to publicly reconfirm its recommendation in Section 2.2(a) or Section 2.3(a), as applicable, upon the request of the other Party prior to the earlier of three business days following such request or 72 hours prior to the applicable shareholders' meeting (unless the Party requesting such reconfirmation is then in material breach of its obligations hereunder and such withdrawal, modification, qualification, change or failure relates to such breach), or (ii) a Party has accepted, approved or entered into an agreement to implement a Superior Proposal;
- (b) (i) an Acquisition Proposal in respect of Trican is publicly announced, proposed, disclosed, offered or made or any Person shall have publicly announced an intention to make an Acquisition Proposal in respect of Trican, (ii) after such Acquisition Proposal shall have been publicly announced, proposed, disclosed, offered or made, this Agreement is terminated (A) by either Party pursuant to Section 8.1(c) *[No Trican Shareholder Approval]* or Section 8.1(d) *[Outside Date]*, or (B) by Canyon pursuant to Section 8.1(e) *[Failure to Satisfy Reps, Warranties, Covenants Conditions]* as a result of the failure to satisfy the condition in Section 6.3(b) *[Compliance by Trican with Covenants]*, and (iii) such Acquisition Proposal, or an amended version thereof, is consummated within nine months of the date this Agreement is terminated;
- (c) (i) an Acquisition Proposal in respect of Canyon is publicly announced, proposed, disclosed, offered or made or any Person shall have publicly announced an intention to make an Acquisition Proposal in respect of Canyon, (ii) after such Acquisition Proposal shall have been publicly announced, proposed, disclosed, offered or made, this Agreement is terminated (A) by either Party pursuant to Section 8.1(b) *[No Canyon Securityholder Approval]* or Section 8.1(d) *[Outside Date]*, or (B) by Trican pursuant to Section 8.1(e) *[Failure to Satisfy Reps, Warranties, Covenants Conditions]* as a result of the failure to satisfy the condition in Section 6.2(b) *[Compliance by Canyon with Covenants]*, and (iii) such Acquisition Proposal, or an amended version thereof, is consummated within nine months of the date this Agreement is terminated; or
- (d) a Party deliberately breaches any of its covenants in Section 7.1 *[Non-Solicitation Covenants]*,

(each of the above being a "**Damages Event**"), then in the event of the termination of this Agreement pursuant to Section 8.1 (other than, in relation to a Damages Event referred to in Section 7.2(a) only, pursuant to Section 8.1(b) *[No Canyon Securityholder Approval]*, Section 8.1(c) *[No Trican Shareholder Approval]*, Section 8.1(d) *[Outside Date]* or Section 8.1(e) *[Failure to Satisfy Reps, Warranties, Covenants and Conditions]* unless in such circumstances this Agreement could otherwise have been terminated at such time under Section 8.1(f)), (i) if Trican is the subject of clause (a) or the breaching Party under clause (d), or the Damages Event in clause (b) occurs, Trican shall pay to Canyon, in the case of clauses (a)(i) or (d), within two business days of the termination of this Agreement, in the case of clause (a)(ii), prior to or concurrently with the termination of this Agreement, and in the case of clause (b), upon the consummation of the Acquisition Proposal referred to therein, a fee in consideration for the disposition of Canyon's rights under this Agreement in the amount of \$22.0 million in immediately available funds to an account designated by Canyon, and (ii) if Canyon is the subject of clause (a) or the breaching Party in clause (d), or the Damages Event in clause (c) occurs, Canyon shall pay to Trican, in the case of clauses (a)(i) or (d), within two business days of the termination of this Agreement, in the case of clause (a)(ii), prior to or concurrently with the termination of this Agreement, and in the case of clause (c), upon the consummation of the Acquisition Proposal referred to therein, a fee in consideration for the disposition of Trican's rights under this Agreement in the amount of \$22.0 million in immediately available funds to an account designated by Trican, and after such event but prior to payment of such amount, the Party required to make such payment shall be deemed to hold such funds in trust for the other Party. Trican shall only be obligated to pay a maximum of \$22.0 million pursuant to this Section 7.2, and Canyon



shall only be obligated to pay a maximum of \$22.0 million pursuant to this Section 7.2. For the purpose of clauses (b) and (c), the term "Acquisition Proposal" shall have the meaning ascribed to such term in Section 1.1, except that references to "20% or more" shall be deemed to be references to "50% or more".

### **7.3 Fees and Expenses**

- (a) Subject to Section 7.3(b), each Party shall pay (i) all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement, and (ii) one-half of the filing fee applicable to the filing made in support of obtaining the Competition Act Approval.
- (b) If this Agreement is terminated by Canyon pursuant to Section 8.1(d) [*Outside Date*] and at the time of such termination the Competition Act Approval has not been made, given or obtained, as applicable, and provided that (i) all the other conditions set forth in Section 6.1 are capable of being satisfied as of the Effective Date, (ii) Canyon is not in breach of any of its representations and warranties or covenants set forth in Sections 4.1, 5.2 and 5.3, as applicable, and (iii) Canyon shall have kept all the legal fee expenses in connection with the Competition Act Approval separate from all the other fees incurred in connection with the Arrangement, Trican shall reimburse Canyon for the legal fee expenses incurred in connection with the Competition Act Approval and the Canyon portion of the fee associated with the Competition Act Approval in Section 7.3(a), up to the maximum amount of \$125,000. Any payment made by Trican pursuant to this Section 7.3(b) shall be made within 15 business days after the date Canyon provides Trican with a copy of the legal fee expenses incurred by Canyon in connection with the Competition Act Approval for which a claim is sought under this Section 7.3(b).
- (c) No fees shall be payable by a Party under 7.3(b) if that Party has paid a fee under Section 7.2.

### **7.4 Liquidated Damages**

Each Party acknowledges that all of the payment amounts set out in this Article 7 are payments of liquidated damages which are a genuine pre-estimate of the damages which Trican or Canyon will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that the payment of any amounts pursuant to this Article 7 is the sole remedy of Trican and Canyon in the circumstances set forth in Article 7; provided, however, that this limitation shall not (a) apply in respect of Section 7.3(b), in the event of a deliberate breach by Trican of this Agreement, and (b) prior to any termination of this Agreement, preclude a Party from seeking injunctive relief to restrain any breach or threatened breach by the other Party of the covenants or agreements set forth in this Agreement, or otherwise obtain specific performance of any of such acts, covenants or agreements in accordance with Section 9.5.

### **7.5 Insurance and Indemnification**

- (a) Trican agrees that it will maintain in effect, or will cause Canyon or its successors to maintain in effect, without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the most favourable protection provided by the policies maintained by Canyon and its Subsidiaries as are in effect immediately prior to the Effective Time and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of Canyon with respect to claims arising from facts or events which occurred prior to the Effective Time. Furthermore, prior to the Effective Time, Canyon may, in the alternative, with the consent of Trican, not to be unreasonably withheld, purchase run-off directors' and officers' liability insurance for a period of up to six years from the Effective Time, and in such event none of Trican, Canyon or any successor of Canyon will have any further obligation under this Section 7.5(a).

- (b) Trican agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Canyon shall survive completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.

## **7.6 Financial Advisors**

Trican and Canyon represent and warrant to each other that, except for RBC Dominion Securities Inc., Bank of Nova Scotia and Scotia Capital Inc., each in the case of Trican, and Peters & Co. Limited, in the case of Canyon, no financial advisor, broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission, or to the reimbursement of any of its expenses, in connection with the Arrangement, unless agreed to by Canyon or Trican, as applicable, acting reasonably (with respect to both the identity of the advisor, broker or investment banker, and the amount of the finder's or other fee or commission). Each Party agrees (a) not to amend the terms of any agreements relating to the arrangements between it and its financial advisors as are in existence at the date hereof in respect of the payment of fees and expenses or indemnification without the prior written approval of the other Party; and (b) not to disclose the terms of any such agreements between the other Party and its financial advisors to such Party's financial advisors.

## **ARTICLE 8 TERM, TERMINATION, AMENDMENT AND WAIVER**

### **8.1 Termination**

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of Trican and Canyon;
- (b) by either Trican or Canyon if the Arrangement Resolution shall have failed to receive the requisite vote of the Canyon Securityholders for approval at the Canyon Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
- (c) by either Trican or Canyon if the Trican Share Issuance Resolution shall have failed to receive the requisite vote of the Trican Shareholders for approval at the Trican Meeting (including any adjournment or postponement thereof);
- (d) by either Trican or Canyon if the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(d) shall not be available to any Party whose failure to fulfill any of its obligations has been the cause of, or resulted in, the failure of the Effective Time to occur by such date;
- (e) by either Trican or Canyon if any of the conditions set forth in Section 6.1 or Section 6.3, in the case of Canyon, or in Section 6.1 or Section 6.2, in the case of Trican, has not been satisfied or waived by the Outside Date, or such condition is incapable of being satisfied by the earlier of (i) the Outside Date, and (ii) the ten business cure period set forth in Section 6.4; provided that the Party seeking termination is in compliance with its obligations under Section 6.4, if applicable, and not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Sections 6.2 or 6.3, as applicable, not to be satisfied;
- (f) by Trican or Canyon following the occurrence of a Damages Event in respect of the other Party as provided in Section 7.2(a) [*Change in Recommendation or to Implement a Superior Proposal*] or in Section 7.2(d) [*Failure to Comply with Non-Solicitation Covenants*]; or
- (g) by either Trican or Canyon to accept, recommend, approve or enter into an agreement to implement a Superior Proposal in accordance with Section 7.1(b)(vii), provided that such Party

(i) has complied with its obligations set forth in Section 7.1, and (ii) concurrently pays the amount required pursuant to Section 7.2.

## **8.2 Effect of Termination**

In the event of the termination of this Agreement in the circumstances set out in Section 8.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to the other Party hereunder, except with respect to the obligations set forth in Sections 7.1, 7.2, 7.3, 7.4 and 9.6, where applicable. Nothing contained in this Section 8.2 shall relieve any Party from liability for any breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein.

## **8.3 Amendment**

This Agreement and the Plan of Arrangement may at any time and from time to time before or after the holding of the Trican Meeting and the Canyon Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order and Final Order and applicable Laws.

## **8.4 Waiver**

Either Party may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) waive compliance with any of the other Party's agreements or the fulfillment of any conditions to its own obligations contained herein, and (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

# **ARTICLE 9 GENERAL PROVISIONS**

## **9.1 Notices**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile transmission or e-mail, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other given in accordance with these provisions):

(a) if to Trican:

Trican Well Service Ltd.  
2900, 645 - 7th Avenue S.W.  
Calgary, Alberta, Canada T2P 4G8  
Attention: Dr. Chika B. Onwuekwe  
Vice President, Legal, General Counsel and Corporate Secretary  
Facsimile: (403) 263-2667  
E-mail: conwuekwe@trican.ca

with a copy to:

Blake, Cassels & Graydon LLP  
3500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4J8  
Attention: Ross Bentley  
Olga Kary  
Facsimile: (403) 261-9700  
E-mail: [ross.bentley@blakes.com](mailto:ross.bentley@blakes.com)  
[olga.kary@blakes.com](mailto:olga.kary@blakes.com)

(b) if to Canyon:

Canyon Services Group Inc.  
Suite 2900, Bow Valley III  
255 – 5th Avenue SW  
Calgary, Alberta, Canada T2P 3G6  
Attention: Jeremy Matthies  
General Counsel  
Facsimile: (403) 355-2211  
E-mail: [jmatthies@canyontech.ca](mailto:jmatthies@canyontech.ca)

with a copy to:

Burnet, Duckworth & Palmer LLP  
2400, 525 - 8th Avenue S.W.  
Calgary, Alberta T2P 1G1  
Attention: Grant MacKenzie  
Facsimile: (403) 260-0332  
E-mail: [gam@bdplaw.com](mailto:gam@bdplaw.com)

## 9.2 Assignment

Except as expressly permitted by the terms of this Agreement, neither this Agreement, nor any of the rights, interests or obligations hereunder may be assigned by either of the Parties hereto without the prior written consent of the other Party.

## 9.3 Time of Essence

Time shall be of the essence in this Agreement.

## 9.4 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

## 9.5 Specific Performance

Trican and Canyon agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, except as provided for in Section 7.4, each Party shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or to otherwise obtain specific performance of any such provisions, any requirement for

the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

#### **9.6 Third Party Beneficiaries**

The provisions of Section 7.5 are: (a) intended for the benefit of all present and former directors and officers of Canyon, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Trican shall hold the rights and benefits of Section 7.5 in trust for and on behalf of the Third Party Beneficiaries and Canyon hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Except as provided in this Section 9.6, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

#### **9.7 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

#### **9.8 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

#### **9.9 Counterparts**

This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

*[Remainder of this page is left blank intentionally]*

**IN WITNESS WHEREOF** the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**TRICAN WELL SERVICE LTD.**

Per: (signed) "Dale Dusterhoff"  
Name: Dale Dusterhoff  
Title: President and Chief Executive Officer

Per: (signed) "Michael A. Baldwin"  
Name: Michael A. Baldwin  
Title: Senior Vice President, Finance and Chief  
Financial Officer

**CANYON SERVICES GROUP INC.**

Per: (signed) "Bradley P.D. Fedora"  
Name: Bradley P.D. Fedora  
Title: President and Chief Executive Officer

Per: (signed) "Finnbarr ("Barry") O'Brien"  
Name: Finnbarr ("Barry") O'Brien  
Title: Chief Financial Officer

**SCHEDULE A**

**PLAN OF ARRANGEMENT  
respecting  
CANYON SERVICES GROUP INC.  
made pursuant to**

**Section 193 of the *Business Corporations Act* (Alberta)**

**PLAN OF ARRANGEMENT  
UNDER SECTION 193 OF THE  
BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

- 1.1 In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:
- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9;
  - (b) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA, on the terms and subject to the conditions set out in this Plan of Arrangement;
  - (c) "**Arrangement Agreement**" means the arrangement agreement made as of March 21, 2017 between Trican and Canyon, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms;
  - (d) "**Arrangement Resolution**" means the special resolution of the Canyon Securityholders in respect of the Arrangement considered by the Canyon Securityholders at the Canyon Meeting;
  - (e) "**Articles of Arrangement**" means the articles of arrangement of Canyon in respect of the Arrangement to be filed with the Registrar after the Final Order has been granted;
  - (f) "**business day**" means any day, other than a Saturday, a Sunday or a statutory holiday, in the Province of Alberta;
  - (g) "**Canyon**" means Canyon Services Group Inc., a corporation existing under the laws of the Province of Alberta;
  - (h) "**Canyon Circular**" means the notice of the Canyon Meeting to be sent to Canyon Securityholders and the accompanying management information circular to be prepared in connection with the Canyon Meeting, together with any amendments thereto or supplements thereof, in accordance with the terms of the Arrangement Agreement;
  - (i) "**Canyon Exchange Ratio**" means 1.7 Trican Shares for each Canyon Share;
  - (j) "**Canyon Incentive Awards**" means, collectively, the Canyon Incentive Units, the Canyon PSUs and the Canyon Options;
  - (k) "**Canyon Incentive Plans**" means, collectively, the Canyon Stock Based Compensation Plan, the Canyon PSU Plan and the Canyon Stock Option Plan;
  - (l) "**Canyon Incentive Units**" means the incentive based units awarded pursuant to the Canyon Stock Based Compensation Plan;
  - (m) "**Canyon Meeting**" means the meeting of the Canyon Securityholders, including any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement, that is to be convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement Resolution and for any other purpose as may be set out in the Canyon's Circular;



- (n) "**Canyon Options**" means the outstanding stock options of Canyon, whether or not vested, entitling the holders thereof to acquire Canyon Shares;
- (o) "**Canyon PSU Plan**" means the Performance Share Unit plan of Canyon;
- (p) "**Canyon PSUs**" means the outstanding performance share units awarded pursuant to the Canyon PSU Plan;
- (q) "**Canyon Securityholders**" means the Canyon Shareholders, the holders of Canyon Options and the holders of Canyon Incentive Units;
- (r) "**Canyon Shareholders**" means the holders of Canyon Shares;
- (s) "**Canyon Shares**" means the common shares in the capital of Canyon;
- (t) "**Canyon Stock Based Compensation Plan**" means the stock based compensation plan of Canyon, as amended;
- (u) "**Canyon Stock Option Plan**" means the stock option plan of Canyon, as amended;
- (v) "**Certificate**" means the certificate or proof of filing to be issued by the Registrar pursuant to Section 193(11) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement;
- (w) "**Court**" means the Court of Queen's Bench of Alberta;
- (x) "**Depository**" means such Person as Trican may appoint to act as depository for the Canyon Shares in relation to the Arrangement, with the approval of Canyon, acting reasonably;
- (y) "**Dissent Rights**" means the rights of Dissenting Shareholders to dissent to the Arrangement Resolution described in Section 5.1 of this Plan of Arrangement;
- (z) "**Dissenting Shareholder**" means any registered Canyon Shareholder who has duly and validly exercised its Dissent Rights pursuant to Article 5 of this Plan of Arrangement and the Interim Order, and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as at the Effective Time;
- (aa) "**Dissenting Shares**" means the Canyon Shares held by Dissenting Shareholders;
- (bb) "**Effective Date**" means the date shown on Certificate;
- (cc) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;
- (dd) "**Encumbrance**" means in the case of a property or asset, any mortgage, pledge, capital lease, assignment, charge, lien, security interest, adverse interest in property, debenture, claim, trust, royalty or other third party interest, security interest, conditional sales contract or other title retention agreements or similar interest or instruments to charging or creating a security interest in or against title or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (ee) "**Exchange**" means the Toronto Stock Exchange;

- (ff) "**Final Order**" means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (gg) "**Governmental Entity**" means: (i) any multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) the Exchange;
- (hh) "**Interim Order**" means the order of the Court pursuant to subsection 193(4) of the ABCA, containing declarations and directions in respect of the notices to be given and the conduct of the Canyon Meeting with respect to the Arrangement as more fully set out in the Arrangement Agreement;
- (ii) "**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority and the term "applicable" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking property or securities;
- (jj) "**Letters of Transmittal**" means the letters of transmittal enclosed with the Canyon Circular pursuant to which the Canyon Shareholders are required to deliver certificates representing Canyon Shares in connection with the Arrangement;
- (kk) "**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);
- (ll) "**Plan of Arrangement**", "**hereof**", "**herein**", "**hereunder**" and similar expressions mean this Plan of Arrangement (including any appendices hereto) as supplemented, modified or amended, from time to time in accordance with the terms hereof or the Arrangement Agreement or made at the direction of the Court in the Final Order;
- (mm) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;
- (nn) "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.) and the regulations thereto, as now in effect and as it may be amended from time to time prior to the Effective Time;
- (oo) "**Trican**" means Trican Well Service Ltd., a corporation existing under the laws of the Province of Alberta;
- (pp) "**Trican Meeting**" means the meeting of the holders of Trican Shares, including any adjournment or postponement thereof, that is to be convened to consider, and if deemed advisable approve, the Trican Share Issuance Resolution, if determined by the board of directors of Trican, certain other annual meeting matters as set out in the Trican Disclosure Letter;

- (qq) **"Trican Shareholders"** mean the holders of Trican Shares;
- (rr) **"Trican Share Issuance Resolution"** means the ordinary resolution of the Trican Shareholders to authorize and approve the issuance by Trican of the Trican Shares to the Canyon Shareholders pursuant to the Arrangement; and
- (ss) **"Trican Shares"** means the common shares in the capital of Trican.

## 1.2 **Interpretation Not Affected by Headings, etc.**

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

## 1.3 **Article References**

Unless otherwise indicated, all references in this Plan of Arrangement to an Article or Section followed by a number or letter or both refer to the specified Article or Section in this Plan of Arrangement.

## 1.4 **Number and Gender**

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa; and words importing gender include all genders. The words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

## 1.5 **Date for Any Action**

If the date on which any action is required to be taken hereunder by any of the parties hereto is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

## 1.6 **Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letters of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.

## 1.7 **Currency**

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## 1.8 **Statutory References**

References in this Plan of Arrangement to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

**ARTICLE 2  
EFFECT OF THE ARRANGEMENT**

- 2.1 This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective at, and be binding upon Canyon, the Canyon Shareholders (including Dissenting Shareholders), holders of Canyon Incentive Awards, Trican, the Depositary and all other Persons, as and from the Effective Time, without any further act or formality required on the part of any Person except as expressly provided herein.
- 2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.
- 2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

**ARTICLE 3  
ARRANGEMENT**

- 3.1 At the Effective Time, each of the events set out below shall occur and be deemed to occur consecutively in the following sequence, without any further act or formality, unless specifically noted:
- (a) subject to Section 5.1 hereof, each of the Canyon Shares held by Dissenting Shareholders shall be deemed to have been transferred to Trican (free and clear of any Encumbrances), without any further act or formality, and such Dissenting Shareholders shall cease to be the holders of such Canyon Shares and to have any rights as holders of such Canyon Shares, other than the right to be paid fair value for such Canyon Shares as set out in Section 5.1;
  - (b) each Canyon Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Canyon Stock Option Plan, shall be deemed to be vested and exercisable, and such Canyon Option shall, without any further action by or on behalf of a Canyon Optionholder, be deemed to be assigned and transferred by such Canyon Optionholder to Canyon in exchange for a number of Canyon Shares equal to the excess of the value of a Canyon Share (where the value of a Canyon Share is calculated based on the closing trading price of the Canyon Shares on the Exchange on the trading day prior to the Effective Date) over the exercise price of such Canyon Option, less applicable withholdings, and such Canyon Optionholder shall be treated in all respects as a Canyon Shareholder with respect to a Canyon Share issued pursuant to this Section 3.1(b); provided that, for greater certainty, where the excess of the value of a Canyon Share determined in accordance with this Section 3.1(b) over the exercise price of such Canyon Option is nil or negative, such Canyon Options shall be cancelled for a cash payment of \$0.01 per Canyon Option;
  - (c) each Canyon Incentive Unit outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Canyon Stock Based Compensation Plan, shall be deemed to be vested and exercisable, and such Canyon Incentive Unit shall, without any further action by or on behalf of a holder of Canyon Incentive Units, be deemed to be assigned and transferred by such holder to Canyon in

exchange for a number of Canyon Shares equal the number of Canyon Incentive Units held by such holder, less applicable withholdings, and such holder of Canyon Incentive Units shall be treated in all respects as Canyon Shareholder with respect to the Canyon Shares issued pursuant to this Section 3.1(c);

- (d) each of the Canyon Incentive Plans shall terminate and none of the former holders of Canyon Incentive Awards or Canyon shall have any rights, liabilities or obligations in respect of the Canyon Incentive Awards;
  - (e) each Canyon Share (including, for greater certainty, the Canyon Shares issued pursuant to Section 3.1(b) and Section 3.1(c)) held by Canyon Shareholders (other than Dissenting Shareholders) shall be, and shall be deemed to be, transferred to, and acquired by, Trican (free and clear of any Encumbrances) in exchange for that number of fully paid and non-assessable Trican Shares equal to the Canyon Exchange Ratio, and:
    - (i) Canyon Shareholders shall cease to be holders of such Canyon Shares and to have any rights as holders of such Canyon Shares other than the right to the Trican Shares pursuant to this Section 3.1(e); and
    - (ii) Trican shall be deemed to be the transferee of such Canyon Shares (free and clear of any Encumbrances).
- 3.2 Trican and Canyon shall make the appropriate entries in their respective securities registers to reflect the matters referred to in Section 3.1.
- 3.3 With respect to each Canyon Share transferred in accordance with Section 3.1(a) and Section 3.1(e), at the Effective Time:
- (a) each registered holder of a Canyon Share shall cease to be the registered holder of the Canyon Share so transferred and shall cease to have any rights in respect of such Canyon Share and the name of such registered holder shall be removed from the register of holders of Canyon Shares as it relates to the Canyon Share so transferred;
  - (b) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer such Canyon Share;
  - (c) Trican shall be added to the register of holders of Canyon Shares as it relates to the Canyon Shares so transferred to Trican; and
  - (d) Trican shall allot and issue to such registered holder that number of Trican Shares issuable to such registered holder on the basis set forth in Section 3.1(e), and the name of such registered holder shall be added to the register of holders of Trican Shares.

#### **ARTICLE 4 CERTIFICATES, FRACTIONAL SHARES AND PAYMENTS**

##### **4.1 Right to Consideration**

- (a) Forthwith following the Effective Time, Trican shall, subject to Section 4.1(b) of this Plan of Arrangement, issue and deliver to the Depositary an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent of the Trican Shares, to register the aggregate number of Trican Shares to which the Canyon Shareholders are entitled in accordance with Section 3.1 of this Plan of Arrangement.

- (b) Upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Canyon Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 3.1(e), hereof, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Canyon Shareholder represented by such surrendered certificate(s) shall be entitled to receive in exchange therefore, and the Depositary shall deliver to such holder, the consideration which such holder has the right to receive under this Plan of Arrangement for such Canyon Shares less any amounts withheld pursuant to Section 4.4 hereof, and any certificate(s) so surrendered shall forthwith be cancelled.
- (c) From and after the Effective Time, each certificate that immediately prior to the Effective Time represented Canyon Shares shall be deemed to represent only the right to receive the consideration in respect of such Canyon Shares required under this Plan of Arrangement, less any amounts withheld pursuant to Section 4.4 hereof. Any such certificate formerly representing Canyon Shares not duly surrendered on or before the day that is three years less one day from the Effective Date shall cease to represent a claim by or interest of any kind or nature against or in any of Canyon or Trican. On such date, any and all consideration to which such former holder was entitled shall be deemed to have been surrendered to Trican or Canyon, as applicable.
- (d) Any payment made by way of cheque by Canyon, the Depositary or Trican pursuant to this Plan of Arrangement that has not been deposited or has been returned to Canyon, the Depositary or Trican or that otherwise remains unclaimed, in each case, on or before the second anniversary of the Effective Time shall be returned by the Depositary to Trican, and any right or claim to payment hereunder that remains outstanding on the day that is three years less one day from the Effective Date shall cease to represent a right or claim by or interest of any kind or nature and the right of a former holder of Canyon Shares to receive the consideration for such Canyon Shares pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to Trican or Canyon, as applicable, for no consideration.
- (e) No former holder of Canyon Shares shall be entitled to receive any consideration with respect to such Canyon Shares other than the consideration to which such former holder is entitled to receive in accordance with this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

#### 4.2 **Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Canyon Shares that were transferred pursuant to Section 3.1 of this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, Trican or the Depositary, as applicable, will issue and deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to this Plan of Arrangement. When authorizing such issuance and delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be issued and delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Trican and the Depositary (acting reasonably) in such sum as Trican may direct, or otherwise indemnify Trican in a manner satisfactory to Trican, acting reasonably, against any claim that may be made against Trican with respect to the certificate alleged to have been lost, stolen or destroyed.

#### 4.3 **No Fractional Shares**

No certificates representing fractional Trican Shares shall be issued upon the surrender for exchange of certificates pursuant to Section 4.1. In lieu of any fractional Trican Shares, a Canyon Shareholder otherwise entitled to a fractional interest in a Trican Share, shall receive the nearest whole number of Trican Shares as applicable, with fractions equal to 0.5 or more being rounded up.

#### 4.4 **Withholding Rights**

Canyon, Trican and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable (i) to any Canyon Shareholder under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 5.1 hereof), or (ii) any holder of Canyon Incentive Awards such amounts as Canyon, Trican or the Depositary determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the *United States Internal Revenue Code of 1986* or any provision of any other applicable Law (unless such amounts have been withheld pursuant to Section 3.1(b) or Section 3.1(c), as the case may be). Canyon, Trican and the Depositary may sell on the Exchange a number of Trican Shares to which a Canyon Shareholder is entitled as a result of the exercise, surrender, satisfaction or redemption of a Canyon Incentive Award prior to the Effective Time in order to satisfy such deduction and withholding requirements, and no Canyon Shareholder shall have any claim against Canyon, Trican or the Depositary in respect of such transaction(s). To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

### **ARTICLE 5 DISSENT RIGHTS**

#### 5.1 **Dissent Rights**

Registered Canyon Shareholders may exercise Dissent Rights with respect to Canyon Shares held by such holders in connection with the Arrangement pursuant to the procedure set forth in Section 191 of the ABCA, as modified by the Interim Order, provided that Canyon Shareholders who exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their Canyon Shares shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(a) hereof) and shall be paid an amount equal to such fair value by Trican (which fair value, for greater certainty, shall be determined as of the close of business on the business day before the Arrangement Resolution was adopted at the Canyon Meeting) and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Canyon Shareholders not exercised their Dissent Rights in respect of such Canyon Shares and such Canyon Shareholders shall be deemed to have transferred their Dissenting Shares to Trican in accordance with Section 3.1(a); or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Canyon Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Canyon Shares, and shall be entitled to receive only the consideration contemplated in Section 3.1(e) hereof that such Canyon Shareholder would have received pursuant to the Arrangement if such Canyon Shareholder had not exercised Dissent Rights, but further provided that in no case shall Canyon or Trican or any other Person be required to recognize Canyon Shareholders

who exercise Dissent Rights as Canyon Shareholders after the Effective Time, and the names of such Canyon Shareholders who exercise Dissent Rights shall be removed from the registers of Canyon Shares at the Effective Time.

For greater certainty, in addition to any other restrictions in the Interim Order, no person shall be entitled to exercise Dissent Rights with respect to Canyon Shares in respect of which a person has voted or has instructed a proxyholder to vote in favour of the Arrangement Resolution. In addition, a Dissenting Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Canyon Shares.

## **ARTICLE 6 AMENDMENT**

### **6.1 Amendment of this Plan of Arrangement**

- (a) Canyon and Trican have the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be contained in a written document which is: (i) filed with the Court and, if made following Canyon Meeting, approved by the Court; and (ii) communicated to Canyon Shareholders in the manner required by the Court (if so required).
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Canyon and Trican at any time prior to or at Canyon Meeting with or without any other prior notice or communication and, if so proposed and accepted, in the manner contemplated and to the extent required by the Arrangement Agreement, by the Canyon Shareholders, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Canyon Meeting shall be effective only: (i) if it is consented to by Canyon and Trican (each acting reasonably); and (ii) if required by the Court or applicable Law, it is approved by Canyon Shareholders.
- (d) This Plan of Arrangement may be amended, modified or supplemented following the Effective Time unilaterally by Trican, provided that it concerns a matter that, in the reasonable opinion of Trican, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the economic or financial interest of any Canyon Shareholders.
- (e) Notwithstanding the foregoing provisions of this Article 6, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

## **ARTICLE 7 FURTHER ASSURANCES**

### **7.1 Further Assurances**

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Trican and Canyon shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out in this Plan of Arrangement.



## SCHEDULE B

### FORM OF ARRANGEMENT RESOLUTION

#### RESOLUTION OF THE SECURITYHOLDERS OF CANYON SERVICES GROUP INC.

##### BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

(1) The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving Canyon Services Group Inc. (the "**Company**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") of the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(2) The plan of arrangement (the "**Plan of Arrangement**") involving the Company, the full text of which is set out as Schedule A to the Arrangement Agreement made as of March 21, 2017 between Trican Well Service Ltd. ("**Trican**") and the Company (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(3) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the securityholders of the Company or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of the Company are hereby authorized and empowered without further notice to or approval of the Securityholders of the Company (i) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

(4) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver to the Registrar under the ABCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

(5) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

## SCHEDULE C

### REPRESENTATIONS AND WARRANTIES OF TRICAN

(a) **Organization and Qualification.** Each of Trican and its Subsidiaries is a corporation or partnership duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of its jurisdiction of formation and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as now being conducted. Trican is, and its Subsidiaries are, duly registered or authorized to conduct its affairs or do business, as applicable and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held or the nature of its activities makes such registration or authorization necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Trican and its Subsidiaries taken as a whole.

(b) **Authority Relative this Agreement.** Trican has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Trican in the Arrangement contemplated hereby have been duly authorized by Trican's board of directors and, subject to such approval of Trican Shareholders as required by the Exchange, no other proceedings on the part of Trican are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Trican and constitutes a legal, valid and binding obligation of Trican enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) **Subsidiaries, Joint Ventures and Partnerships.** Except as set forth in the Trican Disclosure Letter, Trican has no Subsidiaries, joint ventures or partnerships other than Trican Well Service, L.P. None of Trican's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to Trican, from making any other distribution on such Subsidiary's share capital, from repaying to Trican any loans or advances to such Subsidiary from Trican. Trican owns, directly or indirectly, all of the outstanding voting and equity securities of each of its Subsidiaries. All of the outstanding shares and all other ownership interests in the Subsidiaries are duly authorized, validly issued and fully-paid and non-assessable, and all such shares and other ownership interests held directly or indirectly by Trican are owned by Trican free and clear of any and all Encumbrances, except for security interests in such securities for the interests of the lenders under the Trican Bank Facility and the holders of outstanding Trican Senior Notes and, other than in respect of the equity interest Trican owns in Keane Investor Holdings, LLC, Trican does not directly or indirectly hold any shares or other securities, options or rights to subscribe for shares or other securities of any other corporation, partnership or entity. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any such shares of capital stock or other ownership interests in any of Trican's Subsidiaries, joint ventures or partnerships including any pre-emptive rights.

(d) **No Violations.** Except as contemplated by this Agreement or as set forth in the Trican Disclosure Letter:

- (i) neither the execution and delivery of this Agreement by Trican nor the consummation of the transactions contemplated by the Arrangement nor compliance by Trican with any of the provisions hereof will:
  - i. violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrances (other than Permitted Encumbrances) upon any of the properties or assets of Trican or any of its Subsidiaries or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the

terms, conditions or provisions of: (1) the articles, by-laws or other constating documents of Trican or any of its Subsidiaries; or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, Contract or other instrument or obligation to which Trican or any of its Subsidiaries is a party or to which it, or any of its properties or assets, may be subject or by which Trican or any of its Subsidiaries is bound; or

- ii. subject to compliance with applicable statutes and regulations, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Trican or any of its Subsidiaries or their properties or assets;

except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances (other than Permitted Encumbrances) which, or any consents, approvals or notices which if not given or received, would not significantly impede the ability of Trican to consummate the transactions contemplated by the Arrangement; or cause the suspension or revocation of any Permit currently in effect;

- (ii) other than in connection with or in compliance with the provisions of applicable Laws in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement (including any laws that regulate competition and antitrust), and except for the requisite approvals of Trican Shareholders, the Court and the Exchange:

- i. there is no legal impediment to Trican's consummation of the Arrangement; and
- ii. no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Trican in connection with the consummation of the Arrangement;

(e) **Litigation.** There is no claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative material matter or proceeding (collectively, "**proceedings**") against or involving Trican or its Subsidiaries or in respect of the business, properties or assets of Trican (whether in progress or, to the knowledge of Trican, threatened), that if adversely determined, would reasonably be expected to have a Material Adverse Effect on Trican and its Subsidiaries taken as a whole or significantly impede the completion of the transactions contemplated by this Agreement and, to the knowledge of Trican, no event has occurred which might reasonably be expected to give rise to any proceeding. There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Entity outstanding against Trican in respect of its business, properties or assets that has had or would reasonably be expected to have a Material Adverse Effect on Trican and its Subsidiaries taken as a whole or significantly impede the completion of the transactions contemplated by this Agreement.

(f) **Tax Returns Filed and Taxes Paid. Tax Returns Filed and Taxes Paid.**

Except as set forth in the Trican Disclosure Letter:

- (i) All Tax Returns required to be filed by or on behalf of Trican or any of its Subsidiaries have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments or reassessments with respect thereto have been paid in full on a timely basis or are being contested in good faith and for which adequate reserves in accordance with IFRS principles have been established, and other than Taxes being contested in good faith and for which adequate reserves in accordance with IFRS principles have been established, no amount of Taxes are payable by Trican or any of

its Subsidiaries with respect to items or periods covered by such Tax Returns that would have a Material Adverse Effect on Trican and its Subsidiaries taken as a whole;

- (ii) in all material respects, Trican and its Subsidiaries have duly and timely paid all Taxes, including all installments on account of Taxes for the current year, that are due and payable by them whether or not assessed by the appropriate Governmental Entity;
- (iii) for all periods ended on and before December 31, 2015 and to the extent requested by Canyon in writing, Trican has made available to Canyon for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Entity has proposed amendments to previously filed Tax Returns received by or on behalf of Trican of any of its Subsidiaries relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for Trican and its Subsidiaries dating back to the 2011 taxation year; and (C) all material written communications to or from any Governmental Entity relating to the Taxes of Trican and its Subsidiaries over such period;
- (iv) (A) neither Trican nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such an event been asserted or threatened against Trican and its Subsidiaries, or any of them, or any of their respective assets; (B) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Trican or any of its Subsidiaries and no request for any such waiver or extension is currently pending; (C) no audit by any Governmental Entity of Trican or any of its Subsidiaries is in progress or threatened; and (D) no written claim has been made to Trican or any of its Subsidiaries by any Governmental Entity in a jurisdiction where Trican and its Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction;
- (v) to the extent requested by Canyon in writing, Trican has made available to Canyon originals or true and complete copies of all notices of assessments that have been received in respect of income, sales (including goods and services, harmonized sales and provincial or territorial sales) and capital tax liabilities of Trican and its Subsidiaries for all taxation years or periods ending prior to and including the taxation year or period ended December 31, 2015;
- (vi) each of Trican and its Subsidiaries has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any employee, officer or director and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it. Each of Trican and its Subsidiaries has complied in all material respects with all Tax information reporting provisions of all applicable Laws;
- (vii) each of Trican and its Subsidiaries has duly and timely collected or self-assessed all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and have duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;
- (viii) none of sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to any of Trican or its Subsidiaries at any time up to and including the Effective Time;

- (ix) none of Trican and its Subsidiaries has acquired property from, or transferred property to, a non-arm's length Person, within the meaning of the Tax Act, for consideration the value of which is less than the fair market value of the property acquired or transferred or, in the case where such consideration included debt payable by the acquiror, for debt with a principal amount which is less than the fair market value of the property acquired or transferred in consideration of such debt;
- (x) for all transactions between any of Trican and its Subsidiaries and any non-resident Person with whom Trican or its Subsidiaries was not dealing at arm's length during a taxation year commencing after 2011 and ending on or before the Effective Date, each of Trican and its Subsidiaries has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act;
- (xi) there are no reserves under the Tax Act or any equivalent federal, provincial or territorial statute to be claimed by any of Trican or its Subsidiaries other than those required during the ordinary course of operations of Trican or its Subsidiaries;
- (xii) there are no Tax liens or security interests on any of the assets of Trican or any of its Subsidiaries that arose in connection with the failure, or alleged failure, to pay any Taxes;
- (xiii) Trican is not a non-resident of Canada within the meaning of the Tax Act; and
- (xiv) neither Trican nor any of its Subsidiaries (A) has any liability for the Taxes of any other Person, (B) is a party to, or has any obligation under, any agreement or arrangement relating to the sharing, allocation or indemnification of Taxes, or any similar agreement, Contract or arrangement (collectively, "**Tax Sharing Agreements**"), or (C) has any liability for the Taxes of any Person as a transferee, successor or agent, by Contract or otherwise.

(g) **Tax Reserves.** Trican has paid or provided adequate accruals in its consolidated audited financial statements for the year ended December 31, 2016 for Taxes, including income Taxes and related future income Taxes, in conformity with IFRS.

(h) **Tax Deficiencies; Audits.** No deficiencies exist or have been asserted with respect to Taxes of Trican or any of its Subsidiaries that would have a Material Adverse Effect on Trican and its Subsidiaries taken as a whole. Neither Trican nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of Trican, has such an event been asserted or threatened against Trican or any of its Subsidiaries or any of their respective assets that would have a Material Adverse Effect on Trican and its Subsidiaries taken as a whole.

(i) **Board Approval and Recommendation.** Based upon, among other things, the advice of its financial advisor, the board of directors of Trican has unanimously determined that the Arrangement is in the best interests of Trican and has resolved to unanimously recommend the Trican Shareholders vote in favour of the Trican Share Issuance Resolution.

(j) **Reporting Issuer Status.** Trican is a reporting issuer in each of the provinces of Canada and is in material compliance with all Securities Laws therein. The currently issued and outstanding Trican Shares are listed and posted for trading on the Exchange and Trican is in material compliance with the rules of the Exchange. No delisting, suspension of trading in or cease trading order with respect to the Trican Shares is pending or, to the knowledge of Trican, threatened or is expected to be implemented or undertaken and to its knowledge, Trican is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. The information and statements set forth in the Trican Public Disclosure were true, correct and complete and did not contain any misrepresentation as of the respective dates of such information or statements unless such document

was subsequently corrected or superceded by the Trican Public Disclosure. Trican has timely filed all material forms, reports, schedules, statements and other documents required to be filed under Securities Laws since becoming a "reporting issuer". Trican has not filed any confidential material change report that, at the date hereof, remains confidential.

(k) **Capitalization.** The authorized share capital of Trican consists of an unlimited number of Trican Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, there are issued and outstanding 193,620,544 Trican Shares, and there are no other shares of any class or series outstanding. As of the date hereof, there are 8,548,777 Trican Shares issuable upon the exercise of Trican Options. Other than Trican Shares issuable pursuant to outstanding Trican Options, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Trican of any Trican Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Trican Shares. All outstanding Trican Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Trican Shares issuable upon exercise of Trican Options in accordance with their respective terms will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(l) **Equity Monetization Plans.** Except as set forth in the Trican Disclosure Letter, there are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments payable to any employee of Trican and which are based upon the revenue, value, income or any other attribute of Trican.

(m) **Issuance of Trican Shares.** The Trican Shares to be issued pursuant to the Arrangement have been validly authorized for issuance and, upon completion of the Arrangement, will be validly issued as fully paid and non-assessable common shares of Trican.

(n) **No Orders.** No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Trican Shares or any other securities of Trican has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Trican, are contemplated or threatened under any applicable Laws or by any Governmental Entity.

(o) **Registration, Exemption Orders, Licences etc.** Trican has obtained and is in compliance, in all material respects, with all Permits which are required under federal, provincial or local Laws relating to the assets, business or operations of Trican. Such Permits are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a violation of any such Permit. No proceedings are pending or, to the knowledge of Trican, threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal.

(p) **Compliance with Laws.** The operations and business of Trican and each of its Subsidiaries is and has been carried out in compliance with and not in violation of any applicable Laws, in all material respects, and none of Trican or its Subsidiaries has received any notice of any alleged violation of any such applicable Laws.

(q) **Material Agreements.** Trican has not entered into any Contracts which are required to be filed by Trican under National Instrument 51-102 - *Continuous Disclosure Obligations*, except for those agreements which have been so filed by Trican within the applicable timeframes prescribed by Securities Laws. Except for purchase orders issued by Trican in the ordinary course of business and consistent with past practice and except as set forth in the Disclosure Letter, Trican has provided Canyon with originals or true and complete copies of all Contracts entered into by Trican and its Subsidiaries which are material to Trican and its Subsidiaries (taken as a whole), including, for greater certainty any of the Contracts a value of which exceed \$1,000,000, and all Contracts material to Trican and its Subsidiaries, whether or not provided to Canyon, are valid and subsisting and none of Trican or its Subsidiaries, or to the

knowledge of Trican, any counterparty to such material agreements, is in material default under any such agreements.

(r) **No Limitation.** Other than as set forth in the Trican Disclosure Letter, there are no non-competition agreements, exclusivity agreements or any other agreement, commitment, understanding or obligation in place to which Trican or any of its Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit the way the business or operations of Trican or any of its Subsidiaries is or is reasonably expected to be conducted in a particular manner or to a particular locality or geographic region or for a limited period of time, and the execution, delivery and performance of this Agreement does not and will not result in the restriction of Trican or any of its Subsidiaries from engaging in its business or from competing with any Person or in any geographic area.

(s) **Filings.** Except as set forth in the Trican Disclosure Letter, Trican has made all material filings required by all applicable Governmental Entities and all such filings were, as of their respective dates, in compliance in all material respects with all applicable Laws and, in respect of documents required to be filed under applicable securities Laws, at the time filed did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(t) **Books and Records.** Except as set forth in the Trican Disclosure Letter, the financial books, records and accounts of Trican, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Trican or any of its Subsidiaries, as applicable; and (iii) accurately and fairly reflect the basis for the Trican Financial Statements. The corporate records and minute books of Trican have been maintained substantially in compliance with applicable Laws and are complete and accurate in all material respects (other than those minutes of the meetings of the board of directors of Trican or committees thereof which are in draft form), and full access thereto has been provided to Canyon.

(u) **Financial Statements.** The Trican Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with those of previous periods and in accordance with applicable Laws except (A) as otherwise stated in the notes to such statements or in the case of the Trican Financial Statements, in the auditor's report thereon and (B) except that the interim financial statements are subject to normal period-end adjustments and may omit notes which are not required by Securities Laws or IFRS. The Trican Financial Statements present fairly, in all material respects, the assets, liabilities and financial condition of Trican as at the respective dates thereof and the losses, comprehensive losses, results of operations, changes in shareholders' equity and cash flows of Trican for the periods covered thereby. Trican does not intend to correct or restate, nor, to the knowledge of Trican is there any basis for any correction or restatement of any aspect of the Trican Financial Statements.

(v) **Off-Balance Sheet Arrangements.** Other than as set forth in the Trican Financial Statements, none of Trican or any of its Subsidiaries has any "off-balance sheet arrangements" as such term is defined under IFRS.

(w) **Absence of Undisclosed Liabilities.** Except as set forth in the Trican Disclosure Letter, Trican has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:

- (i) those set forth or adequately provided for in the balance sheet included in the Trican Financial Statements (the "**Trican Balance Sheet**");
- (ii) those incurred in the ordinary course of business and not required to be set forth in the Trican Balance Sheet under IFRS;

- (iii) those incurred in the ordinary course of business since the Trican Balance Sheet Date and consistent with past practice;
- (iv) inter-company indebtedness or liabilities; and
- (v) those incurred in connection with the execution of this Agreement.

(x) **No Material Adverse Change.** Since December 31, 2016, except as disclosed in the Trican Public Disclosure as of the date hereof: (i) Trican and its Subsidiaries have conducted their businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Trican and its Subsidiaries, taken as a whole, has been incurred other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Trican and its Subsidiaries, taken as a whole.

(y) **Conduct of Business.** Since December 31, 2016, neither Trican nor any of its Subsidiaries has taken any action that would be in violation of Section 5.1(a), 5.1(b) and 5.1(c) if such provision had been in effect since that date.

(z) **Restrictions on Business Activities.** There is no judgment, injunction or order binding upon Trican or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business.

(aa) **Environmental.** In respect of the properties which Trican or any of its Subsidiaries operates and, to the knowledge of Trican in respect of properties for which Trican or any of its Subsidiaries is not the operator, except to the extent that any violation or other matter referred to in this paragraph (aa) does not, and would not reasonably be expected to, have a Material Adverse Effect on Trican and its Subsidiaries:

- (i) are not in violation of any Environmental Laws;
- (ii) have operated their businesses at all times and have received, handled, used, stored, transported, shipped and disposed of all contaminants in compliance with Environmental Laws;
- (iii) have had no Releases of Hazardous Substances into the earth, air or into any body of water, including groundwater, or any municipal or other sewer or drain water systems that have neither been fully and completely delineated nor re-mediated to levels in compliance with Environmental Laws;
- (iv) have had no orders, directions or notices issued that remain outstanding against any of them pursuant to any Environmental Laws, of which they have received a written notice;
- (v) have not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Laws;
- (vi) hold all Permits required under any Environmental Laws in connection with the operation of their businesses and the ownership and use of its assets, all such Permits are in full force and effect. Except for notifications and conditions of general application to assets of reclamation obligations under legislation in each jurisdiction in which they conduct their businesses, have not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by any of them as a condition of continued compliance with any Environmental Laws, or any Permits issued pursuant thereto, or that any Permits referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;



- (vii) have no pending or, to the knowledge of any of them, threatened claims, liens or Encumbrances (other than Permitted Encumbrances) resulting from Environmental Laws or violation or potential violation of Environmental Laws with respect to any of the properties currently or formerly owned, leased, operated or otherwise used; and
- (viii) have not assumed or retained by Contract or operation of Law any losses, expenses, claims, damages or liabilities of any third-party pursuant to applicable Environmental Laws

(bb) **Title.** Trican and its Subsidiaries have good and sufficient title to their real property interests including fee simple estate of and in real property, leases, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by Trican necessary to permit the operation of its business as presently owned and conducted. Trican does not have any knowledge nor is aware of any defects, failures or impairments in the title of Trican to its assets.

(cc) **Customers and Suppliers.** None of Trican or any of its Subsidiaries has received notice of, and there is not, to the knowledge of Trican, any intention on the part of any principal customer to cease doing business with Trican or any of its Subsidiaries or to modify or change in any material manner any existing arrangement with Trican or any of its Subsidiaries for the purchase or supply of any products or services. The relationships of Trican and its Subsidiaries with their principal suppliers and customers are satisfactory, and there are no material unresolved disputes with any such supplier or customer. No Contract with any supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that Contract. Since December 31, 2016, there has been no termination or cancellation of, and no modification or change in, the business relationship of Trican or any of its Subsidiaries with any major customer or group of major customers. Trican has no reason to believe that the benefits of any relationship with any of the major customers or suppliers of Trican or any of its Subsidiaries will not continue after the consummation of the transactions hereunder in substantially the same manner as prior to the date of this Agreement

(dd) **Residency.** Trican (i) is a "Canadian" as such term is defined in the *Investment Canada Act* (Canada) and (ii) is not a "non-resident" of Canada within the meaning of the Tax Act.

(ee) **No Defaults.** Except as set forth in the Trican Disclosure Letter, none of Trican or any of its Subsidiaries is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under any Contract to which it is a party or by which it is bound which would, if terminated or upon exercise of a right made available to a third party solely by a reason of such a default due to such default, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Trican. None of Trican or any of its Subsidiaries is in violation of any applicable Laws which violation could reasonably be expected to have a Material Adverse Effect on Trican.

(ff) **Long-Term and Derivative Transactions.** Except as set forth in the Trican Financial Statements, Trican has no material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(gg) **Insurance.** Policies of insurance are in force as of the date hereof naming Trican and its Subsidiaries, as applicable, as an insured that adequately and reasonably cover all risks as are customarily covered by oilfield services companies in the industry in which Trican operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect the interests of Trican and its Subsidiaries. All such policies shall remain in force and effect (subject to taking into

account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(hh) **Non-Arm's Length Transactions.** Except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses, indemnity agreements in favour of directors and officers, existing employment agreements and existing agreements regarding the Trican convertible securities, there are no Contracts or other transactions (including with respect to loans or indebtedness) currently in place between Trican or any of its Subsidiaries, on the one hand, and: (i) any officer, director or employee of, or consultant of Trican or any of its Subsidiaries; (ii) any holder of record or beneficial owner of 10% or more of the Trican Shares; or (iii) any associate or affiliate of such Person.

(ii) **Financial Advisors.** Other than RBC Dominion Securities Inc., Bank of Nova Scotia and Scotia Capital Inc., Trican has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement.

(jj) **Credit Facilities.** Except as set forth in the Trican Disclosure Letter and other than pursuant to the Trican Bank Facility and the Trican Senior Notes, Trican does not have any long term indebtedness or bank indebtedness. As of the date of this Agreement, the Trican Debt does not exceed approximately \$87.4 million and US\$47.5 million. Trican is not in default of its existing bank facilities or the Trican Senior Notes and, to the best of Trican's knowledge, its lenders are not contemplating a reduction in Trican's borrowing base which is currently \$227,260,725.54 prior to giving effect to the Arrangement.

(kk) **Intellectual Property.** No material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (the "**Intellectual Property**") are necessary to carry on the business and operations carried on by Trican or any of its Subsidiaries and none of Trican or any of its Subsidiaries owns, licenses or uses any Intellectual Property that is material to Trican and its Subsidiaries. None of Trican or any of its Subsidiaries has received any written notice or claim that is still outstanding challenging Trican or any of its Subsidiaries with respect to the validity of, use of or ownership of the processes and technology used by it, and to the knowledge of Trican, there are no facts upon which such a challenge could reasonably be made. No employees, other individuals or entities have an interest, beneficial or otherwise, right, or financial benefit relating to any Intellectual Property of Trican and its Subsidiaries.

(ll) **Guarantees and Indemnification.** Except for guarantees of Subsidiaries of Trican with respect to credit obligations of Trican, none of Trican or any of its Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or applicable Laws, and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to service providers) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person, other than guarantees of obligations of any other Subsidiary of Trican or industry typical indemnifications arising in relation to indemnification of purchasers or vendors under purchase and sale agreements.

(mm) **Proceeds of Crime.** To the knowledge of Trican, Trican and its Subsidiaries have not, directly or indirectly: (a) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization; or (b) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to Trican and any of its Subsidiaries and their respective operations and Trican and any of its Subsidiaries has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.

(nn) **Voting Agreements.** To the knowledge of Trican, none of the Trican Shares are the subject of any escrow, voting trust or other similar agreement, other than with respect to the Trican Support Agreements.

(oo) **Shareholder Rights Plan.** Trican does not have and will not implement any shareholder rights plan or any other form of plan, Contract or instrument that shall trigger any rights to acquire Trican Shares or other securities of Trican or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the Arrangement.

(pp) **No Encumbrances.** None of Trican or any of its Subsidiaries has encumbered or alienated its interest in the principal assets of Trican or agreed to do so and such assets are free and clear of all Encumbrances (other than Permitted Encumbrances), created by, or through Trican or any of its Subsidiaries, except for those arising in the ordinary course of business, which are not material in the aggregate.

(qq) **Operation and Condition of Trican Assets.** Except to the extent that such noncompliance with prudent oilfield services industry practices or applicable Laws or failure to be in good condition and repair would not have a Material Adverse Effect on Trican, the assets:

- (i) for which Trican or any of its Subsidiaries was or is operator, was or have been constructed, operated and maintained in accordance with good and prudent oilfield services industry practices in Canada and all applicable Laws during all periods in which Trican or any of its Subsidiaries was operator thereof and are in good condition and repair, ordinary wear and tear excepted, and are useable in the ordinary course of business; and
- (ii) for which Trican or any of its Subsidiaries was not or is not operator, was or have been constructed and, to its knowledge, operated and maintained in accordance with good and prudent oilfield services industry practices in Canada and all applicable Laws during all periods in which Trican or any of its Subsidiaries was not operator thereof and are in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business

(rr) **Terms of Material Agreements.** Other than as disclosed in the Trican Disclosure Letter, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby or pursuant to the Plan of Arrangement, will or has caused:

- (i) any breach of any Contract to which Trican or any of its Subsidiaries or affiliates is or are party;
- (ii) the triggering of any pre-emptive right under any Contract to which Trican or any of its Subsidiaries or affiliates is or are party;
- (iii) the triggering of any change of control provision under any Contract to which Trican or any of its Subsidiaries or affiliates is or are party;
- (iv) the termination of or shortening of:
  - (A) the term of any Contract to which Trican or any of its Subsidiaries or affiliates is or are party; or
  - (B) any term contained within any such agreement granting any manner of contractual right to Trican or its Subsidiaries or affiliates;

- (v) any requirement to replace, post or otherwise provide any form of credit assurance under or pursuant to any Contract to which Trican or any of its Subsidiaries or affiliates is or are party; or
- (vi) the loss of any right of Trican or its Subsidiaries or affiliates (whether presently vested or vesting or arising in future) to acquire any interest in any property, facility or undertaking (including an incremental interest in any property, facility or undertaking in which Trican or any of its Subsidiaries or affiliates currently has or have an interest).

(ss) **No Area of Mutual Interest, Exclusion or Non-Compete Provision.** Other than as set forth in the Trican Disclosure Letter, none of Trican or its Subsidiaries or affiliates are party to any material agreement containing any area of mutual interest or area of exclusion provisions or provisions precluding, preventing or otherwise constraining Trican or its Subsidiaries or affiliates from conducting business operations (whether directly or indirectly) within any particular geographical area, any particular industry or in competition with any third party.

(tt) **Confidentiality Agreements.** Trican has not waived the standstill or other provisions of any confidentiality or standstill agreements with respect to the sale of Trican or a substantial portion of its assets or any business combination or similar transaction with another party.

(uu) **Accuracy of Trican Information.** The Trican Information will be true, complete and accurate in all material respects and shall not contain any misrepresentation (as defined in the *Securities Act* (Alberta)) and shall contain all information in respect of Trican required by applicable Laws to be included in the Trican Circular.

(vv) **Disclosure.** The data and information in respect of Trican and its Subsidiaries and their respective assets, liabilities, businesses, affairs and operations provided by or on behalf of Trican to or on behalf of Canyon was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any data or information necessary to make any data or information provided not materially misleading as at the respective dates hereof.

## SCHEDULE D

### REPRESENTATIONS AND WARRANTIES OF CANYON

(a) **Organization and Qualification.** Each of Canyon and its Subsidiaries is a corporation duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of its jurisdiction of formation and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as now being conducted. Canyon is, and its Subsidiaries are, duly registered or authorized to conduct its affairs or do business, as applicable and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held or the nature of its activities makes such registration or authorization necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Canyon and its Subsidiaries taken as a whole.

(b) **Authority Relative this Agreement.** Canyon has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Canyon in the Arrangement contemplated hereby have been duly authorized by Canyon's board of directors and, subject to such approval of Canyon Securityholders as is stipulated by the Court in the Interim Order and the obtaining of the Final Order, no other proceedings on the part of Canyon are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Canyon and constitutes a legal, valid and binding obligation of Canyon enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) **Subsidiaries, Joint Ventures and Partnerships.** Canyon has no Subsidiaries, joint ventures or partnerships, other than Canyon Technical Services Ltd. and Fraction Energy Services Ltd. and no other Subsidiaries other than Canyon Technical Services Ltd. (USA) and Fraction US Holdings Corp, which are inactive. None of Canyon's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to Canyon, from making any other distribution on such Subsidiary's share capital, from repaying to Canyon any loans or advances to such Subsidiary from Canyon. Canyon owns, directly or indirectly, all of the outstanding voting and equity securities of each of its Subsidiaries and its Subsidiaries ownership interest in each of its joint ventures and partnerships is set forth in the Canyon Disclosure Letter. All of the outstanding shares and all other ownership interests in its Subsidiaries are duly authorized, validly issued and fully-paid and non-assessable, and all such shares and other ownership interests held directly or indirectly by Canyon are owned by Canyon free and clear of any and all Encumbrances and, other than interests in its Subsidiaries, Canyon has no shareholdings in any other corporation, partnership or business organization other than Canyon's 46% interest in Green Energy Services Ltd. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any such shares of capital stock or other ownership interests in any of Canyon's Subsidiaries, joint ventures or partnerships including any pre-emptive rights.

(d) **No Violations.** Other than as set forth in the Canyon Disclosure Letter and, except as contemplated by this Agreement:

(i) neither the execution and delivery of this Agreement by Canyon nor the consummation of the transactions contemplated by the Arrangement nor compliance by Canyon with any of the provisions hereof will:

i. violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the properties or assets of Canyon or any of its Subsidiaries or cause any indebtedness to come due before

its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of: (1) the articles, by-laws or other constating documents of Canyon or any of its Subsidiaries; or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, Contract or other instrument or obligation to which Canyon or any of its Subsidiaries is a party or to which it, or any of its properties or assets, may be subject or by which Canyon or any of its Subsidiaries is bound; or

- ii. subject to compliance with applicable statutes and regulations, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Canyon or any of its Subsidiaries or their properties or assets;

except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of Encumbrances (other than Permitted Encumbrances) which, or any consents, approvals or notices which if not given or received, would not significantly impede the ability of Canyon to consummate the transactions contemplated by the Arrangement; or cause the suspension or revocation of any Permit currently in effect;

- (ii) other than in connection with or in compliance with the provisions of applicable Laws in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement (including any laws that regulate competition and antitrust), and except for the requisite approvals of Canyon Securityholders and the obtaining of the Interim Order and the Final Order:

- i. there is no legal impediment to Canyon's consummation of the Arrangement; and
- ii. no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Canyon in connection with the consummation of the Arrangement.

(e) **Litigation.** Other than as set forth in the Canyon Disclosure Letter, there is no claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative material matter or proceeding (collectively, "**proceedings**") against or involving Canyon or its Subsidiaries or in respect of the business, properties or assets of Canyon (whether in progress or, to the knowledge of Canyon, threatened), that if adversely determined, would reasonably be expected to have a Material Adverse Effect on Canyon and its Subsidiaries taken as a whole or significantly impede the completion of the transactions contemplated by this Agreement and, to the knowledge of Canyon, no event has occurred which might reasonably be expected to give rise to any proceeding. There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Entity outstanding against Canyon in respect of its business, properties or assets that has had or would reasonably be expected to have a Material Adverse Effect on Canyon and its Subsidiaries taken as a whole or significantly impede the completion of the transactions contemplated by this Agreement.

(f) **Tax Returns Filed and Taxes Paid.**

- (i) Except as set forth in the Canyon Disclosure Letter, all Tax Returns required to be filed by or on behalf of Canyon or any of its Subsidiaries have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments or reassessments with respect thereto have been paid in full on a timely basis or are being contested in good faith and for which adequate reserves in accordance with IFRS principles have been established, and, other than Taxes being contested in good faith and for which adequate reserves in accordance with IFRS principles have been established, no amount of Taxes are payable by Canyon or any of its Subsidiaries with

respect to items or periods covered by such Tax Returns that would have a Material Adverse Effect on Canyon and its Subsidiaries taken as a whole;

- (ii) Other than as set forth in the Canyon Disclosure Letter and in all material respects, Canyon and its Subsidiaries have duly and timely paid all Taxes, including all installments on account of Taxes for the current year, that are due and payable by them whether or not assessed by the appropriate Governmental Entity;
- (iii) for all periods ended on and before December 31, 2015, Canyon has made available to Trican for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Entity has proposed amendments to previously filed Tax Returns received by or on behalf of Canyon or any of its Subsidiaries relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for Canyon and its Subsidiaries dating back to the 2011 taxation year; and (C) all material written communications to or from any Governmental Entity relating to the Taxes of Canyon and its Subsidiaries over such period;
- (iv) Other than as set forth in the Canyon Disclosure Letter, (A) neither Canyon nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such an event been asserted or threatened against Canyon and its Subsidiaries, or any of them, or any of their respective assets; (B) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Canyon or any of its Subsidiaries and no request for any such waiver or extension is currently pending; (C) no audit by any Governmental Entity of Canyon or any of its Subsidiaries is in progress or threatened; and (D) no written claim has been made to Canyon or any of its Subsidiaries by any Governmental Entity in a jurisdiction where Canyon and its Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction;
- (v) Canyon has or will furnish Trican with originals or copies of all elections, designations or similar filings relating to Taxes and any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date;
- (vi) Canyon has made available to Trican originals or true and complete copies of all notices of assessments that have been received in respect of income, sales (including goods and services, harmonized sales and provincial or territorial sales) and capital tax liabilities of Canyon and its Subsidiaries for all taxation years or periods ending prior to and including the taxation year or period ended December 31, 2016;
- (vii) each of Canyon and its Subsidiaries has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any employee, officer or director and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it. Each of Canyon and its Subsidiaries has complied in all material respects with all Tax information reporting provisions of all applicable Laws;
- (viii) each of Canyon and its Subsidiaries has duly and timely collected or self-assessed all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and have duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;

- (ix) none of sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to any of Canyon or its Subsidiaries at any time up to and including the Effective Time;
  - (x) none of Canyon and its Subsidiaries has acquired property from, or transferred property to, a non-arm's length Person, within the meaning of the Tax Act, for consideration the value of which is less than the fair market value of the property acquired or transferred or, in the case where such consideration included debt payable by the acquiror, for debt with a principal amount which is less than the fair market value of the property acquired or transferred in consideration of such debt;
  - (xi) for all transactions between any of Canyon and its Subsidiaries and any non-resident Person with whom Canyon or its Subsidiaries was not dealing at arm's length during a taxation year commencing after 2011 and ending on or before the Effective Date, each of Canyon and its Subsidiaries has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act;
  - (xii) there are no reserves under the Tax Act or any equivalent federal, provincial or territorial statute to be claimed by any of Canyon or its Subsidiaries other than those required during the ordinary course of operations of Canyon and its Subsidiaries;
  - (xiii) there are no Tax liens or security interests on any of the assets of Canyon or any of its Subsidiaries that arose in connection with the failure, or alleged failure, to pay any Taxes;
  - (xiv) Canyon is not a non-resident of Canada within the meaning of the Tax Act; and
  - (xv) neither Canyon nor any of its Subsidiaries (A) has any liability for the Taxes of any other Person, (B) has ever filed, or has ever been required to file, a consolidated, combined or unitary Tax Return with any other entity, (C) is a party to, or has any obligation under, any agreement or arrangement relating to the sharing, allocation or indemnification of Taxes, or any similar agreement, Contract or arrangement (collectively, "**Tax Sharing Agreements**"), or (D) has any liability for the Taxes of any Person as a transferee, successor or agent, by Contract or otherwise.
- (g) **Tax Reserves.** Canyon has paid or provided adequate accruals in its consolidated audited financial statements for the year ended December 31, 2016 for Taxes, including income Taxes and related future income Taxes, in conformity with IFRS.
- (h) **Tax Deficiencies; Audits.** Other than as set forth in the Canyon Disclosure Letter, no deficiencies exist or have been asserted with respect to Taxes of Canyon or any of its Subsidiaries that would have a Material Adverse Effect on Canyon and its Subsidiaries taken as a whole. Neither Canyon nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of Canyon, has such an event been asserted or threatened against Canyon or any of its Subsidiaries or any of their respective assets that would have a Material Adverse Effect on Canyon and its Subsidiaries taken as a whole.
- (i) **Board Approval and Recommendation.** The board of directors of Canyon, in reliance on, among other things, the advice of its financial advisor, has unanimously endorsed the Arrangement and approved this Agreement, has unanimously determined that the Arrangement is in the best interests of Canyon and the Canyon Securityholders, and has resolved to unanimously recommend the Canyon Securityholders vote in favour of the Arrangement Resolution.



(j) **Reporting Issuer Status.** Canyon is a reporting issuer in each of the provinces of Canada and is in material compliance with all Securities Laws therein. The Canyon Shares are listed and posted for trading on the Exchange and Canyon is in material compliance with the rules of the Exchange. No delisting, suspension of trading in or cease trading order with respect to the Canyon Shares is pending or, to the knowledge of Canyon, threatened or is expected to be implemented or undertaken and to its knowledge, Canyon is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. The information and statements set forth in the Canyon Public Disclosure were true, correct and complete and did not contain any misrepresentation as of the respective dates of such information or statements unless such document was subsequently corrected or superceded by the Canyon Public Disclosure. Canyon has timely filed all material forms, reports, schedules, statements and other documents required to be filed under Securities Laws since becoming a "reporting issuer". Canyon has not filed any confidential material change report that, at the date hereof, remains confidential.

(k) **Capitalization.** The authorized share capital of Canyon consists of an unlimited number of Canyon Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, there are issued and outstanding 86,363,572 Canyon Shares, and there are no other shares of any class or series outstanding. As of the date hereof, there are (i) 2,268,406 Canyon Shares issuable upon the exercise of Canyon Options; and (ii) 3,039,416 Canyon Shares issuable upon the exercise of Canyon Incentive Units. Except as set forth above, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Canyon of any Canyon Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Canyon Shares. All outstanding Canyon Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Canyon Shares issuable upon exercise of Canyon Options, Canyon Incentive Units and Canyon PSUs in accordance with their respective terms will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(l) **Equity Monetization Plans.** Other than as set forth in the Canyon Disclosure Letter, Canyon PSUs to be issued under the Canyon PSU Plan, there are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments payable to any employee of Canyon and which are based upon the revenue, value, income or any other attribute of Canyon.

(m) **No Orders.** No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Canyon Shares or any other securities of Canyon has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Canyon, are contemplated or threatened under any applicable Laws or by any Governmental Entity.

(n) **Registration, Exemption Orders, Licences etc.** Each of Canyon and its Subsidiaries has obtained and is in compliance, in all material respects, with all Permits which are required under federal, provincial or local Laws relating to the assets, business or operations of Canyon. Such Permits are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a violation of any such Permit. No proceedings are pending or, to the knowledge of Canyon, threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal.

(o) **Compliance with Laws.** The operations and business of Canyon and each of its Subsidiaries is and has been carried out in compliance with and not in violation of any applicable Laws, in all material respects, and none of Canyon or its Subsidiaries has received any notice of any alleged violation of any such applicable Laws.

(p) **Material Agreements.** Other than as set forth in the Canyon Disclosure Letter, Canyon has not entered into any Contracts which are required to be filed by Canyon under National Instrument 51-102 -

*Continuous Disclosure Obligations*, except for those agreements which have been so filed by Canyon within the applicable timeframes prescribed by Securities Laws. Except for purchase orders issued by Canyon in the ordinary course of business and consistent with past practice, Canyon has provided Trican with originals or true and complete copies of all Contracts entered into by Canyon and its Subsidiaries which are material to Canyon and its Subsidiaries (taken as a whole), including, for greater certainty any of the Contracts that cannot be terminated on a 30-day notice or a value of which exceed \$250,000, and all Contracts material to Canyon and its Subsidiaries, whether or not provided to Trican, are valid and subsisting and none of Canyon or its Subsidiaries, or to the knowledge of Canyon, any counterparty to such material agreements, is in material default under any such agreements.

(q) **No Limitation.** Other than as set forth in the Canyon Disclosure Letter, there is no non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation in place to which Canyon or any of its Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit the way the business or operations of Canyon or any of its Subsidiaries is or is reasonably expected to be conducted in a particular manner or to a particular locality or geographic region or for a limited period of time, and the execution, delivery and performance of this Agreement does not and will not result in the restriction of Canyon or any of its Subsidiaries from engaging in its business or from competing with any Person or in any geographic area.

(r) **Filings.** Canyon has made all material filings required by all applicable Governmental Entities and all such filings were, as of their respective dates, in compliance in all material respects with all applicable Laws and, in respect of documents required to be filed under applicable Securities Laws, at the time filed did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(s) **Books and Records.** The financial books, records and accounts of Canyon and each of its Subsidiaries, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Canyon or any of its Subsidiaries, as applicable; and (iii) accurately and fairly reflect the basis for the Canyon Financial Statements. The corporate records and minute books of Canyon and its Subsidiaries have been maintained substantially in compliance with applicable Laws and are complete and accurate in all material respects (other than those minutes of the meetings of the board of directors of Canyon or committees thereof which are in draft form), and full access thereto has been provided to Trican.

(t) **Financial Statements.** The Canyon Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with those of previous periods and in accordance with applicable Laws except (A) as otherwise stated in the notes to such statements or in the case of the Canyon Financial Statements, in the auditor's report thereon and (B) except that the interim financial statements are subject to normal period-end adjustments and may omit notes which are not required by Securities Laws or IFRS. The Canyon Financial Statements present fairly, in all material respects, the assets, liabilities and financial condition of Canyon as at the respective dates thereof and the losses, comprehensive losses, results of operations, changes in shareholders' equity and cash flows of Canyon for the periods covered thereby. Canyon does not intend to correct or restate, nor, to the knowledge of Canyon is there any basis for any correction or restatement of any aspect of the Canyon Financial Statements.

(u) **Off-Balance Sheet Arrangements.** Other than as set forth in the Canyon Disclosure Letter, other than as set forth in the Canyon Financial Statements, none of Canyon or any of its Subsidiaries has any "off-balance sheet arrangements" as such term is defined under IFRS.

(v) **Absence of Undisclosed Liabilities.** Canyon has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:

- (i) those set forth or adequately provided for in the balance sheet included in the Canyon Financial Statements (the "**Canyon Balance Sheet**");
  - (ii) those incurred in the ordinary course of business and not required to be set forth in the Canyon Balance Sheet under IFRS;
  - (iii) those incurred in the ordinary course of business since the Canyon Balance Sheet Date and consistent with past practice;
  - (iv) inter-company indebtedness or liabilities; and
  - (v) those incurred in connection with the execution of this Agreement.
- (w) **No Material Adverse Change.** Since December 31, 2016:
- (i) Canyon and its Subsidiaries have conducted their businesses only in the ordinary and normal course;
  - (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Canyon and its Subsidiaries, taken as a whole, has been incurred other than in the ordinary course of business;
  - (iii) there has not been any Material Adverse Change in respect of the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Canyon and its Subsidiaries, taken as a whole; and
  - (iv) Canyon has not, and to the knowledge of Canyon, no director, officer, employee or auditor of any of Canyon's Subsidiaries, has received or otherwise had or obtained knowledge of any fraud, material complaint, allegation, assertion or claim, whether written or oral, regarding fraud or the accounting or auditing practices, procedures, methodologies or methods of any member of Canyon or any of its Subsidiaries or its internal accounting controls.
- (x) **Conduct of Business.** Since December 31, 2016, neither Canyon nor any of its Subsidiaries has taken any action that would be in violation of Section 5.2(a), 5.2(b) and 5.2(c) if such provision had been in effect since that date.
- (y) **Restrictions on Business Activities.** There is no judgment, injunction or order binding upon Canyon or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business.
- (z) **Environmental.** In respect of the properties which Canyon or any of its Subsidiaries operates and, to the knowledge of Canyon in respect of properties for which Canyon or any of its Subsidiaries is not the operator, except to the extent that any violation or other matter referred to in this paragraph (z) does not, and would not reasonably be expected to, have a Material Adverse Effect on Canyon and its Subsidiaries:
- (i) are not in violation of any Environmental Laws;
  - (ii) have operated their businesses at all times and have received, handled, used, stored, transported, shipped and disposed of all contaminants in compliance with Environmental Laws;
  - (iii) have had no Releases of Hazardous Substances into the earth, air or into any body of water, including groundwater, or any municipal or other sewer or drain water systems

that have neither been fully and completely delineated nor re-mediated to levels in compliance with Environmental Laws;

- (iv) have had no orders, directions or notices issued that remain outstanding against any of them pursuant to any Environmental Laws of which they have received a written notice;
- (v) have not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Laws;
- (vi) hold all Permits required under any Environmental Laws in connection with the operation of their businesses and the ownership and use of their assets, and all such Permits are in full force and effect. Except for notifications and conditions of general application to assets of reclamation obligations under legislation in each jurisdiction in which they conduct their businesses, have not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by any of them as a condition of continued compliance with any Environmental Laws, or any Permits issued pursuant thereto, or that any Permits referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
- (vii) have no pending or, to the knowledge of any of them, threatened claims, liens or Encumbrances (other than Permitted Encumbrances) resulting from Environmental Laws or violation or potential violation of Environmental Laws with respect to any of the properties currently or formerly owned, leased, operated or otherwise used; and
- (viii) have not assumed or retained by Contract or operation of Law any losses, expenses, claims, damages or liabilities of any third-party pursuant to applicable Environmental Laws.

(aa) **Title.** Canyon and its Subsidiaries have good and sufficient title to their real property interests including fee simple estate of and in real property, leases, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by Canyon necessary to permit the operation of its business as presently owned and conducted. Canyon does not have any knowledge nor is aware of any defects, failures or impairments in the title of Canyon to its assets.

(bb) **Customers and Suppliers.** None of Canyon or any of its Subsidiaries has received notice of, and there is not, to the knowledge of Canyon, any intention on the part of any principal customer to cease doing business with Canyon or any of its Subsidiaries or to modify or change in any material manner any existing arrangement with Canyon or any of its Subsidiaries for the purchase or supply of any products or services. The relationships of Canyon and its Subsidiaries with their principal suppliers and customers are satisfactory, and there are no material unresolved disputes with any such supplier or customer. No Contract with any supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that Contract. Since December 31, 2016, there has been no termination or cancellation of, and no modification or change in, the business relationship of Canyon or any of its Subsidiaries with any major customer or group of major customers. Canyon has no reason to believe that the benefits of any relationship with any of the major customers or suppliers of Canyon or any of its Subsidiaries will not continue after the consummation of the transactions hereunder in substantially the same manner as prior to the date of this Agreement

(cc) **No Defaults.** None of Canyon or any of its Subsidiaries is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under any Contract to which it is a party or by which it is bound which would, if terminated or upon exercise of a right made available to a third party solely by a reason of such a default due to such default, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Canyon.

None of Canyon or any of its Subsidiaries is in violation of any applicable Laws which violation could reasonably be expected to have a Material Adverse Effect on Canyon.

(dd) **Long-Term and Derivative Transactions.** Canyon has no material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(ee) **Employee Benefit Plans.**

- (i) each material health, medical, dental, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share-based compensation, disability, pension, retirement or supplemental retirement plan and each other material employee or director compensation or benefit plan, agreement or arrangement for the benefit of directors or former directors of Canyon and/or its Subsidiaries, consultants or former consultants of Canyon and/or its Subsidiaries, employees or former employees of Canyon and/or its Subsidiaries, which are maintained by, contributed to, or binding upon Canyon or any Subsidiary thereof or in respect of which the Canyon or any Subsidiary thereof has any actual or potential liability (the "**Canyon Employee Plans**") has been maintained and administered and is funded in material compliance with its terms and applicable Laws;
- (ii) each Canyon Employee Plan that is required or intended to be qualified under applicable Law or registered or approved by a governmental agency or authority has been so qualified, registered or approved by the appropriate governmental agency or authority, and nothing has occurred since the date of the last qualification, registration or approval to materially adversely affect, or cause, the appropriate governmental agency or authority to revoke such qualification, registration or approval;
- (iii) to Canyon's knowledge, there are no pending or anticipated material claims against or otherwise involving any of the Canyon Employee Plans and no material suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of Canyon Employee Plan activities) has been brought against or with respect to any Canyon Employee Plan;
- (iv) all material contributions, reserves or premium payments required to be made to the Canyon Employee Plans have been made or accrued for in the books and records of Canyon;
- (v) Canyon has no material obligations for retiree health and life benefits under any Canyon Employee Plan; and
- (vi) the execution and delivery of this Agreement or the consummation of the transactions contemplated herein will not in and of itself under any Canyon Employee Plan result in, cause the accelerated vesting of, funding or delivery of, or increase the amount or value of, any payment or benefit to any employee, officer, or director of Canyon or any of its Subsidiaries, or will not limit the right of Canyon of any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Canyon Employee Plan or related trust, other than in respect of the Canyon Incentive Awards.

(ff) **Severance and Change of Control.** Other than as set forth in the Canyon Disclosure Letter, other than Canyon Employee Obligations payable upon completion of the Arrangement as set forth in the Canyon Disclosure Letter, or as otherwise contemplated in this Agreement, there are no payments owing or that will become owing in connection with the Arrangement to directors, officers, employees and consultants of Canyon under any Contract settlements, bonus plans, retention arrangements, change of control agreements or severance obligations (whether resulting from termination or alteration of duties).

(gg) **Employee Information.** Canyon has provided Trican with a correct and complete list (the "**Employment Information**") of each employee, director, independent contractor, consultant and agent of Canyon who currently provides services to the administration, operation, maintenance and management of Canyon), whether actively at work or not, their salaries or consulting fees, bonus arrangements, benefits, positions, status as full-time or part-time employees, location of employment and length of service. No such person has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results by applicable Laws from the employment of an employee without an agreement as to notice or severance.

(hh) **Amounts Due to Employees.** All amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay, and other employee benefits in respect of any employee, director, independent contractor, consultant and agent of Canyon which are attributable to the period before the Effective Date will be paid at or prior to the Effective Time in amounts in the ordinary course of business and consistent with past practice and are or shall be accurately reflected in the books and records of Canyon.

(ii) **Employment Agreements and Collective Agreements.**

- (i) neither Canyon nor any of its Subsidiaries is engaged in any negotiations with respect to any collective bargaining or union agreement, any actual or threatened application for certification or bargaining rights or letter of understanding, with respect to any current or former Canyon employee;
- (ii) to the knowledge of Canyon, there is no labour strike, dispute, lock-out work slowdown or stoppage pending or involving or, to the knowledge of Canyon, threatened against Canyon or any of its Subsidiaries;
- (iii) neither Canyon nor any of its Subsidiaries has engaged in any unfair labour practice and no unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of Canyon, threatened against Canyon or any of its Subsidiaries;
- (iv) Canyon and each of its Subsidiaries are in material compliance with all terms and conditions of employment and all Laws respecting employment, including pay equity, human rights, privacy, employment standards, workers' compensation and occupational health and safety, and there are no outstanding any actual or threatened claims, complaints, investigations or orders under any such Laws; and
- (v) there are no material outstanding assessments, penalties, fines liens, charges, surcharges, or other amounts due or owing by Canyon or any of its Subsidiaries pursuant to any workers' compensation legislation and Canyon has not been reassessed in any material respect under such legislation and, to the knowledge of Canyon, no audit of Canyon is currently being performed pursuant to any applicable workers' compensation legislation.

(jj) **Insurance.** Policies of insurance are in force as of the date hereof naming Canyon and its Subsidiaries, as applicable, as an insured that adequately and reasonably cover all risks as are customarily covered by oilfield services companies in the industry in which Canyon operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect the interests

of Canyon and its Subsidiaries. All such policies shall remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(kk) **Non-Arm's Length Transactions.** Except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses, indemnity agreements in favour of directors and officers, existing employment agreements and existing agreements regarding the Canyon Incentive Awards, there are no Contracts or other transactions (including with respect to loans or indebtedness) currently in place between Canyon or any of its Subsidiaries, on the one hand, and: (i) any officer, director or employee of, or consultant of Canyon or any of its Subsidiaries; (ii) any holder of record or beneficial owner of 10% or more of the Canyon Shares; or (iii) any associate or affiliate of such Person.

(ll) **Financial Advisors.** Except for Peters & Co. Limited, Canyon has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement.

(mm) **Fairness Opinion.** The board of directors of Canyon has received a verbal opinion as of March 21, 2017 from Peters & Co. Limited that the consideration to be received by the Canyon Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Canyon Shareholders.

(nn) **Credit Facilities.** Other than as set forth in the Canyon Disclosure Letter, other than the Canyon Bank Facility, Canyon does not have any long term indebtedness or bank indebtedness. As of the date of this Agreement, the Canyon Debt does not exceed \$35 million. Canyon is not in default under its existing bank facility and, to the best of Canyon's knowledge, its banker is not contemplating any reduction in Canyon's borrowing base which is currently \$100 million, with a \$50 million accordion feature, prior to giving effect to the Arrangement.

(oo) **Intellectual Property.** No material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (the "**Intellectual Property**") are necessary to carry on the business and operations carried on by Canyon or any of its Subsidiaries and none of Canyon or any of its Subsidiaries owns, licenses or uses any Intellectual Property that is material to Canyon and its Subsidiaries. None of Canyon or any of its Subsidiaries has received any written notice or claim that is still outstanding challenging Canyon or any of its Subsidiaries with respect to the validity of, use of or ownership of the processes and technology used by it, and to the knowledge of Canyon, there are no facts upon which such a challenge could reasonably be made. No employees, other individuals or entities have an interest, beneficial or otherwise, right, or financial benefit relating to any Intellectual Property of Canyon and its Subsidiaries.

(pp) **Guarantees and Indemnification.** Except for guarantees of Subsidiaries of Canyon with respect to credit obligations of Canyon, none of Canyon or any of its Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or applicable Laws, and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to service providers) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person, other than guarantees of obligations of any other Subsidiary of Canyon or industry typical indemnifications arising in relation to indemnification of purchasers or vendors under purchase and sale agreements.

(qq) **Proceeds of Crime.** To the knowledge of Canyon, Canyon and its Subsidiaries have not, directly or indirectly: (a) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization; or (b) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations

promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to Canyon and any of its Subsidiaries and their respective operations and Canyon and any of its Subsidiaries has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.

(rr) **Voting Agreements.** To the knowledge of Canyon, none of the Canyon Shares are the subject of any escrow, voting trust or other similar agreement, other than with respect to the Canyon Support Agreements.

(ss) **Confidentiality Agreements.** Canyon has not waived the standstill or other provisions of any confidentiality or standstill agreements with respect to the sale of Canyon or a substantial portion of its assets or any business combination or similar transaction with another party.

(tt) **Shareholder Rights Plan.** Canyon does not have and will not implement any shareholder rights plan or any other form of plan, Contract or instrument that shall trigger any rights to acquire Canyon Shares or other securities of Canyon or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the Arrangement, with the exception of the Canyon Incentive Plans.

(uu) **No Encumbrances.** None of Canyon or any of its Subsidiaries has encumbered or alienated its interest in the principal assets of Canyon or agreed to do so and such assets are free and clear of all Encumbrances (other than Permitted Encumbrances), created by, or through Canyon or any of its Subsidiaries, except for those arising in the ordinary course of business, which are not material in the aggregate.

(vv) **Operation and Condition of Canyon Assets.** Except to the extent that such noncompliance with prudent oilfield services industry practices or applicable Laws or failure to be in good condition and repair would not have a Material Adverse Effect on Canyon, the assets:

- (i) for which Canyon or any of its Subsidiaries was or is operator, was or have been constructed, operated and maintained in accordance with good and prudent oilfield services industry practices in Canada and all applicable Laws during all periods in which Canyon or any of its Subsidiaries was operator thereof and are in good condition and repair, ordinary wear and tear excepted, and are useable in the ordinary course of business; and
- (ii) for which Canyon or any of its Subsidiaries was not or is not operator, was or have been constructed and, to its knowledge, operated and maintained in accordance with good and prudent oilfield services industry practices in Canada and all applicable Laws during all periods in which Canyon or any of its Subsidiaries was not operator thereof and are in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business.

(ww) **Terms of Material Agreements.** Other than as disclosed in the Canyon Disclosure Letter, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby or pursuant to the Plan of Arrangement, will or has caused:

- (i) any breach of any Contract to which Canyon or any of its Subsidiaries or affiliates is or are party;
- (ii) the triggering of any pre-emptive right under any Contract to which Canyon or any of its Subsidiaries or affiliates is or are party;
- (iii) the triggering of any change of control provision under any Contract to which Canyon or any of its Subsidiaries or affiliates is or are party;



- (iv) the termination of or shortening of:
  - (A) the term of any Contract to which Canyon or any of its Subsidiaries or affiliates is or are party; or
  - (B) any term contained within any such agreement granting any manner of contractual right to Canyon or its Subsidiaries or affiliates;
- (v) any requirement to replace, post or otherwise provide any form of credit assurance under or pursuant to any Contract to which Canyon or any of its Subsidiaries or affiliates is or are party; or
- (vi) the loss of any right of Canyon or its Subsidiaries or affiliates (whether presently vested or vesting or arising in future) to acquire any interest in any property, facility or undertaking (including an incremental interest in any property, facility or undertaking in which Canyon or any of its Subsidiaries or affiliates currently has or have an interest).

(xx) **No Area of Mutual Interest, Exclusion or Non-Compete Provision.** Other than as set forth in the Canyon Disclosure Letter, none of Canyon or its Subsidiaries or affiliates are party to any material agreement containing any area of mutual interest or area of exclusion provisions or provisions precluding, preventing or otherwise constraining Canyon or its Subsidiaries or affiliates from conducting business operations (whether directly or indirectly) within any particular geographical area, any particular industry or in competition with any third party.

(yy) **Accuracy of Canyon Information.** The Canyon Information will be true, complete and accurate in all material respects and shall not contain any misrepresentation (as defined in the *Securities Act* (Alberta)) and shall contain all information in respect of Canyon required by applicable Laws to be included in the Canyon Circular.

(zz) **Disclosure.** The data and information in respect of Canyon and its Subsidiaries and their respective assets, liabilities, businesses, affairs and operations provided by or on behalf of Canyon to or on behalf of Trican was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any data or information necessary to make any data or information provided not materially misleading as at the respective dates hereof.