

TRUST INDENTURE

BETWEEN

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

AND

TSX TRUST COMPANY

PROVIDING FOR THE ISSUE OF CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

August 8, 2019

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THIS TRUST INDENTURE made as of the 8 day of August, 2019

BETWEEN:

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD., a corporation existing under the laws of Alberta and having its head office in the City of Calgary in the Province of Alberta (hereinafter called "**Tidewater**" or the "**Corporation**")

- and -

TSX TRUST COMPANY, a trust company incorporated under the federal laws of Canada having its principal office in the City of Toronto, in the Province of Ontario (hereinafter called the "**Debenture Trustee**")

WITNESSETH THAT:

WHEREAS the Corporation deems it necessary to create and issue the Debentures to be created and issued in the manner hereinafter appearing;

AND WHEREAS, when Authenticated by the Debenture Trustee and issued as in this Indenture provided, all necessary steps in relation to Tidewater will have been duly enacted, passed and/or confirmed and other proceedings taken and conditions complied with to make the creation and issue of the Debentures proposed to be issued hereunder legal, valid and binding on Tidewater in accordance with the laws relating to Tidewater;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by Tidewater and not by the Debenture Trustee;

NOW THEREFORE it is hereby covenanted, agreed and declared as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

- (a) "**1933 Act**" means the United States Securities Act of 1933, as amended, and the rules and regulation promulgated thereunder;
- (b) "**90% Redemption Right**" has the meaning ascribed thereto in Section 2.4(j)(vi);
- (c) "**90% Redemption Right Notice**" has the meaning ascribed thereto in Section 2.4(j)(vi);
- (d) "**this Indenture**", "**this Trust Indenture**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;
- (e) "**Acceptance Notice**" has the meaning ascribed thereto in Section 2.4(j)(iii);

- (f) **"Additional Debentures"** means Debentures of any one or more series, other than the first series of Debentures being the Initial Debentures, issued under this Indenture;
- (g) **"Applicable Period"** means for each regular cash dividend or distribution, the period announced by the Corporation, in respect of which such dividend or distribution is payable. As of the date hereof, the Applicable Period is a quarterly period (three (3) months). If, however, the Corporation announces a regular quarterly, semi-annual or annual dividend or distribution, then the Applicable Period will be deemed to be the related quarterly, semi-annual or annual period;
- (h) **"Applicable Securities Legislation"** means applicable securities laws (including rules, regulations, policies, instruments, rulings and orders) in each of the Provinces of Canada;
- (i) **"Auditors of Tidewater"** means an independent firm of chartered professional accountants duly appointed as auditors of Tidewater;
- (j) **"Authenticated"** means: (i) with respect to the issuance of certificated Debentures, one which has been authenticated by manual signature of an authorized officer of the Trustee; and (ii) with respect to the issuance of an Uncertificated Debenture, one in respect of which the Debenture Trustee has completed all Internal Procedures such that the particulars of such Uncertificated Debenture as required by Section 2.8(c) are entered in the register of holders of Debentures; and the terms **"Authenticate"**, **"Authenticating"** and **"Authentication"** have meanings correlative to the foregoing;
- (k) **"Base Shares"** has the meaning ascribed thereto in Section 2.4(k)(iii);
- (l) **"Beneficial Holder"** means any person who holds a beneficial interest in a Debenture that is represented by a Debenture Certificate or an Uncertificated Debenture registered in the name of CDS or its nominee, for the purposes of being held by or on behalf of CDS as custodian for Depository Participants;
- (m) **"Board of Directors"** means the board of directors of the Corporation or any committee thereof;
- (n) **"Business Day"** means any day other than a Saturday, Sunday or any other day that the Debenture Trustee in Calgary, Alberta or Toronto, Ontario is not generally open for business;
- (o) **"Cash Change of Control"** means a Change of Control resulting from a transaction or transactions in respect of which 10% or more of the consideration for the Common Shares consists of: (i) cash, other than cash payments for fractional Common Shares and cash payments made in respect of dissenter's appraisal rights; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange;
- (p) **"Cash Change of Control Conversion Period"** has the meaning ascribed thereto in Section 2.4(k)(i);
- (q) **"Cash Offer Price"** has the meaning ascribed thereto in Section 2.4(k)(ii);
- (r) **"CDS"** or the **"Depository"** means CDS Clearing and Depository Services Inc., and its successors in interest;
- (s) **"Change of Control"** means (i) the acquisition by any person, or group of persons acting jointly or in concert (within the meaning of NI 62-104) of ownership of, or voting control or direction over, 50% or more of the outstanding voting securities of Tidewater; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation; and, for greater certainty,

excludes a sale, merger, reorganization or similar transaction involving Tidewater if the previous holders of Common Shares hold at least 50% of the outstanding voting securities of Tidewater or the Successor entity resulting from such transaction;

- (t) **"Change of Control Purchase Date"** has the meaning ascribed thereto in Section 2.4(j);
- (u) **"Common Share Bid Request"** means a request for bids to purchase Common Shares (to be issued by Tidewater on the Common Share Delivery Date) made by the Debenture Trustee in accordance with the Common Share Interest Payment Election Notice and which shall make the acceptance of any bid conditional upon the acceptance of sufficient bids to result in aggregate proceeds from such issue and sale of Common Shares which, together with the cash payments by Tidewater in lieu of fractional Common Shares, if any, equal the applicable Interest Obligation;
- (v) **"Common Share Delivery Date"** means a date, not more than 90 days and not less than one Business Day prior to the applicable Interest Payment Date, upon which Common Shares are issued by Tidewater and delivered to the Debenture Trustee for sale pursuant to Common Share Purchase Agreements;
- (w) **"Common Share Interest Payment Election"** means an election to satisfy an Interest Obligation on the applicable Interest Payment Date in the manner described in the Common Share Interest Payment Election Notice;
- (x) **"Common Share Interest Payment Election Amount"** means the sum of the amount of the aggregate proceeds resulting from the sale of Common Shares on the Common Share Delivery Date pursuant to acceptable bids obtained pursuant to the Common Share Bid Requests, together with any amount paid by Tidewater in respect of fractional Common Shares pursuant to Section 10.1(g), that is equal to the aggregate amount of the Interest Obligation in respect of which the Common Share Interest Payment Election Notice was delivered;
- (y) **"Common Share Interest Payment Election Notice"** means a written notice made by Tidewater to the Debenture Trustee specifying:
 - (i) the Interest Obligation to which the election relates;
 - (ii) the Common Share Interest Payment Election Amount;
 - (iii) the investment banks, brokers or dealers through which the Debenture Trustee shall seek bids to purchase the Common Shares and the conditions of such bids, which may include the minimum number of Common Shares, minimum price per Common Share, timing for closing for bids and such other matters as Tidewater may specify; and
 - (iv) that the Debenture Trustee shall accept through the investment banks, brokers or dealers selected by Tidewater only those bids which comply with such notice;
- (z) **"Common Share Proceeds Investment"** has the meaning attributed thereto in Section 10.1(h);
- (aa) **"Common Share Purchase Agreement"** means an agreement in customary form among Tidewater, the Debenture Trustee and the persons making acceptable bids pursuant to a Common Share Bid Request, which complies with all applicable laws, including Applicable Securities Legislation and the rules and regulations of any stock exchange on which the Debentures or Common Shares are then listed;
- (bb) **"Common Share Redemption Right"** has the meaning ascribed thereto in Section 4.6(a);
- (cc) **"Common Share Repayment Right"** has the meaning ascribed thereto in Section 4.10(a);

- (dd) "**Common Shares**" means common shares in the capital of Tidewater, as such common shares are constituted on the date of execution and delivery of this Indenture; provided that in the event of a change or a subdivision, redivision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations or consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or liquidations, dissolutions or windings-up, then, subject to adjustments, if any, having been made in accordance with the provisions of Section 6.5, "**Common Shares**" shall mean the shares or other securities or property resulting from such change, subdivision, redivision, reduction, combination or consolidation, reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up;
- (ee) "**Conversion Price**" means the dollar amount for which each Common Share may be issued from time to time upon the conversion of Debentures or any series of Debentures which are by their terms convertible in accordance with the provisions of Article 6;
- (ff) "**Counsel**" means a barrister or solicitor or firm of barristers or solicitors (who may be counsel to Tidewater) acceptable to the Debenture Trustee;
- (gg) "**Current Market Price**" means the arithmetic average of the volume weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day preceding the date of determination on the TSX (or, if the Common Shares are not listed thereon, on such stock exchange on which the Common Shares are listed as may be selected for such purpose by the Board of Directors and approved by the Debenture Trustee, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market). The volume weighted average trading price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Common Shares so sold;
- (hh) "**Date of Conversion**" has the meaning ascribed thereto in Section 6.4(g);
- (ii) "**Debenture Certificate**" means a certificate evidencing the Debentures, and in the case of the Initial Debentures, in the form attached as Schedule "A" hereto;
- (jj) "**Debenture Liabilities**" has the meaning ascribed thereto in Section 5.1;
- (kk) "**Debenture Offer**" has the meaning ascribed thereto in Section 2.4(j)(i);
- (ll) "**Debenture Offer Expiry Date**" has the meaning ascribed thereto in Section 2.4(j)(ii);
- (mm) "**Debenture Offer Expiry Time**" has the meaning ascribed thereto in Section 2.4(j)(ii);
- (nn) "**Debenture Offer Price**" has the meaning ascribed thereto in Section 2.4(j)(i);
- (oo) "**Debenture Trustee**" means TSX Trust Company or its successor or successors for the time being as trustee hereunder;
- (pp) "**Debentureholders**" or "**holders**" means the persons for the time being entered in the register for Debentures as registered holders of Debentures or any transferees of such persons by endorsement or delivery;
- (qq) "**Debentures**" means the debentures, notes or other evidences of indebtedness of Tidewater issued and Authenticated hereunder, including, without limitation, the Initial Debentures, and for the time being outstanding, whether in definitive or interim form;

- (rr) "**deemed year**" has the meaning ascribed thereto in Section 2.11(b);
- (ss) "**Defeased Debenture**" has the meaning ascribed thereto in Section 9.6(b);
- (tt) "**Depository Participant**" means a person recognized by CDS as a participant in the non-certificated inventory system administered by CDS;
- (uu) "**Effective Date**" has the meaning ascribed thereto in Section 2.4(k)(ii);
- (vv) "**especially affected series**" has the meaning ascribed thereto in Section 13.2(b)(i);
- (ww) "**Event of Default**" has the meaning ascribed thereto in Section 8.1;
- (xx) "**Ex-Dividend Date**" means, with respect to any dividend, distribution or issuance on the Common Shares, the first date on which the Common Shares trade on the applicable exchange or in the applicable market without the right to receive such dividend, distribution or issuance;
- (yy) "**Expiration Date**" has the meaning ascribed thereto in Section 6.5(g);
- (zz) "**Expiration Time**" has the meaning ascribed thereto in Section 6.5(g);
- (aaa) "**Extraordinary Resolution**" has the meaning ascribed thereto in Section 13.12;
- (bbb) "**Freely Tradeable**" means, in respect of shares of capital of any class of any corporation or trust units of any class of any trust, shares or trust units, as the case may be, which can be traded by the holder thereof without any restriction under Applicable Securities Legislation, such as hold periods, except in the case of a distribution by a control person (as defined under Applicable Securities Legislation);
- (ccc) "**Fully Registered Debentures**" means Debentures registered as to both principal and interest;
- (ddd) "**GAAP**" means generally accepted accounting principles from time to time adopted and approved by the Chartered Professional Accountants of Canada;
- (eee) "**Government Obligations**" means securities issued or guaranteed by the Government of Canada or any province thereof;
- (fff) "**Increased Dividend**" has the meaning ascribed thereto in Section 6.9(b);
- (ggg) "**Initial Debentures**" means the Debentures designated as "5.50% Convertible Unsecured Subordinated Debentures" and described in Section 2.4;
- (hhh) "**Initial Dividend Threshold**" means \$0.01 per Common Share in respect of a quarterly Applicable Period and proportionately adjusted in the case of a different length of Applicable Period that is not one quarter;
- (iii) "**Interest Account**" has the meaning ascribed thereto in Section 10.1(h);
- (jjj) "**Interest Obligation**" means the obligation of Tidewater to pay interest on the Debentures pursuant to the terms hereof and thereof, as and when the same becomes due;
- (kkk) "**Interest Payment Date**" means a date specified in a Debenture as the date on which interest on such Debenture shall become due and payable;

- (lll) "**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register of Debentureholders at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Debenture Trustee's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Debenture Trustee, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;
- (mmm) "**Make Whole Premium**" has the meaning ascribed thereto in Section 2.4(k)(i);
- (nnn) "**Make Whole Premium Shares**" has the meaning ascribed thereto in Section 2.4(k)(ii);
- (ooo) "**Maturity Account**" means an account or accounts required to be established by Tidewater (and which shall be maintained by and subject to the control of the Debenture Trustee) for each series of Debentures pursuant to and in accordance with this Indenture;
- (ppp) "**Maturity Date**" means the date specified for maturity of any Debentures;
- (qqq) "**Maturity Notice**" has the meaning ascribed thereto in Section 2.4(g);
- (rrr) "**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;
- (sss) "**Notes**" means \$125,000,000 aggregate principal amount of 6.75% senior unsecured notes of the Corporation due December 19, 2022;
- (ttt) "**Officer's Certificate**" means a certificate of Tidewater signed by any one authorized officer or director of Tidewater in his or her capacity as an officer or director of Tidewater, as the case may be, and not in his or her personal capacity;
- (uuu) "**Original Purchasers**" has the meaning ascribed thereto in Section 2.17(a);
- (vvv) "**Over-Allotment Initial Debentures**" means the Initial Debentures purchased by the Underwriters upon exercise of the Over-Allotment Option, if any;
- (www) "**Over-Allotment Option**" means the over-allotment option granted by the Corporation to the Underwriters to purchase up to \$11,250,000 principal amount of Over-Allotment Initial Debentures pursuant to the Underwriting Agreement;
- (xxx) "**Periodic Offering**" means an offering of Debentures of a series from time to time, the specific terms of which Debentures, including, without limitation, the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by Tidewater upon the issuance of such Debentures from time to time;
- (yyy) "**person**" includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;
- (zzz) "**Prospectus**" means the (final) short form prospectus of the Corporation dated August 1, 2019 relating to the distribution in each of the Provinces of Canada of the Initial Debentures and the Over-Allotment Initial Debentures, and unless the context otherwise requires, includes all documents incorporated therein by reference and any amendments thereto;
- (aaaa) "**Purchased Common Shares**" has the meaning ascribed thereto in Section 6.5(g);

- (bbbb) "**Redemption Date**" has the meaning ascribed thereto in Section 4.3;
- (cccc) "**Redemption Notice**" has the meaning ascribed thereto in Section 4.3;
- (dddd) "**Redemption Price**" means, in respect of a Debenture, the amount payable on the Redemption Date fixed for such Debenture, which amount may be payable by cash or the issuance of Freely Tradeable Common Shares as provided for in Article 4;
- (eeee) "**Securities**" has the meaning ascribed thereto in Section 2.14;
- (ffff) "**Senior Creditor**" means a holder or holders of Senior Indebtedness and includes any representative or representatives or trustee or trustees of any such holder or holders;
- (gggg) "**Senior Indebtedness**" shall mean the principal of and premium or make-whole amount, if any, and interest, or any other amounts payable thereunder, if any, on:
- (i) all indebtedness (including the Notes and any indebtedness to trade creditors), liabilities and obligations of Tidewater (other than the Debentures), whether outstanding on the date of this Indenture or hereafter created, incurred, assumed or guaranteed, in connection with the acquisition by Tidewater of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) or in connection with the acquisition of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) by others including, without limitation, any Subsidiary of Tidewater, for payment of which Tidewater is responsible or liable, whether absolutely or contingently; and
 - (ii) renewals, extensions, restructurings, refinancings and refundings of any such indebtedness, liabilities or obligations;
- unless in each case it is provided by the terms of the instrument creating or evidencing such indebtedness, liabilities or obligations that such indebtedness, liabilities or obligations are *pari passu* with or subordinate in right of payment to Debentures which by their terms are subordinated, which for greater certainty includes the Initial Debentures; and provided that Senior Indebtedness shall not include the indebtedness, liabilities or obligations of a Subsidiary of Tidewater to the extent Tidewater is a creditor of such Subsidiary ranking at least *pari passu* with such indebtedness, liabilities or obligations;
- (hhhh) "**Senior Security**" means all mortgages, liens, pledges, charges (whether fixed or floating), security interests or other encumbrances of any kind, contingent or absolute, held by or on behalf of any Senior Creditor and in any manner securing any Senior Indebtedness;
- (iiii) "**Serial Meeting**" has the meaning ascribed thereto in Section 13.2(b)(i);
- (jjjj) "**Spinoff Securities**" has the meaning ascribed thereto in Section 6.5(c);
- (kkkk) "**Spinoff Valuation Period**" has the meaning ascribed thereto in Section 6.5(c);
- (llll) "**Subordination Agreements**" has the meaning ascribed thereto in Section 5.7;
- (mmmm) "**Subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Alberta);

- (nnnn) "**Successor**" has the meaning ascribed thereto in Section 11.1;
- (oooo) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time;
- (pppp) "**Tidewater**" or the "**Corporation**" means Tidewater Midstream and Infrastructure Ltd. and includes any Successor which shall have complied with the provisions of Article 11;
- (qqqq) "**Time of Expiry**" means the time of expiry of certain rights with respect to the conversion of Debentures under Article 6 which is to be set forth for each series of Debentures which by their terms are to be convertible;
- (rrrr) "**trading day**" means, with respect to the TSX or other market for securities, any day on which such exchange or market is open for trading or quotation;
- (ssss) "**Transaction Instruction**" means a written order signed by the holder or the Depository entitled to request that one or more actions be taken, or such other form as may be reasonably acceptable to the Debenture Trustee, requesting one or more such actions to be taken in respect of an Uncertificated Debenture;
- (tttt) "**TSX**" Toronto Stock Exchange;
- (uuuu) "**Uncertificated Debenture**" means any Debenture not issued as part of a Debenture Certificate;
- (vvvv) "**Underlying Shares**" has the meaning ascribed thereto in Section 2.14;
- (wwww) "**Underwriters**" means, collectively, CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., AltaCorp Capital Inc., Cormark Securities Inc., Scotia Capital Inc., Macquarie Capital Markets Canada Ltd., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Beacon Securities Limited, Haywood Securities Inc., Industrial Alliance Securities Inc., Desjardins Securities Inc. and Paradigm Capital Inc. ;
- (xxxx) "**Underwriting Agreement**" means the agreement dated as of July 23, 2019 among the Corporation and the Underwriters in respect of the Initial Debenture offering;
- (yyyy) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (zzzz) "**U.S. Legend**" has the meaning ascribed thereto in Section 2.14; and
- (aaaa) "**Written Direction of Tidewater**" means an instrument in writing signed by any one officer or director of Tidewater.

1.2 Meaning of "outstanding"

Every Debenture Authenticated and delivered by the Debenture Trustee hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Debenture Trustee for cancellation, conversion or redemption and monies and/or Common Shares, as the case may be, for the payment thereof shall have been set aside under Article 9, provided that:

- (a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;

- (b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (c) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by Tidewater or its Subsidiaries shall be disregarded except that:
 - (i) for the purpose of determining whether the Debenture Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Debenture Trustee knows are so owned and based solely on an Officer's Certificate detailing the particulars and registrations of any Debentures owned directly or indirectly, legally or equitably by the Corporation or any Subsidiary shall be so disregarded; and
 - (ii) Debentures so owned which have been pledged in good faith other than to Tidewater or its Subsidiaries shall not be so disregarded if the pledgee shall establish to the satisfaction of the Debenture Trustee the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of Tidewater or a Subsidiary of Tidewater.

1.3 Interpretation

In this Indenture:

- (a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;
- (b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;
- (c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture;
- (d) words and terms denoting inclusiveness (such as "**include**" or "**includes**" or "**including**"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them; and
- (e) all references to statutes refer, unless otherwise specified, to such statutes as amended from time to time.

1.4 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

1.5 Applicable Law

This Indenture and the Debentures shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

1.6 Invalidity, Etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

1.7 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Initial Debenture attached hereto as Schedule "A", be drawn up in the English language only.

1.8 Successors and Assigns

All covenants and agreements in this Indenture by Tidewater shall bind its Successors and assigns, whether expressed or not. All covenants and agreements of the Debenture Trustee in this Indenture shall bind its successors.

1.9 Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

1.10 Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any paying agent, the holders of Debentures and the Senior Creditors, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.11 Currency of Payment

Unless otherwise indicated in a supplemental indenture with respect to any particular series of Debentures, all payments to be made under this Indenture or a supplemental indenture shall be made in Canadian dollars.

1.12 Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day without any additional interest, cost or charge to the Corporation.

1.13 Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with GAAP. For greater certainty, GAAP shall include any accounting standards, including

International Financial Reporting Standards, that may from time to time be approved for general application by the Chartered Professional Accountants of Canada.

1.14 Calculations

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of the Conversion Price, the Current Market Price and the Current Market Price for the Interest Obligation. The Corporation shall make such calculations in good faith and, absent manifest error, the Corporation's calculations shall be final and binding on holders and the Trustee. The Corporation will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

1.15 Schedules

The following Schedules are incorporated into and form part of this Indenture:

Schedule "A" - Form of Initial Debenture
 Schedule "B" - Form of Redemption Notice
 Schedule "C" - Form of Maturity Notice
 Schedule "D" - Form of Notice of Conversion

In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2 THE DEBENTURES

2.1 Limit of Debentures

Subject to the limitation in respect of the Initial Debentures set out in Section 2.4(a), the aggregate principal amount of Debentures authorized to be issued under this Indenture is unlimited, but Debentures may be issued only upon and subject to the conditions and limitations herein set forth.

2.2 Terms of Debentures of any Series

The Debentures may be issued in one or more series. There shall be established herein or in or pursuant to one or more indentures supplemental hereto, prior to the initial issuance of Debentures of any particular series (other than Initial Debentures, which are provided for in Section 2.4):

- (a) the designation of the Debentures of the series (which need not include the term "**Debentures**"), which shall distinguish the Debentures of the series from the Debentures of all other series;
- (b) any limit upon the aggregate principal amount of the Debentures of the series that may be Authenticated and delivered under this Indenture (except for Debentures Authenticated and delivered upon registration of, transfer of, amendment of, or in exchange for, or in lieu of, other Debentures of the series pursuant to Sections 2.9, 2.10, 3.2 and 3.5 and Article 4 and Article 6);
- (c) the date or dates on which the principal of the Debentures of the series is payable;
- (d) the rate or rates at which the Debentures of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;

- (e) the place or places where the principal of and any interest on Debentures of the series shall be payable or where any Debentures of the series may be surrendered for registration of transfer or exchange;
- (f) the right, if any, of Tidewater to redeem Debentures of the series, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, Debentures of the series may be so redeemed, pursuant to any sinking fund or otherwise;
- (g) the obligation, if any, of Tidewater to redeem, purchase or repay Debentures of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, Debentures of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- (h) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Debentures of the series shall be issuable;
- (i) subject to the provisions of this Indenture, any trustees, Depositories, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Debentures of the series;
- (j) any other events of default or covenants with respect to the Debentures of the series;
- (k) whether and under what circumstances the Debentures of the series will be convertible into or exchangeable for securities of any person;
- (l) the form and terms of the Debentures of the series;
- (m) if applicable, that the Debentures of the series shall be issuable as Fully Registered Debentures or Uncertificated Debentures;
- (n) if other than Canadian currency, the currency in which the Debentures of the series are issuable; and
- (o) any other terms of the Debentures of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Debentures of any one series shall be substantially identical, except as may otherwise be established herein or by or pursuant to a resolution of the directors of the Corporation, Officer's Certificate or in an indenture supplemental hereto. All Debentures of any one series need not be issued at the same time and may be issued from time to time, including pursuant to a Periodic Offering, consistent with the terms of this Indenture, if so provided herein, by or pursuant to such resolution of the directors of the Corporation, Officer's Certificate or in an indenture supplemental hereto.

2.3 Form of Debentures

Except in respect of the Initial Debentures, the form of which is provided for herein, the Debentures of each series shall be substantially in such form or forms (not inconsistent with this Indenture) as shall be established herein or by or pursuant to one or more resolutions of the directors of the Corporation (as set forth in a resolution of the directors of the Corporation or to the extent established pursuant to, rather than set forth in, a resolution of the Corporation, in an Officer's Certificate detailing such establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have imprinted or otherwise reproduced thereon such legend or legends or

endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform to general usage, all as may be determined by the director or officer of Tidewater executing such Debentures, as conclusively evidenced by his or her execution of such Debentures.

2.4 Form and Terms of Initial Debentures

- (a) The first series of Debentures (the "**Initial Debentures**") authorized for issue immediately is limited to an aggregate principal amount of up to \$86,250,000 with \$75,000,000 to be issued upon the execution hereof with a further principal amount of up to \$11,250,000 issuable when, and if, the Over-Allotment Option is exercised. The Initial Debentures shall be designated as "5.50% Convertible Unsecured Subordinated Debentures". The Debenture Trustee has been appointed as transfer agent and registrar of the Initial Debentures.
- (b) The Initial Debentures shall be dated as of August 8, 2019 and shall mature on September 30, 2024 (the "**Maturity Date**" for the Initial Debentures).
- (c) The Initial Debentures shall bear interest from the date of issue at the rate of 5.50% per annum, payable in semi-annual payments in arrears on the last Business Day in March and September in each year, with the first Interest Payment Date to fall due on March 31, 2020 and the last Interest Payment Date (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date of the Initial Debentures) to fall due on September 30, 2024, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded semi-annually. For certainty, the first interest payment will include accrued interest from and including August 8, 2019 to but excluding March 31, 2020 and shall be \$35.56164384 per \$1,000 principal amount of Initial Debentures.
- (d) The Initial Debentures will be redeemable in accordance with the terms of Article 4, provided that the Initial Debentures will not be redeemable prior to September 30, 2022, except in the event of the satisfaction of certain conditions after a Change of Control has occurred as provided herein. On or after September 30, 2022, and prior to September 30, 2023, the Initial Debentures may be redeemed at the option of Tidewater, in whole or in part, from time to time on notice as provided for in Section 4.3 at a Redemption Price equal to the principal amount of the Initial Debentures plus accrued and unpaid interest, if any, up to and excluding the date set for redemption, provided that the Current Market Price of the Common Shares on the date on which such notice of redemption is given is at least 125% of the Conversion Price and Tidewater shall have provided to the Debenture Trustee an Officer's Certificate confirming such Current Market Price. On or after September 30, 2023 and prior to maturity, the Initial Debentures may be redeemed at the option of Tidewater, in whole or in part, from time to time on notice as provided for in Section 4.3, at a Redemption Price equal to the principal amount of the Initial Debentures plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The Redemption Notice for the Initial Debentures shall be substantially in the form of Schedule "B". In the event that a holder of Debentures exercises their conversion right following a Redemption Notice by the Corporation, such holder shall be entitled to receive accrued and unpaid interest, in addition to the applicable number of Common Shares to be received on conversion, for the period from and including the latest Interest Payment Date prior to, but excluding, the Date of Conversion.
- (e) The Initial Debentures will be subordinated to the Senior Indebtedness of Tidewater in accordance with the provisions of Article 5.
- (f) Upon and subject to the provisions and conditions of Article 6, each Initial Debenture shall be convertible into Freely Tradeable Common Shares, at the option of the Debentureholder, at any time prior to the close of business on the earliest of (i) the Business Day immediately preceding the Maturity Date, (ii) if called for redemption, on the Business Day immediately preceding the date fixed

for redemption, or (iii) if called for repurchase pursuant to a Change of Control, on the Business Day immediately preceding the payment date (the earlier of which will be the "**Time of Expiry**" for the purposes of Article 6 in respect of the Initial Debentures), into 537.6344 Common Shares for each \$1,000 principal amount of Debentures, representing a Conversion Price of \$1.86 per Common Share, subject to adjustment as provided in this Indenture (provided that, if called for repurchase pursuant to a Change of Control, under no circumstances will the representative Conversion Price be less than \$1.069655). In the event that a Debentureholder exercises their conversion right, such holder will be entitled to receive accrued and unpaid interest, in addition to the applicable number of Common Shares to be received on conversion, for the period from the last Interest Payment Date up to but excluding the Date of Conversion.

Except as provided below, no adjustment will be made for dividends or distributions on Common Shares issuable upon conversion the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 6 or for interest accrued since the most recent Interest Payment Date on the Initial Debentures which are surrendered for conversion. The Conversion Price applicable to and the Common Shares, securities or other property receivable on the conversion of the Initial Debentures is subject to adjustment pursuant to the provisions of Section 6.5.

- (g) On redemption or on maturity of the Initial Debentures, Tidewater may, at its option and subject to the provisions of Sections 4.6 and 4.10, as applicable, and subject to regulatory approval, elect to satisfy its obligation to pay all or a portion of the aggregate principal amount of, premium (if any) and accrued and unpaid interest on the Initial Debentures by issuing and delivering to such holders of Initial Debentures Freely Tradeable Common Shares pursuant to the provisions of Sections 4.6 and 4.10 as applicable. If Tidewater elects to exercise such option, it shall provide details in the Redemption Notice or deliver a maturity notice (the "**Maturity Notice**") to the holders of the Initial Debentures substantially in the form of Schedule "B" or Schedule "C", as applicable.
- (h) The Initial Debentures shall be issued in denominations of \$1,000 and integral multiples of \$1,000 and the Debenture Trustee is hereby appointed as registrar and transfer agent for the Initial Debentures at its principal offices in Toronto, Ontario. Each Initial Debenture issued as a Debenture Certificate and the certificate of the Debenture Trustee endorsed thereon shall be issued in substantially the form set out in Schedule "A", with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the director or officer of the Corporation executing such Initial Debenture in accordance with Section 2.7 hereof, as conclusively evidenced by their execution of an Initial Debenture. Each Initial Debenture issued as a Debenture Certificate shall additionally bear such distinguishing letters and numbers as the Debenture Trustee shall approve. Notwithstanding the foregoing, an Initial Debenture may be in such other form or forms as may, from time to time, be approved by a resolution of the Board of Directors, or as specified in an Officers' Certificate. The Initial Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another, including non-certificated electronic form.

The Initial Debentures shall initially be issued as Uncertificated Debentures.

- (i) Upon and subject to the provisions and conditions of Article 10, Tidewater may elect, from time to time, to satisfy its Interest Obligation on the Initial Debentures on any Interest Payment Date by delivering Freely Tradeable Common Shares to the Debenture Trustee.

- (j) Pursuant to the following provisions, Tidewater may be required to repurchase the outstanding Debentures. The terms and conditions of such obligation (in addition to complying with Applicable Securities Legislation) are set forth below:
- (i) At least 15 days prior to the anticipated effective date of an occurrence of a Change of Control, Tidewater shall deliver to the Debenture Trustee a notice in writing stating that a Change of Control is anticipated and specifying the date on which such Change of Control is anticipated to be effective and the circumstances or events giving rise to such Change of Control together with a cash offer in writing (the "**Debenture Offer**") to purchase all (or any portion actually tendered to such offer) of the Initial Debentures then outstanding from the holders thereof at a price per Initial Debenture equal to 100% of the principal amount thereof together with accrued and unpaid interest thereon up to but excluding the Change of Control Purchase Date (as defined below) (the "**Debenture Offer Price**"). The Debenture Trustee will promptly thereafter deliver, by prepaid courier or mail, the Debenture Offer to the holders of all Initial Debentures then outstanding, at their addresses appearing in the registers of holders of Initial Debentures maintained by the Debenture Trustee.
 - (ii) The Debenture Offer shall specify the date (the "**Debenture Offer Expiry Date**") and time (the "**Debenture Offer Expiry Time**") on which the Debenture Offer shall expire which date and time shall not, unless otherwise required by Applicable Securities Legislation, be earlier than the close of business on the 35th day and not later than the close of business on the 60th day following the date on which such Debenture Offer is made.
 - (iii) The Debenture Offer shall specify that the Debenture Offer may be accepted by the holders of Initial Debentures by tendering the Initial Debentures so held by them to the Debenture Trustee at its principal offices in Toronto, Ontario at or before the Debenture Offer Expiry Time together with an acceptance notice (the "**Acceptance Notice**") in form and substance acceptable to the Debenture Trustee.
 - (iv) The Debenture Offer shall state that holders of Initial Debentures may accept the Debenture Offer in respect of all or a portion (in a minimum amount of \$1,000 principal amount and multiples thereof) of their Initial Debentures.
 - (v) The Debenture Offer shall specify a date (the "**Change of Control Purchase Date**") no later than the third Business Day following the Debenture Offer Expiry Date on which Tidewater shall take up and pay for all Initial Debentures duly tendered and not withdrawn in acceptance of the Debenture Offer.
 - (vi) Tidewater shall, on or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to the Change of Control Purchase Date, pay to the Debenture Trustee by wire transfer or such other means as may be acceptable to the Debenture Trustee, an amount of money sufficient to pay the aggregate Debenture Offer Price in respect of all Initial Debentures duly tendered to the Debenture Offer (less any tax required by law to be deducted). The Debenture Trustee, on behalf of Tidewater, will pay the Debenture Offer Price to the holders of Initial Debentures in the respective amounts to which they are entitled in accordance with the Debenture Offer as aforesaid.
 - (vii) If Debentures representing 90% or more of the aggregate principal amount of Initial Debentures outstanding on the date Tidewater delivers the Debenture Offer to the Debenture Trustee (other than Debentures held at such date by or on behalf of the Corporation, associates or affiliates of the Corporation or anyone acting jointly or in concert with the Corporation, within the meaning of NI 62-104) are tendered for purchase pursuant to the Debenture Offer, the Corporation shall have the right (the "**90% Redemption Right**"), upon written notice (the "**90% Redemption Right Notice**")

provided to the Debenture Trustee within 10 Business Days following the Debenture Offer Expiry Date, to redeem on the purchase date specified in the 90% Redemption Right Notice all the Initial Debentures remaining outstanding at the Debenture Offer Price and on the other terms and conditions provided herein. Upon receipt of such notice by the Debenture Trustee, the Debenture Trustee shall promptly provide written notice to each holder of outstanding Initial Debentures (other than those that have accepted the Debenture Offer) that:

- (A) Tidewater has exercised the 90% Redemption Right and is purchasing all outstanding Initial Debentures effective as at the Change of Control Purchase Date at the Debenture Offer Price;
 - (B) such holder must surrender its Initial Debentures to the Debenture Trustee on the same terms as those holders that accepted the Debenture Offer within 10 Business Days after the sending of such notice; and
 - (C) the rights of such holder under the terms of the Initial Debentures and this Indenture shall cease to be effective as of the Change of Control Purchase Date provided Tidewater has, on or before the date on which Tidewater delivers the 90% Redemption Right Notice to the Debenture Trustee, paid the aggregate Debenture Offer Price to, or to the order of, the Debenture Trustee and thereafter such holder's Initial Debentures shall not be considered to be outstanding and such holder shall not have any rights hereunder except to receive such Debenture Offer Price to which such holder is entitled upon surrender and delivery of such holder's Initial Debentures in accordance with the Indenture.
- (viii) Tidewater shall on or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to the date on which Tidewater delivers the 90% Redemption Right Notice pay to the Debenture Trustee by wire transfer or such other means as may be acceptable to the Debenture Trustee an amount of money sufficient to pay the aggregate Debenture Offer Price in respect of all Initial Debentures to be redeemed pursuant to the 90% Redemption Right (less any tax required by law to be deducted). The Debenture Trustee, on behalf of Tidewater, will pay the Debenture Offer Price to the holders of Initial Debentures in the respective amounts to which they are entitled in accordance with the exercise of the 90% Redemption Right as aforesaid upon surrender and delivery of such holders' Initial Debentures.
- (ix) The Initial Debentures in respect of which Tidewater has made payment to the Debenture Trustee in accordance with the terms of this Section 2.4(j) (or the portion thereof tendered in acceptance of the Debenture Offer) shall thereafter no longer be considered to be outstanding under this Indenture. Tidewater shall also deposit with the Debenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Debenture Trustee in connection with the Debenture Offer and the exercise of the 90% Redemption Right, if applicable. All Initial Debentures in respect of which payment of the Debenture Offer Price has been so made shall be cancelled by the Debenture Trustee.
- (x) In the event only a portion of the principal amount of an Initial Debenture is tendered by a holder thereof in acceptance of the Debenture Offer, Tidewater shall execute and deliver to the Debenture Trustee and the Debenture Trustee shall Authenticate, without charge to such holder, a certificate (if applicable) or such other evidence of ownership representing the principal amount of the Initial Debenture not so tendered in acceptance of the Debenture Offer.
- (xi) Initial Debentures for which holders have accepted the Debenture Offer and Initial Debentures which the Corporation has elected to redeem in accordance with this

Section 2.4(j) shall become due and payable at the Debenture Offer Price on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Initial Debentures, anything therein or herein to the contrary notwithstanding, and from and after the Change of Control Purchase Date, if the money necessary to purchase or redeem, or the Common Shares necessary to purchase or redeem, the Initial Debentures shall have been deposited as provided in this Section 2.4(j) and affidavits or other proofs satisfactory to the Debenture Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Initial Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Debenture Trustee whose decision shall be final and binding upon all parties in interest.

- (xii) In case the holder of any Initial Debenture to be purchased or redeemed in accordance with this Section 2.4(j) shall fail on or before the Change of Control Purchase Date to so surrender such holder's Initial Debenture or shall not within such time accept payment of the monies payable, to take delivery of such Common Shares issuable in respect thereof, or give such receipt therefor, if any, as the Debenture Trustee may require, such monies may be set aside in trust, or such Common Shares may be held in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum or the Common Shares so set aside and the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited, or take delivery of the Common Shares so deposited, or both, upon surrender and delivery of such holder's Initial Debenture. In the event that any money or Common Shares required to be deposited hereunder with the Debenture Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Initial Debentures issued hereunder shall remain so deposited for a period of three years less a day from the Change of Control Purchase Date (the "**Unclaimed Funds Return Date**"), then such monies (together with any accumulated interest thereon, if any) or Common Shares, together with any distributions paid thereon, shall at the end of such period be paid over or delivered over by the Debenture Trustee or such depository or paying agent to the Corporation at the Written Direction of the Corporation and the Debenture Trustee shall not be responsible to Debentureholders for any amounts owing to them.
 - (xiii) Subject to the provisions above related to Initial Debentures purchased in part, all Initial Debentures redeemed and paid under this Section 2.4(j) shall forthwith be delivered to the Debenture Trustee and cancelled and no Initial Debentures shall be issued in substitution therefor.
- (k) In addition to the requirements of Section 2.4(j) in respect of a Change of Control and subject to regulatory approval, the following provisions shall apply in respect of the occurrence of a Cash Change of Control occurring on or before September 30, 2023:
- (i) During the period beginning ten trading days before the anticipated date on which the Cash Change of Control becomes effective and ending on the date that is 30 days after the Debenture Offer is delivered to holders of Initial Debentures in accordance with Section 2.4(j)(i) (the "**Cash Change of Control Conversion Period**"), holders of Initial Debentures will be entitled to convert their Initial Debentures, in whole or in part, and receive, in addition to the number of Common Shares (or cash or other property or securities in substitution therefor) they would otherwise be entitled to receive in accordance with the provisions and conditions of Section 2.4(j) and Article 6, an additional number of Common Shares (or cash or other property or securities in substitution therefor) per \$1,000 principal amount of Initial Debentures as set forth in this Section 2.4(k) (the "**Make Whole Premium**").

- (ii) The number of additional Common Shares per \$1,000 principal amount of Initial Debentures constituting the Make Whole Premium (the "**Make Whole Premium Shares**") will be determined by Tidewater, with written notification of same given to the Debenture Trustee, by reference to the table following subsection 2.4(k)(iii) and is based on the date on which the Cash Change of Control becomes effective (the "**Effective Date**") and the price (the "**Cash Offer Price**") paid per Common Share in the transaction constituting the Change of Control. If holders of Common Shares receive (or are entitled and able in all circumstances to receive) only cash in the transaction constituting the Change of Control, the Cash Offer Price shall be the cash amount paid per Common Share. Otherwise, the Cash Offer Price shall be equal to the Current Market Price of the Common Shares on the day immediately preceding the Effective Date; provided that for the purposes of this Section 2.4(k)(ii) and the determination of the Current Market Price, the applicable period shall be calculated based on the Current Market Price on the applicable date. Notwithstanding the foregoing, in no circumstances can the effective Conversion Price (calculated by dividing \$1,000 by the number of Common Shares issuable upon conversion, including the maximum number of Make Whole Premium Shares hereunder) be less than the maximum permitted discounted price permitted by the TSX (or such other recognized exchange on which the Debentures are then listed) at the time of announcement of the Initial Debenture offering, prior to any adjustments that may be made to the Cash Offer Price to correspond to an adjustment to the Conversion Price under this Indenture.
- (iii) The following table shows the number of Make Whole Premium Shares for each hypothetical Cash Offer Price and Effective Date set forth below, expressed as additional Common Shares per \$1,000 principal amount of Initial Debentures. For the avoidance of doubt, the Corporation shall not be obliged to pay the Make Whole Premium otherwise than by issuance of the applicable number of Common Shares in excess of the number of Common Shares to which holders would otherwise have been entitled at the Conversion Price (the "**Base Shares**") upon conversion of the Initial Debentures in accordance with the provisions and conditions of Section 2.4(f) and Article 6.

**Make-Whole Premium Upon a Change of Control
(Number of Additional Common Shares per \$1,000 Debenture)**

Offer Price	Effective Date					
	August 8, 2019	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023
\$1.33	214.2481	214.2453	214.2453	214.2453	214.2453	214.2453
\$1.35	207.6963	207.4148	203.1063	203.1063	203.1063	203.1063
\$1.40	192.3643	192.0071	186.2500	176.6513	176.6513	176.6513
\$1.45	178.3931	177.9724	171.1448	160.1310	152.0208	152.0208
\$1.50	165.6333	165.1667	157.4000	145.2000	130.6867	129.0323
\$1.75	116.2229	115.6171	104.9371	89.0629	68.7543	33.7942
\$2.00	83.5700	82.9700	71.4850	54.7700	33.1450	0.5150
\$2.25	61.3467	60.8222	49.7600	33.9956	11.8000	-
\$2.50	45.8120	45.3920	35.3800	21.5280	-	-
\$3.00	26.5433	26.3533	18.9667	9.5700	-	-
\$3.50	15.8314	15.7057	10.8029	4.9371	-	-
\$4.00	9.4800	9.0350	6.3250	2.7625	-	-
\$5.00	3.2400	2.6440	1.9780	0.7240	-	-
\$7.50	0.9760	0.7387	-	-	-	-
\$10.00	0.8860	0.7490	-	-	-	-
\$15.00	0.0067	-	-	-	-	-

- (iv) The actual Cash Offer Price and Effective Date may not be set forth on the table above, in which case:
 - (A) if the actual Cash Offer Price on the Effective Date is between two Cash Offer Prices on the table and/or the actual Effective Date is between two Effective Dates on the table, the number of Make Whole Premium Shares will be determined by a straight-line interpolation between the Make Whole Premium set forth for the two Cash Offer Prices and/or the two Effective Dates on the table based on a 365-day year, as applicable;
 - (B) if the Cash Offer Price on the Effective Date exceeds \$15.00 per Common Share, subject to adjustment as described below, the Make Whole Premium and the number of Make Whole Premium Shares to be issued will be zero; and
 - (C) if the Cash Offer Price on the Effective Date is less than \$1.33 per Common Share, subject to adjustment as described below, the Make Whole Premium and the number of Make Whole Premium Shares to be issued will be zero.
- (v) The Cash Offer Prices set forth in the table above will be adjusted as of any date on which the Conversion Price of the Initial Debentures is adjusted. The adjusted Cash Offer Prices will equal the Cash Offer Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Price as so adjusted and the denominator of which is the Conversion Price immediately prior to the adjustment giving rise to the Cash Offer Price adjustment. The number of Make Whole Premium Shares set forth in the table above will be adjusted in the manner that is inversely proportional to the adjustment of the Conversion Price as set forth under Section 6.5, other than as a result of an adjustment to the Conversion Price by adding the Make Whole Premium as described above. The provisions of Section 6.11 shall be applicable in connection with determinations under this Section 2.4(k).
- (vi) Notwithstanding the foregoing, if the Date of Conversion of any Initial Debentures occurs during the period beginning on the tenth trading day prior to the Effective Date and ending at the close of business on the Effective Date, the holders of such Initial Debentures shall, on conversion of their Initial Debentures, only be entitled to receive that number of Make Whole Premium Shares as may be adjusted pursuant to Section 6.5 on the Business Day immediately following the Effective Date and, for greater certainty, only if the Change of Control occurs. The Base Shares shall be issued in accordance with the terms of this Indenture applicable to a conversion of Initial Debentures otherwise than during the Cash Change of Control Conversion Period, including at the then applicable Conversion Price.
- (vii) The Make Whole Premium Shares shall be deemed to have been issued upon conversion of Initial Debentures effective as of the Business Day immediately following the Effective Date. Section 6.5 shall apply to such conversion and, for greater certainty, the former holders of Initial Debentures in respect of which the Make Whole Premium Shares are issuable shall be entitled to receive and shall accept, in lieu of the Make Whole Premium Shares, the number of shares or other securities or property of the Corporation or of the person or other entity resulting from the transaction that constitutes the Cash Change of Control that such holders would have been entitled to receive if such holders had been the registered holders of the applicable number of Make Whole Premium Shares on the Effective Date.
- (viii) Except as otherwise provided in this Section 2.4(k), all other provisions of this Indenture applicable to a conversion of Initial Debentures shall apply to a conversion of Initial Debentures during the Cash Change of Control Conversion Period.

- (l) The Debenture Trustee shall be provided with the documents and instruments referred to in Subsections 2.5(b), 2.5(c) and 2.5(d) with respect to the Initial Debentures prior to the issuance of the Initial Debentures.

2.5 Authentication and Delivery of Additional Debentures

Tidewater may from time to time request the Debenture Trustee to Authenticate and deliver Additional Debentures of any series by delivering to the Debenture Trustee the documents referred to below in this Section 2.5 whereupon the Debenture Trustee shall Authenticate such Debentures and cause the same to be delivered in accordance with the Written Direction of Tidewater referred to below or pursuant to such procedures acceptable to the Debenture Trustee as may be specified from time to time by a Written Direction of Tidewater. The Maturity Date, issue date, interest rate (if any) and any other terms of the Debentures of such series shall be set forth in or determined by or pursuant to such Written Direction of Tidewater. In Authenticating such Debentures, the Debenture Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

- (a) an executed supplemental indenture by or pursuant to which the form and terms of such Additional Debentures were established;
- (b) a Written Direction of Tidewater requesting Authentication and delivery of such Additional Debentures and setting forth delivery instructions, provided that, with respect to Debentures of a series subject to a Periodic Offering:
 - (i) such Written Direction of Tidewater may be delivered by Tidewater to the Debenture Trustee prior to the delivery to the Debenture Trustee of such Additional Debentures of such series for Authentication and delivery;
 - (ii) the Debenture Trustee shall Authenticate and deliver Additional Debentures of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such series, pursuant to a Written Direction of Tidewater or pursuant to procedures acceptable to the Debenture Trustee as may be specified from time to time by a Written Direction of Tidewater; and
 - (iii) the Maturity Date or Dates, issue date or dates, interest rate or rates (if any) and any other terms of Additional Debentures of such series shall be determined by an executed supplemental indenture or by Written Direction of Tidewater or pursuant to such procedures;
- (c) an opinion of Counsel, in form and substance satisfactory to the Debenture Trustee, acting reasonably, to the effect that all requirements imposed by this Indenture or by law in connection with the proposed issue of Additional Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and
- (d) an Officer's Certificate certifying that Tidewater is not in default under this Indenture, that the terms and conditions for the Authentication and delivery of Additional Debentures (including those set forth in Section 15.5), have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate and that no Event of Default exists or will exist upon such Authentication and delivery.

2.6 Non-Certificated Deposit

- (a) Subject to the provisions hereof, at the Corporation's option, Debentures may be issued and registered in the name of CDS or its nominee and:
- (i) the deposit of which may be confirmed electronically by the Debenture Trustee to a particular Depository Participant through CDS; and
 - (ii) shall be identified by a specific CUSIP/ISIN as requested by the Corporation from CDS to identify each specific series of Debentures and the Initial Debentures shall be identified by CUSIP 886453AB5 and ISIN CA886453AB52.
- (b) If the Corporation issues Uncertificated Debentures, Beneficial Holders of such Debentures registered and deposited with CDS shall not receive Debenture Certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any supplemental indenture. Beneficial interests in Debentures registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Debentures registered and deposited with CDS between Depository Participants shall occur in accordance with the rules and procedures of CDS. Neither the Corporation nor the Debenture Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by CDS or its nominee, on account of the beneficial interests in Debentures registered and deposited with CDS. Nothing herein shall prevent the Beneficial Holders of Debentures registered and deposited with CDS from voting such Debentures using duly executed proxies or voting instruction forms.
- (c) All references herein to actions by, notices given or payments made to Debentures shall, where Debentures are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Depository Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Debentureholders evidencing a specified percentage of the aggregate Debentures outstanding, such direction or consent may be given by Beneficial Holders acting through CDS and the Depository Participants owning Debentures evidencing the requisite percentage of the Debentures. The rights of a Beneficial Holder whose Debentures are held through CDS shall be exercised only through CDS and the Depository Participants and shall be limited to those established by law and agreements between such holders and CDS and the Depository Participants upon instructions from the Depository Participants. Each of the Debenture Trustee and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Debentures and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.
- (d) For so long as Debentures are held through CDS, if any notice or other communication is required to be given to Debentureholders, the Debenture Trustee will give such notices and communications to CDS.
- (e) If CDS resigns or is removed from its responsibility as Depository and Tidewater is unable or does not wish to locate a qualified successor, CDS shall provide Tidewater with instructions for registration of Debentures in the names and in the amounts specified by CDS and the Corporation shall issue and the Debenture Trustee shall Authenticate and deliver the aggregate number of Debentures then outstanding in the form of definitive Debenture Certificates representing such Debentures.
- (f) The rights of Beneficial Holders who hold securities entitlements in respect of the Debentures through the non-certificated inventory system administered by CDS shall be limited to those established by applicable law and agreements between the Depository and the Depository Participants and between such Depository Participants and the Beneficial Holders who hold

securities entitlements in respect of the Debentures through the non-certificated inventory system administered by CDS, and such rights must be exercised through a Depository Participant in accordance with the rules and procedures of the Depository.

- (g) Notwithstanding anything herein to the contrary, none of the Corporation nor the Debenture Trustee nor any agent thereof shall have any responsibility or liability for:
- (i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Debentures or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Debenture represented by an electronic position in the non-certificated inventory system administered by CDS (other than the Depository or its nominee);
 - (ii) for maintaining, supervising or reviewing any records of the Depository or any Depository Participant relating to any such interest; or
 - (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Depository Participant.
- (h) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Debentures shall be evidenced by Debenture Certificates registered in the name of a person other than the Depository.

2.7 Execution of Debentures

All Debenture Certificates shall be signed (either manually or by facsimile or electronic signature) by any one authorized director or officer of Tidewater holding office at the time of signing. A facsimile or portable document folder (pdf) signature upon a Debenture Certificate shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual or in electronic or facsimile, appears on a Debenture Certificate as a director or officer may no longer hold such office at the date of the Debenture or at the date of the Authentication and delivery thereof, such Debenture Certificate shall be valid and binding upon Tidewater and entitled to the benefits of this Indenture.

2.8 Authentication

- (a) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been Authenticated by or on behalf of the Debenture Trustee substantially in the form set out in this Indenture, in the relevant supplemental indenture, or in some other form approved by the Debenture Trustee. Such Authentication on any Debenture shall be conclusive evidence as against Tidewater that such Debenture is duly issued, is a valid obligation of Tidewater and the holder is entitled to the benefits hereof.
- (b) The Authentication of the Debenture Trustee on the Debentures, or interim Debentures hereinafter mentioned, shall not be construed as a representation or warranty by the Debenture Trustee as to the validity of this Indenture or of the Debentures or interim Debentures or as to the issuance of the Debentures or interim Debentures or as to the performance by Tidewater of its obligations under this Indenture and the Debenture Trustee shall in no respect be liable or answerable for the use made of the Debentures or interim Debentures or any of them or the proceeds thereof. The Authentication of the Debenture Trustee on the Debentures or interim Debentures shall, however, be a representation and warranty by the Debenture Trustee that the Debentures or interim Debentures have been duly Authenticated by or on behalf of the Debenture Trustee pursuant to the provisions of this Indenture.

- (c) The Debenture Trustee shall Authenticate Uncertificated Debentures (whether upon original issuance, exchange, registration of transfer or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Debentures under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Debentures have been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Debentures with respect to which this Indenture requires the Debenture Trustee to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Debentures are binding on the Corporation.

2.9 Interim Debentures or Certificates

Pending the delivery of definitive Debentures of any series to the Debenture Trustee, Tidewater may issue and the Debenture Trustee may Authenticate in lieu thereof interim Debentures in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; or Tidewater may execute and the Debenture Trustee may Authenticate a temporary Debenture for the whole principal amount of Debentures of the series then authorized to be issued hereunder and deliver the same to the Debenture Trustee and thereupon the Debenture Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Debenture so delivered to it, as Tidewater and the Debenture Trustee may approve entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery, the costs of which shall be borne by the Corporation; and, when so issued and Authenticated, such interim or temporary Debentures or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Debentures duly issued hereunder and, pending the exchange thereof for definitive Debentures, the holders of the interim or temporary Debentures or interim certificates shall be deemed without duplication to be Debentureholders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after Tidewater shall have delivered the definitive Debentures to the Debenture Trustee, the Debenture Trustee shall cancel such temporary Debentures, if any, and shall call in for exchange all interim Debentures or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by Tidewater or the Debenture Trustee to the holders of such interim or temporary Debentures or interim certificates for the exchange thereof. All interest paid upon interim or temporary Debentures or interim certificates shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

2.10 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed and in the absence of notice that such Debenture has been acquired by a bona fide purchaser (within the meaning of the *Business Corporations Act* (Alberta)), Tidewater, in its discretion, may issue, and thereupon the Debenture Trustee shall Authenticate and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Debenture Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. The new or substituted Debenture may have endorsed upon it the fact that it is in replacement of a previous Debenture. In case of loss, theft or destruction, the applicant for a substituted Debenture shall furnish to Tidewater and to the Debenture Trustee such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion and this will be a condition precedent to receiving the replacement Debenture. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

2.11 Concerning Interest

- (a) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall, subject to Section 2.4(c) with respect to the calculation of interest in respect of the initial interest payment on the Initial Debentures, bear interest (i) from and including their issue date, or (ii) from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on the outstanding Debentures of that series, whichever shall be the later, or, in respect of Debentures subject to a Periodic Offering, from and including their issue date or from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on such Debentures, in all cases, to but excluding the next Interest Payment Date or Maturity Date, as the case may be.
- (b) Unless otherwise specifically provided in the terms of the Debentures of any series, interest for any period of less than six months shall be computed on the basis of a year of 365 days and shall be based on the actual number of days in the applicable period. Subject to Section 2.4(c) in respect of the method for calculating the amount of interest to be paid on the Initial Debentures on the first Interest Payment Date in respect thereof, with respect to any series of Debentures, whenever interest is computed on a basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

2.12 Debentures to Rank *Pari Passu*

The Debentures will be direct unsecured obligations of Tidewater. Each Debenture of the same series of Debentures will rank *pari passu* with each other Debenture of the same series (regardless of their actual date or terms of issue) and, subject to statutory preferred exceptions, with all other present and future subordinated and unsecured indebtedness of Tidewater except for sinking fund provisions (if any) applicable to different series of Debentures or other similar types of obligations of Tidewater.

2.13 Payments of Amounts Due on Maturity

Except as may otherwise be provided herein or in any supplemental indenture in respect of any series of Debentures and subject to Section 4.10, payments of amounts due upon maturity of the Debentures will be made in the following manner. Tidewater will establish and maintain with the Debenture Trustee a Maturity Account for each series of Debentures. Each such Maturity Account shall be maintained by and be subject to the control of the Debenture Trustee for the purposes of this Indenture. On or before 12:00 p.m., (Toronto time) on the Business Day immediately prior to each Maturity Date for Debentures outstanding from time to time under this Indenture, Tidewater will deliver by wire transfer to the Debenture Trustee for deposit in the applicable Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including the principal amount together with any accrued and unpaid interest thereon less any tax required by law to be deducted). The Debenture Trustee, on behalf of Tidewater, will pay to each holder entitled to receive payment the principal amount of and premium (if any) and accrued and unpaid interest on the Debenture, upon surrender of the Debenture at the Debenture Trustee's principal office in Toronto, Ontario designated for such purpose from time to time by Tidewater and the Debenture Trustee. The delivery of such funds to the Debenture Trustee for deposit to the applicable Maturity Account will satisfy and discharge the liability of Tidewater for the Debentures to which the delivery of funds relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

2.14 U.S. Legend on the Debentures and Underlying Shares

The Debentures and the Common Shares issuable upon conversion thereof (the "**Underlying Shares**") and together with the Debentures, the "**Securities**") have not been and will not be registered under the 1933 Act or qualified under the securities laws of any states in the United States. To the extent that Debentures are offered or sold in the United States, such Debentures and the Underlying Shares, and all Debentures and Underlying Shares issued in exchange for or in substitution of the foregoing Securities, shall bear (or be held under a CUSIP that bears), unless otherwise directed by Tidewater, the following legend or such variations thereof as the Corporation may prescribe from time to time (the "**U.S. Legend**"):

THE SECURITIES REPRESENTED HEREBY [for the Debentures add: AND ANY SECURITIES ISSUABLE UPON CONVERSION HEREOF] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. (THE "CORPORATION"), THAT, IN THE ABSENCE OF REGISTRATION UNDER THE 1933 ACT BY THE CORPORATION, SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN ACCORDANCE WITH ALL LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.

2.15 Payment of Interest

The following provisions shall apply to Debentures, except as otherwise provided in Section 2.4(c) or a supplemental indenture relating to a particular series of Additional Debentures:

- (a) As interest becomes due on each Debenture (except at maturity, on conversion or on redemption, when interest may at the option of Tidewater be paid upon surrender of such Debenture) Tidewater, either directly or through the Debenture Trustee or any agent of the Debenture Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Debenture Trustee, payment of such interest (less any tax required to be withheld therefrom) to the order of the registered holder of such Debenture appearing on the registers maintained by the Debenture Trustee at the close of business on the 10th Business Day prior to the applicable Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs. If payment is to be made through the Debenture Trustee to the holders by cheque, Tidewater shall send to the Debenture Trustee the total interest payable (less any tax required to be withheld therefrom) on the applicable Interest Payment Date at least four Business Days prior thereto in order that such holders' cheques may be forwarded to them at least three days prior to the applicable Interest Payment Date and if payment is made through the Debenture Trustee by other means (such as electronic transfer of funds, provided the Debenture Trustee must receive confirmation of receipt of funds one Business Day prior to the applicable Interest Payment Date), such payment shall be made in a manner whereby the holder receives credit for such payment on

the applicable Interest Payment Date. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the person to whom it is so sent as aforesaid, Tidewater will issue or cause to be issued to such person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if Tidewater is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, Tidewater may make payment of such interest or make such interest available for payment in any other manner acceptable to the Debenture Trustee with the same effect as though payment had been made in the manner provided above.

- (b) All payments of interest on an Uncertificated Debenture shall be made by wire transfer made payable to the Depository or its nominee on the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture, unless the Corporation and the Depository otherwise agree. On or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to each Interest Payment Date for Uncertificated Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Debenture Trustee a wire transfer in an amount sufficient to pay the cash amount payable in respect of interest on such Uncertificated Debentures on such Interest Payment Date. None of the Corporation, the Debenture Trustee or any agent of the Debenture Trustee for any Debenture issued as an Uncertificated Debenture will be liable or responsible to any person for any aspect of the records related to or payments made on account of beneficial interests in any Uncertificated Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.

2.16 Withholding

- (a) The Corporation will be entitled to deduct and withhold any applicable taxes or similar charges (including interest, penalties or similar amounts in respect thereof) imposed or levied by or on behalf of the Canadian government or of any Province or territory thereof or any authority or agency therein or thereof having power to tax, including pursuant to the Tax Act, from any payment to be made on or in connection with the Debentures and, provided that the Corporation forthwith remits such withheld amount to such government, authority or agency and files all required forms in respect thereof and, at the same time, provides copies of such remittance and filing to the Debenture Trustee and the relevant Debentureholder, the amount of any such deduction or withholding will be considered an amount paid in satisfaction of the Corporation's obligations under the Debentures and there is no obligation on the Corporation to gross-up amounts paid to a holder in respect of such deductions or withholdings. For greater certainty, if any amount is required to be deducted and withheld in respect of taxes upon the conversion of a Debenture, the Corporation shall be entitled to liquidate such number of Common Shares issuable as a result of such conversion as shall be necessary in order to satisfy such requirement. The Corporation shall provide the Debenture Trustee and the relevant Debentureholder with copies of receipts or other communications relating to the remittance of such withheld amount or the filing of such forms received from such government, authority or agency promptly after receipt thereof.
- (b) The Debenture Trustee shall have no obligation to verify any payments under the Tax Act or any provision of provincial, state, local or foreign tax law. The Debenture Trustee shall at all times be indemnified and held harmless by the Corporation from and against any personal liabilities of the Debenture Trustee incurred in connection with the failure of the Corporation or its agents to report, remit or withhold taxes as required by the Tax Act or otherwise failing to comply with the Tax Act. This indemnification shall survive the resignation or removal of the Debenture Trustee and the termination of this Indenture solely to the extent that such liabilities have been incurred in connection with taxation years occurring during the term of this Indenture.

2.17 Right of Rescission

- (a) Upon the conversion of the principal amount of an Initial Debenture into Common Shares pursuant to Article 6 hereof, original purchasers of Initial Debentures under the Initial Debenture offering (the "**Original Purchasers**") shall have a right of action against the Corporation for rescission to receive the purchase price of the Initial Debentures, exercisable on notice given to the Corporation not more than 180 days subsequent to the date hereof, if the Prospectus, together with any amendment thereto, contains a misrepresentation (as such term is defined in the *Securities Act* (Alberta)). The foregoing right of action for rescission is only available to an Original Purchaser while he or she is a holder of the Common Shares issued upon the conversion of Initial Debentures pursuant to Article 6 hereof.
- (b) In no event shall the Corporation be liable under this Section 2.17 if the Original Purchaser purchased the Initial Debentures with knowledge of the misrepresentation.

ARTICLE 3 REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

3.1 Fully Registered Debentures

- (a) With respect to each series of Debentures issuable as Fully Registered Debentures, Tidewater shall cause to be kept by and at the principal office of the Debenture Trustee in Toronto, Ontario and by the Debenture Trustee or such other registrar as Tidewater, with the approval of the Debenture Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures of such series or as Tidewater may designate with the approval of the Debenture Trustee, a register in which shall be entered the names and addresses of the holders of Fully Registered Debentures and particulars of the Debentures held by them respectively and of all transfers of Fully Registered Debentures. Such registration shall be noted on the Debentures by the Debenture Trustee or other registrar unless a new Debenture shall be issued upon such transfer.
- (b) No transfer of a Fully Registered Debenture shall be valid unless made on such register referred to in Section 3.1(a) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Debenture Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Debenture Trustee and upon compliance with such other reasonable requirements as the Debenture Trustee or other registrar may prescribe, nor unless the name of the transferee shall have been noted on the Debenture by the Debenture Trustee or other registrar.

3.2 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Debenture Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture and by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between Tidewater and the transferor or any previous holder of such Debenture, save in respect of equities of which Tidewater is required to take notice by statute or by order of a court of competent jurisdiction. Upon surrender for registration of transfer of Debentures, the Corporation shall issue and thereupon the Debenture Trustee shall Authenticate and deliver a new Debenture Certificate or confirm the electronic deposit of Uncertificated Debentures of like tenor in the name of the designated transferee and register such transfer in accordance with Section 3.1. If less than all the Debentures evidenced by the Debenture Certificate(s) or Uncertificated Debentures so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Debenture Certificate or electronically deposited Uncertificated Debentures registered in his name evidencing the Debentures not transferred.

3.3 No Notice of Trusts

Neither Tidewater nor the Debenture Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the Beneficial Holder.

3.4 Registers Open for Inspection

The registers referred to in Sections 3.1 and 3.2 shall at all reasonable times be open for inspection by Tidewater, the Debenture Trustee or any Debentureholder during the regular business hours of the Debenture Trustee upon payment of its reasonable fees. Every registrar, including the Debenture Trustee, shall from time to time when requested so to do by Tidewater or by the Debenture Trustee, in writing, furnish Tidewater or the Debenture Trustee, as the case may be, with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder, provided the Debenture Trustee shall be entitled to charge a reasonable fee to provide such a list.

3.5 Exchanges of Debentures

- (a) Subject to Section 3.6, Debentures in any authorized form or denomination, other than Uncertificated Debentures, may be exchanged for Debentures in any other authorized form or denomination, of the same series and Maturity Date, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.
- (b) In respect of exchanges of Debentures permitted by Section 3.5(a), Debentures of any series may be exchanged only at the principal offices of the Debenture Trustee in the city of Toronto, Ontario or at such other place or places, if any, as may be specified in the Debentures of such series and at such other place or places as may from time to time be designated by Tidewater with the approval of the Debenture Trustee. Any Debentures tendered for exchange shall be surrendered to the Debenture Trustee. Tidewater shall execute and the Debenture Trustee shall Authenticate all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.
- (c) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner.

3.6 Closing of Registers

- (a) Neither Tidewater nor the Debenture Trustee nor any registrar shall be required to:
 - (i) make transfers or exchanges of any Debentures on any Interest Payment Date for such Debentures or during the ten preceding Business Days;
 - (ii) make transfers or exchanges of any Debentures on the day of any selection by the Debenture Trustee of Debentures to be redeemed or during the ten preceding Business Days; or
 - (iii) make transfers or exchanges of any Debentures which will have been selected or called for redemption unless upon due presentation thereof for redemption such Debentures shall not be redeemed.

- (b) Subject to any restriction herein provided, Tidewater with the approval of the Debenture Trustee may at any time close any register for any series of Debentures, other than those kept at the principal offices of the Debenture Trustee in Toronto, Ontario, and transfer the registration of any Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

3.7 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Debenture Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Debenture Trustee and Tidewater), and payment of such charges and reimbursement of the Debenture Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures of that series or, with respect to Debentures subject to a Periodic Offering, within a period of two months from the date of delivery of any such Debenture;
- (b) for any exchange of any interim or temporary Debenture or interim certificate that has been issued under Section 2.9 for a definitive Debenture;
- (c) for any exchange of an Uncertificated Debenture as contemplated in Section 3.1;
- (d) for any exchange of any Debenture resulting from a partial redemption under Section 4.2;
- (e) for any exchange of any Debenture resulting from a partial conversion under Section 6.4(i); or
- (f) for any exchange of any Debenture resulting from a partial purchase under Section 2.4(j),

and any applicable charges resulting from such actions under Section 3.7(a) to 3.7(f) shall be borne by the Corporation.

3.8 Ownership of Debentures

- (a) Unless otherwise required by law, the person in whose name any registered Debenture is registered shall for all the purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered holder.
- (b) The registered holder for the time being of any registered Debenture shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments, respectively, free from all equities or rights of set-off or counterclaim between Tidewater and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder for any such principal, premium or interest shall be a good discharge to Tidewater and/or the Debenture Trustee for the same and neither Tidewater nor the Debenture Trustee shall be bound to inquire into the title of any such registered holder.
- (c) Where Debentures are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all such holders,

failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge, to the Debenture Trustee, any registrar and to Tidewater.

- (d) In the case of the death of one or more joint holders of any Debenture, the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Debenture Trustee and any registrar and to Tidewater.

ARTICLE 4 REDEMPTION AND PURCHASE OF DEBENTURES AND CERTAIN PAYMENTS ON MATURITY

4.1 Applicability of Article

Subject to regulatory approval, Tidewater shall subject to the provision in Section 2.4(d) have the right at its option to redeem, either in whole at any time or in part from time to time before maturity, either by payment of money, by issuance of Freely Tradeable Common Shares as provided in Section 4.6 or any combination thereof, any Debentures issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable restriction on the redemption of Debentures of such series) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and as shall have been expressed in this Indenture, in the Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof, or in the case of Additional Debentures issued pursuant to a Periodic Offering, in the Written Direction of Tidewater requesting the Authentication and delivery thereof.

Subject to regulatory approval, Tidewater shall also have the right at its option to repay, either in whole or in part, on maturity, either by payment of money in accordance with Section 2.13, by issuance of Freely Tradeable Common Shares as provided in Section 4.10 or any combination thereof, the principal amount of any Debentures issued hereunder of any series which by their terms are made so repayable on maturity (subject however, to any applicable restriction on the repayment of the principal amount of the Debentures of such series, and accrued and unpaid interest) at such rate or rates of premium, if any, on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debenture and shall have been expressed in this Indenture, in the Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof, or in the case of Additional Debentures issued pursuant to a Periodic Offering, in the Written Direction of Tidewater requesting the Authentication and delivery thereof.

4.2 Partial Redemption

If less than all the Debentures of any series for the time being outstanding are at any time to be redeemed, or if a portion of the Debentures being redeemed are being redeemed for cash and a portion of such Debentures are being redeemed by the payment of Freely Tradeable Common Shares pursuant to Section 4.6, the Debentures to be so redeemed shall be selected by the Corporation on a *pro rata* basis to the nearest multiple of \$1,000 in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Corporation deems equitable, subject to the approval of the TSX, as may be required from time to time. Unless otherwise specifically provided in the terms of any series of Debentures, no Debenture shall be redeemed in part unless the principal amount redeemed is \$1,000 or a multiple thereof. For this purpose, the Corporation may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption in part or for redemption in cash and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding the fact that as a result thereof one or more of such Debentures may become subject to redemption in part only or for cash only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Price, together with interest accrued to but excluding the Redemption Date, Tidewater shall execute and the Debenture Trustee shall Authenticate and deliver without charge to

the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered or, with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system. Unless the context otherwise requires, the terms "**Debenture**" or "**Debentures**" as used in this Article 4 shall be deemed to mean or include any part of the principal amount of any Debenture, plus accrued and unpaid interest, if any, up to but excluding the Redemption Date, which in accordance with the foregoing provisions has become subject to redemption.

4.3 Notice of Redemption

Notice of redemption (the "**Redemption Notice**") of any series of Debentures shall be given to the holders of the Debentures so to be redeemed not more than 60 days nor, subject to Section 4.6(b), less than 30 days prior to the date fixed for redemption (the "**Redemption Date**") in the manner provided in Section 14.2. Every such notice shall specify the aggregate principal amount of Debentures called for redemption, the Redemption Date, the Redemption Price and, if applicable, the portion to be redeemed for cash and the portion to be redeemed by issuing Freely Tradeable Common Shares and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be redeemed, the Redemption Notice shall specify:

- (a) the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debentureholder);
- (b) in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected by pro rata or other similar system, such particulars as may be sufficient to identify the Debentures so selected;
- (c) in the case of an Uncertificated Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Debenture Trustee and Tidewater; and
- (d) in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.

In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

4.4 Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption shall thereupon be and become due and payable at the Redemption Price, together with accrued and unpaid interest to but excluding the Redemption Date, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after such Redemption Date, if the monies necessary to redeem, or the Common Shares to be issued to redeem, such Debentures shall have been deposited as provided in Section 4.5 and affidavits or other proof satisfactory to the Debenture Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest upon the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Debenture Trustee whose decision shall be final and binding upon all parties in interest.

4.5 Deposit of Redemption Monies or Common Shares

Redemption of Debentures shall be provided for by Tidewater paying and/or depositing with the Debenture Trustee or any paying agent to the order of the Debenture Trustee, on or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to the Redemption Date specified in such

notice, such sums of money by wire transfer or such other means as may be acceptable to the Debenture Trustee and/or certificates or evidence of electronic deposit representing such Common Shares, or both as the case may be, as may be sufficient to pay the Redemption Price of the Debentures so called for redemption, plus accrued and unpaid interest thereon up to but excluding the Redemption Date. Tidewater shall also deposit with the Debenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Debenture Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, or certificates so deposited, or both, the Debenture Trustee shall pay or cause to be paid, or issue or cause to be issued, to the holders of such Debentures so called for redemption, upon surrender of such Debentures, the principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption.

4.6 Right to Repay Portion of Redemption Price in Common Shares

- (a) Subject to the other provisions of this Section 4.6, Tidewater may, at its option, in lieu of paying the principal portion and accrued and unpaid interest making up the Redemption Price in money, elect to satisfy its obligation to pay all or any portion of the Redemption Price by issuing and delivering to holders on the Redemption Date that number of Freely Tradeable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the then Current Market Price on the Redemption Date (the "**Common Share Redemption Right**").
- (b) Tidewater shall exercise the Common Share Redemption Right by so specifying in the Redemption Notice which shall be delivered to the Debenture Trustee and the holders of Debentures not more than 60 days and not less than 40 days prior to the Redemption Date. The Redemption Notice shall also specify the aggregate principal amount of Debentures, and accrued an unpaid interest thereon, in respect of which it is exercising the Common Share Redemption Right.
- (c) Tidewater's right to exercise the Common Share Redemption Right shall be conditional upon the following conditions being met:
 - (i) the issuance of the Common Shares on the exercise of the Common Share Redemption Right shall be made in accordance with Applicable Securities Legislation and such Common Shares shall be issued as Freely Tradeable Common Shares and received by the Debenture Trustee no less than one Business Day prior to the Redemption Date;
 - (ii) the listing of such additional Freely Tradeable Common Shares on each stock exchange on which the Common Shares are then listed on the Redemption Date;
 - (iii) if Tidewater is a reporting issuer under Applicable Securities Legislation where the distribution of such Freely Tradeable Common Shares occurs, it is in good standing as such under such Applicable Securities Legislation on the Redemption Date;
 - (iv) no Event of Default shall have occurred and be continuing on the Redemption Date;
 - (v) the receipt by the Debenture Trustee on the Redemption Date of an Officer's Certificate stating that conditions (i), (ii), (iii) and (iv) above have been satisfied and setting forth the number of Common Shares to be delivered for each \$1,000 principal amount of Debentures and the Current Market Price of the Common Shares on the Redemption Date; and
 - (vi) the receipt by the Debenture Trustee on the Redemption Date of an opinion of Counsel to the effect that:

- (A) such Common Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Redemption Price, will be validly issued as fully paid and non-assessable; and
- (B) conditions (i), (ii) and, if applicable, (iii) above have been satisfied (and in the case of condition (iii), Counsel shall be entitled to rely exclusively upon certificates of no default or lists of reporting issuers or defaulting reporting issuers issued or published, as the case may be, by the relevant securities authorities, provided further that no opinion shall need to be expressed with respect to those provinces where such certificates or lists are not issued or published).

If the foregoing conditions are not satisfied, Tidewater shall pay the Redemption Price in cash in accordance with Section 4.5 unless the affected Debentureholders, acting in concert, waive the conditions which are not satisfied.

- (d) In the event that Tidewater duly exercises its Common Share Redemption Right, Tidewater shall on or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to the Redemption Date, deliver to the Debenture Trustee, for delivery to and on account of the holders, upon the due presentation and surrender of the Debentures, the Freely Tradeable Common Shares to which such holders are entitled. From the certificates so deposited in addition to amounts payable by the Debenture Trustee pursuant to Section 4.5, the Debenture Trustee shall pay or cause to be paid, to the holders of such Debentures, upon surrender of such Debentures, the Redemption Price of the Debentures called for redemption in the amounts to which they are respectively entitled on the Redemption Date plus accrued and unpaid interest thereon up to but excluding the Redemption Date and deliver to such holders the certificates or other evidence of electronic deposit to which such holders are entitled.
- (e) No fractional Common Shares shall be delivered upon the exercise of the Common Share Redemption Right but, in lieu thereof, Tidewater shall pay to the Debenture Trustee for the account of the holders, at the time contemplated in Section 4.6(d), the cash equivalent thereof determined on the basis of the Current Market Price of the Common Shares on the Redemption Date (less any tax required to be deducted or withheld, if any).
- (f) A holder shall be treated as the shareholder of record of the Freely Tradeable Common Shares issued on due exercise by Tidewater of its Common Share Redemption Right effective immediately after the close of business on the Redemption Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including dividends or distributions in kind) thereon and arising thereafter, and in the event that the Debenture Trustee receives the same, it shall hold the same in trust for the benefit of such holder.
- (g) In the event that Tidewater exercises its Common Share Repayment Right, Tidewater shall at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited), solely for the purpose of issue and delivery upon the exercise of Tidewater's Common Share Redemption Right as provided herein, and shall issue to Debentureholders to whom Freely Tradeable Common Shares will be issued pursuant to exercise of the Common Share Redemption Right, such number of Freely Tradeable Common Shares as shall be issuable in such event. All Freely Tradeable Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.
- (h) Tidewater shall comply with all Applicable Securities Legislation regulating the issue and delivery of Freely Tradeable Common Shares upon exercise of the Common Share Redemption Right and shall cause to be listed and posted for trading such Common Shares on each stock exchange on which the Common Shares are then listed.

- (i) Tidewater shall from time to time promptly pay, or make provision satisfactory to the Debenture Trustee for the payment of, all taxes and charges which may be imposed by the laws of Canada or any Province thereof (except income tax, withholding tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Freely Tradeable Common Shares to holders upon exercise of the Common Share Redemption Right pursuant to the terms of the Debentures and of this Indenture.
- (j) If Tidewater elects to satisfy its obligation to pay all or any portion of the Redemption Price by issuing Freely Tradeable Common Shares in accordance with this Section 4.6 and if the Redemption Price (or any portion thereof) to which a holder is entitled is subject to withholding taxes and the amount of the cash payment of the Redemption Price, if any, is insufficient to satisfy such withholding taxes, the Debenture Trustee, on the Written Direction of Tidewater but for the account of the holder, shall facilitate the sale through the investment banks, brokers or dealers selected by Tidewater, out of the Freely Tradeable Common Shares issued by Tidewater for the account of such holder for this purpose, such number of Freely Tradeable Common Shares that together with the cash payment of the Redemption Price, if any, is sufficient to yield net proceeds (after payment of all costs) to cover the amount of taxes required to be withheld, and shall remit same on behalf of Tidewater to the proper tax authorities within the period of time prescribed for this purpose under applicable laws.

4.7 Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail on or before the Redemption Date to surrender such holder's Debenture, or shall not within such time accept payment of the redemption monies payable, or take delivery of certificates representing such Freely Tradeable Common Shares issuable in respect thereof, or give such receipt therefor, if any, as the Debenture Trustee may require, such redemption monies may be set aside in trust, or such certificates may be held in trust without interest, either in the deposit department of the Debenture Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum or Freely Tradeable Common Shares so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive, without interest, payment out of the monies so paid and deposited, or take delivery of the certificates so deposited, or both, upon surrender and delivery up of such holder's Debenture, of the Redemption Price of such Debenture plus any accrued but unpaid interest thereon to but excluding the Redemption Date. In the event that any money, or certificates for Freely Tradeable Common Shares, required to be deposited hereunder with the Debenture Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of three years from the Redemption Date, then such monies or certificates for Common Shares, together with any accumulated interest thereon or any dividend or other distribution paid thereon, shall at the end of such period be paid over or delivered over by the Debenture Trustee or such depository or paying agent to Tidewater on its demand, and thereupon the Debenture Trustee shall not be responsible to Debentureholders for any amounts owing to them and subject to applicable law, thereafter the holder of a Debenture in respect of which such money was so repaid to Tidewater shall have no rights in respect thereof except to obtain payment of the money or certificates due from Tidewater, subject to any limitation period provided by the laws of Alberta. Notwithstanding the foregoing, the Debenture Trustee will pay any remaining funds prior to the expiry of three years less one day after the Redemption Date to Tidewater upon receipt from Tidewater, or one of its Subsidiaries, subject to the Debenture Trustee's prior acceptance (acting reasonably) of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds.

4.8 Cancellation of Debentures Redeemed

Subject to the provisions of Sections 4.2 and 4.9 as to Debentures redeemed or purchased in part, all Debentures redeemed and paid under this Article 4 shall forthwith be delivered to the Debenture Trustee and cancelled and no Debentures shall be issued in substitution therefor.

4.9 Purchase of Debentures by Tidewater

Unless otherwise specifically provided with respect to a particular series of Debentures, Tidewater may, if it is not at the time in default hereunder, at any time and from time to time, purchase Debentures in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract, at any price, subject to compliance with Applicable Securities Legislation. All Debentures so purchased may, at the option of Tidewater, be delivered to the Debenture Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

If, upon an invitation for tenders, more Debentures are tendered at the same lowest price that Tidewater is prepared to accept, the Debentures to be purchased by Tidewater shall be selected by the Debenture Trustee, acting on the Written Direction of Tidewater, on a *pro rata* basis or in such other manner consented to by the TSX or such other exchange on which the Debentures are then listed which Tidewater considers appropriate, from the Debentures tendered by each tendering Debentureholder who tendered at such lowest price. For this purpose Tidewater may make, and from time to time amend, regulations with respect to the manner in which Debentures may be so selected, and regulations so made shall be valid and binding upon all Debentureholders, notwithstanding the fact that as a result thereof one or more of such Debentures become subject to purchase in part only. The holder of a Debenture of which a part only is purchased, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such holder, one or more new Debentures for the unpurchased part so surrendered, and the Debenture Trustee shall Authenticate and deliver such new Debenture or Debentures upon receipt of the Debenture so surrendered or, with respect to Uncertificated Debentures, the Depository shall electronically deposit the unpurchased part so surrendered.

4.10 Right to Repay Principal Amount and Premium (if any) and Interest in Common Shares

- (a) Subject to the other provisions of this Section 4.10, Tidewater may, at its option, in lieu of paying all or any portion of the principal amount of, accrued and unpaid interest, or premium (if any) on the Debentures outstanding in money, elect to satisfy its obligation to repay all or any portion of the principal amount of, accrued and unpaid interest on the Debentures outstanding by issuing and delivering to holders on the Maturity Date that number of Freely Tradeable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price on the Maturity Date (the "**Common Share Repayment Right**").
- (b) Tidewater shall exercise the Common Share Repayment Right by so specifying in the Maturity Notice, which shall be delivered to the Debenture Trustee and the holders of Debentures not more than 60 days' and not less than 40 days' prior to the Maturity Date.
- (c) Tidewater's right to exercise the Common Share Repayment Right shall be conditional upon the following conditions being met:
 - (i) the issuance of the Common Shares on the exercise of the Common Share Repayment Right shall be made in accordance with Applicable Securities Legislation and such Common Shares shall be issued as Freely Tradeable Common Shares and received by the Debenture Trustee no less than one Business Day prior to the Maturity Date;
 - (ii) the listing of such additional Freely Tradeable Common Shares on each stock exchange on which the Common Shares are then listed on the Maturity Date;
 - (iii) if Tidewater is a reporting issuer under Applicable Securities Legislation where the distribution of such Freely Tradeable Common Shares occurs, it is in good standing as such under such Applicable Securities Legislation on the Maturity Date;

- (iv) no Event of Default shall have occurred and be continuing on the Maturity Date;
- (v) the receipt by the Debenture Trustee on the Maturity Date of an Officer's Certificate stating that conditions (i), (ii), (iii) and (iv) above have been satisfied and setting forth the number of Common Shares to be delivered for each \$1,000 principal amount of Debentures and the accrued and unpaid interest thereon, and the Current Market Price of the Common Shares on the Maturity Date; and
- (vi) the receipt by the Debenture Trustee on the Maturity Date of an opinion of Counsel to the effect that:
 - (A) such Common Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the principal amount of and/or premium and accrued and unpaid interest on, as the case may be, the Debentures outstanding, will be validly issued as fully paid and non-assessable; and
 - (B) conditions (i), (ii) and, if applicable, (iii) above have been satisfied (and in the case of condition (iii), Counsel shall be entitled to rely exclusively upon certificates of no default or lists of reporting issuers or defaulting reporting issuers issued or published, as the case may be, by the relevant securities authorities, provided further that no opinion shall need to be expressed with respect to those provinces where such certificates or lists are not issued or published).

If the foregoing conditions are not satisfied, Tidewater shall pay the principal amount of and accrued and unpaid interest on the Debentures outstanding in cash in accordance with Section 2.13, unless the affected Debentureholders, acting in concert, waive the conditions which are not satisfied.

- (d) In the event that Tidewater duly exercises its Common Share Repayment Right, Tidewater shall on or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to the Maturity Date, deliver to the Debenture Trustee, for delivery to and on account of the holders, upon the due presentation and surrender of the Debentures, the Freely Tradeable Common Shares to which such holders are entitled. Tidewater shall also deposit with the Debenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Debenture Trustee in connection with the Common Share Repayment Right. Every such deposit shall be irrevocable. From the certificates so deposited, in addition to amounts payable by the Debenture Trustee pursuant to Section 2.13, the Debenture Trustee shall pay or cause to be paid, to the holders of such Debentures, upon surrender of such Debentures, the principal amount of and premium (if any) and accrued and unpaid interest on the Debentures to which they are respectively entitled on maturity and deliver to such holders the certificates to which such holders are entitled. The delivery of such certificates and amounts to the Debenture Trustee will satisfy and discharge the liability of Tidewater for the Debentures to which the delivery relates to the extent of the amount and number of Freely Tradeable Common Shares delivered (plus the amount of any certificates sold to pay applicable taxes in accordance with this Section 4.10), and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the certificates and money so delivered, the certificate(s) and money to which it is entitled.
- (e) No fractional Freely Tradeable Common Shares shall be delivered upon the exercise of the Common Share Repayment Right but, in lieu thereof, Tidewater shall pay to the Debenture Trustee for the account of the holders, at the time contemplated in Section 4.10(d), the cash equivalent thereof determined on the basis of the Current Market Price of the Common Shares on the Maturity Date (less any tax required to be deducted, if any).

- (f) A holder shall be treated as the shareholder of record of the Freely Tradeable Common Shares issued on due exercise by Tidewater of its Common Share Repayment Right effective immediately after the close of business on the Maturity Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including dividends or distributions in kind) thereon and arising thereafter, and in the event that the Debenture Trustee receives the same, it shall hold the same in trust for the benefit of such holder.
- (g) Tidewater shall at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited), solely for the purpose of issue and delivery upon the exercise of the Common Share Repayment Right as provided herein, and shall issue to Debentureholders to whom Freely Tradeable Common Shares will be issued pursuant to exercise of the Common Share Repayment Right, such number of Freely Tradeable Common Shares as shall be issuable in such event. All Freely Tradeable Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.
- (h) Tidewater shall comply with all Applicable Securities Legislation regulating the issue and delivery of Freely Tradeable Common Shares upon exercise of the Common Share Repayment Right and shall cause to be listed and posted for trading such Freely Tradeable Common Shares on each stock exchange on which the Common Shares are then listed.
- (i) Tidewater shall from time to time promptly pay, or make provision satisfactory to the Debenture Trustee for the payment of, all taxes and charges which may be imposed by the laws of Canada or any Province thereof (except income tax, withholding tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Freely Tradeable Common Shares to holders upon exercise of the Common Share Repayment Right pursuant to the terms of the Debentures and of this Indenture.
- (j) If Tidewater elects to satisfy its obligation to pay all or any portion of the principal amount of and/or premium and accrued and unpaid interest on the Debentures due on maturity by issuing Freely Tradeable Common Shares in accordance with this Section 4.10 and if the principal amount and/or premium and accrued and unpaid interest (or any portion thereof) to which a holder is entitled is subject to withholding taxes and the amount of the cash payment of the principal amount and/or premium on maturity, if any, is insufficient to satisfy such withholding taxes, the Debenture Trustee, on the Written Direction of Tidewater but for the account of the holder, shall facilitate the sale through the investment banks, brokers or dealers selected by Tidewater, out of the Freely Tradeable Common Shares issued by Tidewater for the account of such holder for this purpose, such number of Freely Tradeable Common Shares that together with the cash component of the principal amount and/or premium and accrued and unpaid interest due on maturity is sufficient to yield net proceeds (after payment of all costs) to cover the amount of taxes required to be withheld, and shall remit same on behalf of Tidewater to the proper tax authorities within the period of time prescribed for this purpose under applicable laws.

ARTICLE 5 SUBORDINATION OF DEBENTURES

5.1 Applicability of Article

The indebtedness, liabilities and obligations of the Corporation hereunder or under the Debentures, whether on account of principal, premium, interest or otherwise, but excluding the issuance of Common Shares or other securities similar in nature thereto: (i) upon any conversion pursuant to Article 6; (ii) upon any redemption pursuant to Article 4; or (iii) at maturity pursuant to Article 4 (collectively, such non-excluded indebtedness, liabilities and obligations are referred to as the "**Debenture Liabilities**"), shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth in the following sections of this Article 5, to the prior payment in full, of all

Senior Indebtedness of Tidewater and each holder of any such Debenture by his acceptance thereof agrees to and shall be bound by the provisions of this Article 5.

5.2 Order of Payment

Upon any distribution of the assets of Tidewater on any dissolution, winding up, total liquidation or reorganization of Tidewater (whether in bankruptcy, insolvency or receivership proceedings, or upon an "assignment for the benefit of creditors" or any other marshalling of the assets, properties and liabilities of Tidewater, or otherwise):

- (a) all Senior Indebtedness shall first be paid in full, or provision made for such payment, before any payment is made on account of the Debenture Liabilities; and
- (b) any payment or distribution of assets of Tidewater, whether in cash, property or securities, to which the Debentureholders or the Debenture Trustee on behalf of such holders would be entitled except for the provisions of this Article 5, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee for the benefit of creditors, or other liquidating agent making such payment or distribution, directly to the holders of Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness may have been issued, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

5.3 Subrogation to Rights of Holders of Senior Indebtedness

Subject to the prior payment in full of all Senior Indebtedness, the Debentureholders shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of Tidewater to the extent of the application thereto of such payments or other assets which would have been received by the Debentureholders but for the provisions hereof until the principal of, premium, if any, and interest on the Debentures shall be paid in full, and no such payments or distributions to the Debentureholders of cash, property or securities, which otherwise would be payable or distributable to the holders of the Senior Indebtedness, shall, as between Tidewater, its creditors other than the holders of Senior Indebtedness, and the Debentureholders, be deemed to be a payment by Tidewater to the holders of the Senior Indebtedness or on account of the Senior Indebtedness, it being understood that the provisions of this Article 5 are and are intended solely for the purpose of defining the relative rights of the Debentureholders, on the one hand, and the holders of Senior Indebtedness, on the other hand.

The Debenture Trustee, for itself and on behalf of each of the Debentureholders, hereby waives any and all rights to require a Senior Creditor to pursue or exhaust any rights or remedies with respect to the Corporation or any property and assets subject to the Senior Security or in any other manner to require the marshalling of property, assets or security in connection with the exercise by the Senior Creditors of any rights, remedies or recourses available to them.

5.4 Obligation to Pay Not Impaired

Nothing contained in this Article 5 or elsewhere in this Indenture or in the Debentures is intended to or shall impair, as between Tidewater, its creditors other than the Senior Indebtedness, and the Debentureholders, the obligation of Tidewater, which is absolute and unconditional, to pay to the Debentureholders the principal of and premium (if any) and interest on the Debentures, as and when the same shall become due and payable in accordance with their terms, or affect the relative rights of the Debentureholders and creditors of Tidewater other than the holders of the Senior Indebtedness, and, subject to Section 5.5, nothing contained in this Indenture or in the Debentures shall prevent the Debenture Trustee or the holder of any Debenture from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article 5 of the

Senior Creditors in respect of cash, property or securities of Tidewater received upon the exercise of any such remedy.

5.5 No Payment if Senior Indebtedness in Default

- (a) Upon the maturity of any Senior Indebtedness by lapse of time, acceleration or otherwise, or any other enforcement of any Senior Indebtedness, then all such matured Senior Indebtedness shall first be paid in full, or shall first have been duly provided for, before any payment is made on account of the Debenture Liabilities.
- (b) No payment (by purchase of Debentures or otherwise) shall be made by Tidewater with respect to the Debenture Liabilities:
 - (i) upon the occurrence of a default, an event of default or an acceleration under any Senior Indebtedness or any swap obligation of any Senior Creditor or its Affiliates;
 - (ii) upon any default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof; or
 - (iii) if such payment would result in a default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof;

unless and until such default shall have been cured or waived or shall have ceased to exist, and neither the Debenture Trustee nor the holders of Debentures shall be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without limitation by set-off, combination of accounts or otherwise in any manner whatsoever) on account of the Debentures after the happening of such a default (except as provided in Section 5.6), and unless and until such default shall have been cured or waived or shall have ceased to exist, such payments shall be held in trust for the benefit of, and, if and when such Senior Indebtedness shall have become due and payable, shall be paid over to, the Senior Creditors until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the Senior Creditors.

- (c) The fact that any payment hereunder is prohibited by this Section 5.5 shall not prevent the failure to make such payment from being an Event of Default hereunder.

5.6 Payment on Debentures Permitted

Nothing contained in this Article 5 or elsewhere in this Indenture, or in any of the Debentures, shall affect the obligation of Tidewater to make, or prevent Tidewater from making, at any time except during the pendency of any dissolution, winding up or liquidation of Tidewater or reorganization proceedings specified in Section 5.2 affecting the affairs of Tidewater, any payment of principal of or interest on the Debentures, except that Tidewater shall not make any such payment if such payment is prohibited by Section 5.5. The fact that any such payment is prohibited by this Section 5.6 shall not prevent the failure to make such payment from being an Event of Default hereunder. Nothing contained in this Article 5 or elsewhere in this Indenture, or in any of the Debentures, shall prevent the conversion of the Debentures or the application by the Debenture Trustee of any monies deposited with the Debenture Trustee hereunder for the purpose, to the payment of or on account of the principal of or premium (if any) or interest on the Debentures. Notwithstanding the provisions of this Article 5 or any provision in this Indenture or in the Debentures contained, the Debenture Trustee shall not be charged with knowledge of the existence of any Senior Indebtedness or of any default thereof permitting the holder to accelerate the maturity thereof, unless and until the Debenture Trustee shall have received written notice thereof from Tidewater or any Senior Creditor.

5.7 Confirmation of Subordination

Each holder of Debentures by its acceptance thereof authorizes and directs the Debenture Trustee on its behalf to take such action as may be necessary or appropriate to effect the subordination as provided in this Article 5, including the entering into of contractual subordination agreements ("**Subordination Agreements**") with one or more Senior Creditors, and appoints the Debenture Trustee its attorney-in-fact for any and all such purposes. Upon request of Tidewater, and upon being furnished an Officer's Certificate stating that one or more named persons are Senior Creditors, and specifying the amount and nature of such Senior Indebtedness of such Senior Creditor, the Debenture Trustee shall enter into a Subordination Agreement(s) with Tidewater and the person or persons named in such Officer's Certificate providing that such person or persons are entitled to all the rights and benefits of this Article 5 as a Senior Creditor and an agreement not to amend the provisions of this Article 5 and the definitions used herein without the consent of such Senior Creditor. Such agreement shall be conclusive evidence that the indebtedness specified therein is Senior Indebtedness, however, nothing herein shall impair the rights of any Senior Creditor who has not entered into such an agreement.

5.8 Knowledge of Debenture Trustee

Notwithstanding the provisions of this Article 5 or any provision of this Indenture or in the Debentures, the Debenture Trustee will not be charged with knowledge of the existence of any fact that would prohibit the making of any payment of monies to or by the Debenture Trustee, or the taking of any other action by the Debenture Trustee, unless and until the Debenture Trustee has received written notice thereof from Tidewater, any Debentureholder or any Senior Creditor.

5.9 Debenture Trustee May Hold Senior Indebtedness

The Debenture Trustee is entitled to all the rights set forth in this Article 5 with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture deprives the Debenture Trustee of any of its rights as such holder.

5.10 Rights of Senior Creditors Not Impaired

No right of any present or future Senior Creditor to enforce the subordination herein will at any time or in any way be prejudiced or impaired by any act or failure to act on the part of Tidewater or by any non-compliance by Tidewater with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such Senior Creditor may have or be otherwise charged with.

5.11 Altering the Senior Indebtedness

The holders of the Senior Indebtedness have the right to extend, renew, modify or amend the terms of the Senior Indebtedness or any security therefor and to release, sell or exchange such security and otherwise to deal freely with Tidewater, all without notice to or consent of the Debentureholders or the Debenture Trustee and without affecting the liabilities and obligations of the parties to this Indenture or the Debentureholders or the Debenture Trustee.

5.12 Additional Indebtedness

This Indenture does not restrict the Corporation or any Subsidiary of the Corporation from incurring additional indebtedness for borrowed money or other obligations or liabilities (including, without limitation, Senior Indebtedness) or mortgaging, pledging or charging its properties to secure any indebtedness or obligations or liabilities.

5.13 Right of Debentureholder to Convert Not Impaired

The subordination of the Debentures to the Senior Indebtedness and the provisions of this Article 5 do not impair in any way the right of a Debentureholder to convert its Debentures pursuant to Article 6, or to receive Common Shares or other securities similar in nature thereto upon any conversion pursuant to Article 6, upon any redemption pursuant to Article 4 or at maturity pursuant to Article 4.

ARTICLE 6 CONVERSION OF DEBENTURES

6.1 Applicability of Article

Any Debentures issued hereunder of any series which by their terms are convertible (subject, however, to any applicable restriction of the conversion of Debentures of such series) will be convertible into Common Shares or other securities of the Corporation, at such conversion rate or rates, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and shall have been expressed in this Indenture, in such Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof.

Such right of conversion shall extend only to the maximum number of whole Common Shares into which the aggregate principal amount of the Debenture or Debentures surrendered for conversion at any one time by the holder thereof may be converted. Fractional interests in Common Shares shall be adjusted for in the manner provided in Section 6.6.

6.2 Notice of Expiry of Conversion Privilege

Notice of the expiry of the conversion privileges of the Debentures, other than pursuant to the imminent Maturity Date, shall be given by or on behalf of Tidewater to the Debentureholders, not more than 60 days and not less than 30 days prior to the date fixed for the Time of Expiry, in the manner provided in Section 14.2.

6.3 Revival of Right to Convert

If the redemption of any Debenture called for redemption by Tidewater is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by Tidewater to purchase Debentures for cancellation is not made, in the case of a redemption upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then, provided the Time of Expiry has not passed, the right to convert such Debentures shall revive and continue as if such Debenture had not been called for redemption or tendered in acceptance of Tidewater's offer, respectively.

6.4 Manner of Exercise of Right to Convert

- (a) The holder of a Debenture desiring to convert such Debenture in whole or in part into Common Shares shall surrender such Debenture to the Debenture Trustee at its principal offices in the City of Toronto, Ontario together with the conversion notice in the form attached hereto as Schedule "D" or any other written notice in a form satisfactory to the Debenture Trustee, in either case duly executed by the holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Debenture Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article; provided that with respect to an Uncertificated Debenture, the registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system. Thereupon such Debentureholder or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and

compliance with all reasonable requirements of the Debenture Trustee, his nominee(s) or assignee(s) shall be entitled to be entered in the books of Tidewater as at the Business Day immediately after the Date of Conversion (or such later date as is specified in Section 6.4(g)) as the holder of the number of Common Shares into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, Tidewater shall cause the delivery to such Debentureholder or, subject as aforesaid, his nominee(s) or assignee(s), a certificate or certificates for such Common Shares or deposit such Common Shares through the Depository's non-certificated system and make or cause to be made any payment of interest to which such holder is entitled in accordance with Section 6.4(j) hereof.

- (b) A Beneficial Holder may exercise the right evidenced by a Debenture to receive Common Shares by causing a Depository Participant to deliver to the Depository on behalf of the Beneficial Holder, a notice of such Beneficial Holder's intention to convert the Debentures in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, the Depository shall deliver to the Debenture Trustee a Transaction Instruction confirming its intention to convert Debentures in a manner acceptable to the Debenture Trustee, including by electronic means through the non-certificated inventory system.
- (c) A notice in form acceptable to the Depository Participant from such Beneficial Holder should be provided to the Depository Participant sufficiently in advance so as to permit the Depository Participant to deliver notice to the Depository and for the Depository in turn to deliver notice to the Debenture Trustee prior to the Time of Expiry. The Depository will initiate the exercise by way of the Transaction Instruction and the Debenture Trustee will execute the exercise by issuing to the Depository through the non-certificated inventory system the Common Shares to which the exercising Debentureholder is entitled pursuant to the conversion.
- (d) By causing a Depository Participant to deliver notice to the Depository, a Debentureholder shall be deemed to have irrevocably surrendered his or her Debentures so exercised and appointed such Depository Participant to act as his or her exclusive settlement agent with respect to the conversion and the receipt of Common Shares in connection with the obligations arising from such conversion.
- (e) Any notice which the Depository determines to be incomplete, not in proper form, or not duly-executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Depository Participant to exercise or to give effect to the settlement thereof in accordance with the Debentureholder's instructions will not give rise to any obligations or liability on the part of the Corporation or Debenture Trustee to the Depository Participant or the Debentureholder.
- (f) Any Transaction Instruction referred to in this Section 6.4 shall be signed by the registered Debentureholder, or its executors or administrators or other legal representatives or an attorney of the registered Debentureholder, duly appointed by an instrument in writing satisfactory to the Debenture Trustee but such exercise form need not be executed by the Depository.
- (g) For the purposes of this Article, a Debenture shall be deemed to be surrendered for conversion on the date on which it is so surrendered with the duly completed conversion notice in accordance with the provisions of this Article or, in the case of an Uncertificated Debenture, on the date on which the Debenture Trustee received notice of and all necessary documentation in respect of the exercise of the conversion rights and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Debenture Trustee at its office specified in Section 6.4(a); provided that if a Debenture is surrendered for conversion on a day on which the register of Common Shares is closed or on a day which immediately precedes a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened (in each case, called the "**Date of Conversion**").

- (h) Any part, being \$1,000 or an integral multiple thereof, of a Debenture in a denomination of \$1,000 or greater may be converted as provided in this Article and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such part.
- (i) Upon a holder of any Debenture exercising the right of conversion in respect of only a part of the Debenture and surrendering such Debenture to the Debenture Trustee, in accordance with Section 6.4(a) the Debenture Trustee shall cancel the same and shall without charge forthwith Authenticate and deliver to the holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered or, with respect to a Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system.
- (j) The holder of a Debenture surrendered for conversion in accordance with this Section 6.4 shall be entitled (subject to any applicable restriction on the right to receive interest on conversion of Debentures of any series) to receive accrued and unpaid interest in respect thereof in addition to the applicable number of Common Shares to be received on conversion, from the last Interest Payment Date to the Date of Conversion of such Debentures and the Common Shares issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the Business Day immediately after the Date of Conversion or such later date as such holder shall become the holder of record of such Common Shares pursuant to Section 6.4(g), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

6.5 Adjustment of Conversion Price

Subject to the requirements of the TSX (or such other recognized exchange on which the Debentures are then listed), the Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

- (a) If and whenever at any time prior to the Time of Expiry Tidewater shall (i) subdivide or redivide the outstanding Common Shares into a greater number of shares, (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares, or (iii) issue Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends or distributions in the form of Common Shares in lieu of cash dividends or cash distributions paid in the ordinary course on the Common Shares), the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares by way of a dividend or distribution, as the case may be, shall be the product of the Conversion Price immediately prior to such effective date or record date and the quotient of the number of Common Shares outstanding immediately before such effective or record date divided by the number of Common Shares outstanding on such effective date or record date after giving effect to the applicable transaction. Such adjustment shall be made successively whenever any event referred to in this Section 6.5(a) shall occur. Any such issue of Common Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Common Shares under subsections (b) and (c) of this Section 6.5.
- (b) If and whenever at any time prior to the Time of Expiry Tidewater shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price of a Common Share on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction,

of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the quotient obtained by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect if only the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.

- (c) If and whenever at any time prior to the Time of Expiry Tidewater shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) shares or other securities of any class other than Common Shares and other than shares or other securities distributed to holders of Common Shares who have elected to receive dividends or distributions in the form of such shares or other securities in lieu of dividends or distributions paid in the ordinary course, (ii) rights, options or warrants (excluding rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe for or purchase Common Shares or securities convertible into Common Shares), (iii) evidences of its indebtedness, or (iv) assets (excluding dividends or distributions paid in the ordinary course) then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share on such record date, less the fair market value (as determined by the Board of Directors, which determination shall be conclusive subject to TSX approval) of such shares or other securities or rights, options or warrants or evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect if only such shares or other securities or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be, were included in such fraction. In clause (iv) of this subsection (c) the term "dividends or distributions paid in the ordinary course" shall include the value of any securities or other property or assets distributed in lieu of cash dividends or distributions paid in the ordinary course at the option of shareholders. Notwithstanding the foregoing, if the securities distributed by the Corporation to all holders of its Common Shares consist of capital stock of, or similar equity interests in, a Subsidiary or other business of the Corporation (the "**Spinoff Securities**"), the Conversion Price shall be adjusted, unless the Corporation makes an equivalent distribution to the holders of Debentures, so that the same shall be equal to the rate determined by multiplying the Conversion Price in effect on the record date fixed for the determination of shareholders entitled to receive such distribution by a fraction, the denominator of which shall be the sum of (A) the weighted average trading price of one Common Share over the 20 consecutive trading day period (the "**Spinoff Valuation Period**") commencing on and including the fifth trading day after the Ex-Dividend Date and (B) the product of (i) the weighted average trading price (calculated in substantially the same way as the Current Market Price is calculated for the Common Shares) over the Spinoff Valuation Period of one Spinoff Security or, if no such prices are available, the fair market value of one Spinoff Security as reasonably determined by the Board of Directors, subject to TSX approval (which determination shall be conclusive and shall be evidenced by an Officers' Certificate delivered to the Debenture

Trustee) multiplied by (ii) the number of Spinoff Securities distributed in respect of one Common Share and the numerator of which shall be the weighted average trading price of one Common Share over the Spinoff Valuation Period, such adjustment to become effective immediately preceding the opening of business on the 25th trading day after the date on which ex-dividend trading commences; provided, however, that the Corporation may in lieu of the foregoing adjustment elect to make adequate provision so that each holder of Debentures shall have the right to receive upon conversion thereof the amount of such Spinoff Securities that such holder of Debentures would have received if such Debentures had been converted on the record date with respect to such distribution. In respect of any conversion during the Spinoff Valuation Period, references to consecutive trading days shall be deemed to be replaced with such lesser number of trading days as have elapsed between the commencement of the Spinoff Valuation Period and the relevant conversion date.

- (d) If and whenever at any time prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of Tidewater other than as described in Section 6.5(a) or a consolidation, amalgamation, arrangement, merger or acquisition of Tidewater with or into or by any other person or other entity or a sale or conveyance of the property and assets of Tidewater as an entirety or substantially as an entirety to any other person or other entity or a liquidation, dissolution or winding-up of Tidewater, any holder of a Debenture who has not exercised its right of conversion prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger or acquisition, sale or conveyance or liquidation, dissolution or winding-up, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of Tidewater or of the person or other entity resulting from such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger or acquisition, or to which such sale or conveyance may be made or which holders of Common Shares receive pursuant to such liquidation, dissolution or winding-up, as the case may be, that such holder of a Debenture would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger or acquisition, sale or conveyance or liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right. If determined appropriate by the Board of Directors to give effect to or to evidence the provisions of this Section 6.5(d), Tidewater, its Successor, or such purchasing person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale or conveyance or liquidation, dissolution or winding-up, enter into an indenture which shall provide, to the extent reasonably possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the holder of Debentures to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as reasonably possible, with respect to any shares, other securities or property to which a holder of Debentures is entitled on the exercise of its conversion rights thereafter. Any indenture entered into between Tidewater and the Debenture Trustee pursuant to the provisions of this Section 6.5(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 16. Any indenture entered into between Tidewater, any Successor or such purchasing person or other entity and the Debenture Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 6.5(d) and which shall apply to successive reclassifications, capital reorganizations, consolidations, amalgamations, mergers, acquisitions, sales or conveyances and to any successive liquidation, dissolution or winding up. For greater certainty, nothing in this Section 6.5(d) shall affect or reduce the requirement for any person to make a Debenture Offer or to issue the Make Whole Premium Shares in accordance with Section 2.4, and notice of any transaction to which this Section 6.5(d) applies shall be given in accordance with Section 6.10.

- (e) If and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Common Shares in respect of any Applicable Period that exceeds the Initial Dividend Threshold, the Conversion Price shall be adjusted immediately after such record date so that it shall be equal to the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the denominator shall be the Current Market Price per Common Share on such record date and of which the numerator shall be the Current Market Price per Common Share on such record date minus the amount in cash per Common Share distributed to holders of Common Shares in excess of the Initial Dividend Threshold. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.
- (f) The Initial Dividend Threshold will be adjusted in the same manner as the Conversion Price set forth under Section 6.5, provided that no adjustment will be made to the Initial Dividend Threshold for any adjustment made to the Conversion Price under this Section 6.5(f).
- (g) If any issuer bid (other than a normal course issuer bid made through the facilities of the TSX or such other exchange the Common Shares are listed and posted for trading on) made by the Corporation or any of its Subsidiaries for all or any portion of the Common Shares shall expire, then, if the issuer bid shall require the payment to shareholders who accept such bid of consideration per Common Share having a fair market value (determined as provided below) that exceeds the Current Market Price per Common Share on the last date (the "**Expiration Date**") tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "**Expiration Time**"), the Conversion Price in respect of the Debentures shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately preceding the close of business on the Expiration Date by a fraction of which (1) the numerator of which shall be the product of the number of Common Shares outstanding (including Purchased Common Shares (as defined below) but excluding any Common Shares held in the treasury of the Corporation) at the Expiration Time multiplied by the Current Market Price per Common Share on the Expiration Date; and (2) the denominator shall be the sum of (a) the fair market value of the aggregate consideration (the fair market value being as determined by the directors of the Corporation, subject to TSX approval, if applicable, which determination shall be conclusive) payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Common Shares validly tendered to the issuer bid and not withdrawn as of the Expiration Time (the Common Shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Common Shares**"), and (b) the product of the number of Common Shares outstanding (less any Purchased Common Shares and excluding any Common Shares held in the treasury of the Corporation) at the Expiration Time and the Current Market Price per Common Share on the Expiration Date, such adjustment to be effective immediately preceding the opening of business on the day following the Expiration Date. In the event that the Corporation is obligated to purchase Common Shares pursuant to any such issuer bid, but the Corporation is permanently prevented by applicable law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Common Shares actually purchased, if any. If the application of this Section 6.5(g) to any issuer bid would result in an increase in the Conversion Price, no adjustment shall be made for such issuer bid pursuant hereto.
- (h) In any case in which this Section 6.5 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, Tidewater may defer, until the occurrence of such event, issuing to the holder of any Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that Tidewater shall deliver to such holder an appropriate

instrument evidencing such holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the Date of Conversion or such later date as such holder would, but for the provisions of this Section 6.5(h), have become the holder of record of such additional Common Shares pursuant to Section 6.4(g).

- (i) The adjustments provided for in this Section 6.5 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 6.5(i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (j) For the purpose of calculating the number of Common Shares outstanding, Common Shares owned by or for the benefit of Tidewater and any of its Subsidiaries shall not be counted.
- (k) In the event of any question arising with respect to the adjustments provided in this Section 6.5, such question shall be conclusively determined by a firm of nationally recognized chartered accountants appointed by Tidewater and acceptable to the Debenture Trustee (who may be the Auditors of Tidewater); such accountants shall have access to all necessary records of Tidewater and such determination shall be binding upon Tidewater, the Debenture Trustee, and the Debentureholders.
- (l) In case Tidewater shall take any action affecting the Common Shares other than action described in this Section 6.5, which in the opinion of the Board of Directors would materially affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the Board of Directors subject to the prior written consent of the TSX or such other exchange on which the Debentures are then listed, as the Board of Directors in their sole discretion may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.
- (m) Subject to the prior written consent of the TSX or such other exchange on which the Debentures are then listed, no adjustment in the Conversion Price shall be made in respect of any event described in Sections 6.5(a), 6.5(b) or 6.5(c) other than the events described in 6.5(a)(i) or 6.5(a)(ii) if the Debentureholders are entitled to participate in such event on the same terms *mutatis mutandis* as if they had converted their Debentures prior to the effective date or record date, as the case may be, of such event.
- (n) Except as stated above in this Section 6.5, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Common Shares at less than the Current Market Price for such Common Shares on the date of issuance or the then applicable Conversion Price.

6.6 No Requirement to Issue Fractional Common Shares

Tidewater shall not be required to issue fractional Common Shares upon the conversion of Debentures pursuant to this Article. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of whole Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Common Share would, except for the provisions of this Section, be deliverable upon the conversion of any principal amount of Debentures, Tidewater shall, in lieu of delivering any certificate or electronic deposit representing such fractional interest, make a cash payment to the holder

of such Debenture of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price of the Common Shares on the Date of Conversion, provided, however Tidewater shall not be required to make any payment of less than \$10.00.

6.7 Tidewater to Reserve Common Shares

Tidewater covenants with the Debenture Trustee that it will at all times reserve and keep available out of its authorized Common Shares, solely for the purpose of issue upon conversion of Debentures as in this Article provided, and conditionally allot to Debentureholders who may exercise their conversion rights hereunder, such number of Common Shares as shall then be issuable upon the conversion of all outstanding Debentures. Tidewater covenants with the Debenture Trustee that all Common Shares which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

6.8 Cancellation of Converted Debentures

Subject to the provisions of Section 6.4 as to Debentures converted in part, all Debentures converted in whole or in part under the provisions of this Article shall be forthwith delivered to and cancelled by the Debenture Trustee and no Debenture shall be issued in substitution therefor.

6.9 Certificate as to Adjustment

- (a) Subject to Section 6.9(b), Tidewater shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 6.5, deliver an Officer's Certificate to the Debenture Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of nationally recognized chartered accountants appointed by Tidewater and acceptable to the Debenture Trustee (who may be the Auditors of Tidewater) and shall be conclusive and binding on all parties in interest. When so approved, Tidewater shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Common Shares, forthwith give notice to the Debentureholders and the Debenture Trustee in the manner provided in Section 14.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has given notice otherwise than under this Section 6.9 covering all the relevant facts in respect of such event, including the information required to be included in the Officer's Certificate as provided under this Section 6.9, and if the Debenture Trustee approves, no such notice need be given under this Section 6.9.
- (b) Notwithstanding Section 6.9(a), in any case where the Conversion Price is adjusted pursuant to Section 6.5 as a result of any dividend or distribution paid by the Corporation which is in excess of the Initial Dividend Threshold ("**Increased Dividend**"), the Officer's Certificate to be provided to the Debenture Trustee and notice to be provided to the Debentureholders, in each case as contemplated by Section 6.9, need only be provided to the Debenture Trustee following the establishment of the record date that is fixed for the first payment of such Increased Dividend, and to the Debentureholders once such Officer's Certificate has been verified as contemplated by Section 6.9(a), in respect of the adjustment that will apply in respect of each payment of the Increased Dividend to which such Officer's Certificate applies, and annually thereafter. If such dividend or distribution is subsequently increased or decreased, this Section 6.9(b) shall apply mutatis mutandis in respect of such increased or decreased dividend.

6.10 Notice of Special Matters

Tidewater covenants with the Debenture Trustee that so long as any Debenture remains outstanding, it will give notice to the Debenture Trustee, and to the Debentureholders in the manner

provided in Section 14.2, of its intention to fix a record date for any event referred to in Section 6.5(a), 6.5(b), 6.5(c) or 6.5(e) (other than the subdivision, redivision, reduction, combination or consolidation of its Common Shares) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that Tidewater shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than fourteen (14) days in each case prior to such applicable record date.

6.11 Protection of Debenture Trustee

Subject to Section 15.3, the Debenture Trustee:

- (a) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and
- (c) shall not be responsible for any failure of Tidewater to make any cash payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article.

6.12 U.S. Legend on Common Shares

Each certificate representing Common Shares issued upon conversion of Debentures bearing a U.S. Legend pursuant to this Article 6 shall have imprinted or otherwise reproduced thereon the U.S. Legend with appropriate adjustments.

ARTICLE 7 COVENANTS OF TIDEWATER

Tidewater hereby covenants and agrees with the Debenture Trustee for the benefit of the Debenture Trustee and the Debentureholders, that so long as any Debentures remain outstanding:

7.1 To Pay Principal, Premium (if any) and Interest

Tidewater will duly and punctually pay or cause to be paid to every Debentureholder the principal of, premium (if any) and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures.

7.2 To Pay Debenture Trustee's Remuneration

Tidewater will pay the Debenture Trustee agreed remuneration for its services as Debenture Trustee hereunder and will repay to the Debenture Trustee on demand all monies which shall become payable by the Debenture Trustee in connection with the execution of the trusts hereby created and such monies including the Debenture Trustee's remuneration, shall be payable out of any funds coming into the possession of the Debenture Trustee in priority to payment of any principal of the Debentures or interest thereon. Such remuneration shall continue to be payable until the trusts hereof are finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction.

7.3 To Give Notice of Default

Tidewater shall notify the Debenture Trustee immediately upon obtaining knowledge of any Event of Default hereunder.

7.4 Preservation of Existence, etc.

Subject to the express provisions hereof, Tidewater will carry on and conduct its activities and business, and cause its Subsidiaries to carry on and conduct their businesses, in a business-like manner; and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its and its material Subsidiaries respective existences and rights.

7.5 Keeping of Books

Tidewater will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of Tidewater in accordance with GAAP.

7.6 Annual Certificate of Compliance

Tidewater shall deliver to the Debenture Trustee, within 120 days after the end of each calendar year, an Officer's Certificate as to the knowledge of such officer of Tidewater who executes the Officer's Certificate, of Tidewater's compliance with all conditions and covenants of this Indenture certifying that after reasonable investigation and inquiry, Tidewater has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars any steps taken or proposed to be taken to remedy such Event of Default.

7.7 Performance of Covenants of Debenture Trustee

If Tidewater shall fail to perform any of its covenants contained in this Indenture, the Debenture Trustee may notify the Debentureholders of such failure on the part of Tidewater or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders except as provided in Section 8.2. All sums so expended or advanced by the Debenture Trustee shall be repayable as provided in Section 7.2. No such performance, expenditure or advance by the Debenture Trustee shall be deemed to relieve Tidewater of any default hereunder.

7.8 U.S. Registration

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), or (ii) any such registration shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Debenture Trustee an Officer's Certificate (in a form provided by the Debenture Trustee) notifying the Debenture Trustee of such registration or termination and other information as the Debenture Trustee may require at such given time.

7.9 Restriction on Common Share Redemption Right and Common Share Repayment Right

The Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares,

dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right.

ARTICLE 8 DEFAULT

8.1 Events of Default

Each of the following events constitutes, and is herein sometimes referred to as, an "**Event of Default**":

- (a) failure for 30 days to pay interest on the Debentures when due;
- (b) failure to pay principal or premium, if any, on the Debentures when due whether at maturity, upon redemption, on a Change of Control by declaration or otherwise;
- (c) if a decree or order of a Court having jurisdiction is entered adjudging Tidewater a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of Tidewater, or appointing a receiver of, or of any substantial part of, the property of Tidewater or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days;
- (d) if Tidewater institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of Tidewater or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;
- (e) if a resolution is passed for the winding-up or liquidation of Tidewater except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 11.1 are duly observed and performed; or
- (f) if, after the date of this Indenture, any proceedings with respect to Tidewater are taken with respect to a compromise or arrangement, with respect to creditors of Tidewater generally, under the applicable legislation of any jurisdiction;

in each and every such event, the Debenture Trustee may, in its discretion, and shall, upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding (or if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures of such series then outstanding), subject to the provisions of Section 8.3, by notice in writing to Tidewater declare the principal of and interest on all Debentures then

outstanding and all other monies outstanding hereunder to be due and payable and the same shall forthwith become immediately due and payable to the Debenture Trustee, and Tidewater shall forthwith pay to the Debenture Trustee for the benefit of the Debentureholders such principal, accrued and unpaid interest and interest on amounts in default on such Debentures (and, where such a declaration is based upon a voluntary winding-up or liquidation of Tidewater, the premium, if any, on the Debentures then outstanding which would have been payable upon the redemption thereof by Tidewater on the date of such declaration) and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest and such other monies from the date of such declaration until payment is received by the Debenture Trustee, such subsequent interest to be payable at the times and places and in the monies mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of Tidewater's obligations hereunder and any monies so received by the Debenture Trustee shall be applied in the manner provided in Section 8.6.

For greater certainty, for the purposes of this Section 8.1, an Event of Default shall occur with respect to a series of Debentures if such Event of Default relates to a default in the payment of principal, premium, if any, or interest on the Debentures of such series in which case references to Debentures in this Section 8.1 shall refer to Debentures of that particular series.

For the purposes of this Article 8, where the Event of Default refers to an Event of Default with respect to a particular series of Debentures as described in this Section 8.1, then this Article 8 shall apply *mutatis mutandis* to the Debentures of such series and references in this Article 8 to the Debentures shall mean Debentures of the particular series and references to the Debentureholders shall refer to the Debentureholders of the particular series, as applicable, unless the context otherwise requires.

8.2 Notice of Events of Default

If an Event of Default shall occur and be continuing, the Debenture Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 14.2, provided that notwithstanding the foregoing, unless the Debenture Trustee shall have been requested to do so by the holders of at least 25% of the principal amount of the Debentures then outstanding, the Debenture Trustee shall not be required to give such notice if the Debenture Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised Tidewater in writing.

8.3 Waiver of Default

Upon the happening of any Event of Default hereunder:

- (a) the Debentureholders shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Debenture Trustee to waive any Event of Default and to cancel any declaration made by the Debenture Trustee pursuant to Section 8.1 and the Debenture Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; provided that notwithstanding the foregoing if the Event of Default has occurred by reason of the non-observance or non-performance by Tidewater of any covenant applicable only to one or more series of Debentures, then the holders of more than 50% of the principal amount of the outstanding Debentures of that series shall be entitled to exercise the foregoing power and the Debenture Trustee shall so act and it shall not be necessary to obtain a waiver from the holders of any other series of Debentures; and
- (b) the Debenture Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of

the same, shall have power to waive any Event of Default if, in the Debenture Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Debenture Trustee in the exercise of its discretion, upon such terms and conditions as the Debenture Trustee may deem advisable.

No such act or omission either of the Debenture Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

8.4 Enforcement by the Debenture Trustee

Subject to the provisions of Section 8.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if Tidewater shall fail to pay to the Debenture Trustee, forthwith after the same shall have been declared to be due and payable under Section 8.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Debenture Trustee may in its discretion and shall upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of, premium (if any) and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Debenture Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Debenture Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Debenture Trustee shall deem expedient.

The Debenture Trustee shall be entitled and empowered, either in its own name or as Debenture Trustee of an express trust, or as attorney-in-fact for the Debentureholders, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Debenture Trustee and of the Debentureholders allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to Tidewater or its creditors or relative to or affecting its property. The Debenture Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Debenture Trustee) the true and lawful attorney-in-fact of the respective Debentureholders with authority to make and file in the respective names of the Debentureholders or on behalf of the Debentureholders as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the Debentureholders themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such Debentureholders, as may be necessary or advisable in the opinion of the Debenture Trustee, in order to have the respective claims of the Debenture Trustee and of the Debentureholders against Tidewater or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 8.3, nothing contained in this Indenture shall be deemed to give to the Debenture Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.

The Debenture Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.

All rights of action hereunder may be enforced by the Debenture Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Debenture Trustee shall be brought in the name of the Debenture Trustee as trustee of an express trust, and any recovery of judgment shall be for the

rateable benefit of the Debentureholders subject to the provisions of this Indenture. In any proceeding brought by the Debenture Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Debenture Trustee shall be a party), the Debenture Trustee shall be held to represent all the Debentureholders and it shall not be necessary to make any Debentureholders parties to any such proceeding.

8.5 No Suits by Debentureholders

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have Tidewater wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Debenture Trustee written notice of the happening of an Event of Default hereunder; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 25% in principal amount of the Debentures then outstanding shall have made a request to the Debenture Trustee and the Debenture Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have furnished to the Debenture Trustee, when so requested by the Debenture Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (d) the Debenture Trustee shall have failed to act within a reasonable time after such notification, request and receipt of indemnity and such notification, request and receipt of indemnity are hereby declared in every such case, at the option of the Debenture Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

8.6 Application of Monies by Debenture Trustee

- (a) Except as herein otherwise expressly provided, any monies received by the Debenture Trustee from Tidewater pursuant to the foregoing provisions of this Article 8, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of Tidewater, shall be applied, together with any other monies in the hands of the Debenture Trustee available for such purpose, as follows:
- (i) first, in payment or in reimbursement to the Debenture Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Debenture Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;
 - (ii) second, but subject as hereinafter in this Section 8.6 provided, in payment, rateably and proportionately to the holders of Debentures, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case, in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and
 - (iii) third, in payment of the surplus, if any, of such monies to Tidewater or its assigns;

provided, however, that no payment shall be made pursuant to clause (ii) above in respect of the principal, premium or interest on any Debenture held, directly or indirectly, by or for the benefit of Tidewater or any Subsidiary (other than any Debenture pledged for value and in good faith to a person other than Tidewater or any Subsidiary but only to the extent of such person's interest

therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Debentures which are not so held.

- (b) The Debenture Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Debenture Trustee may think necessary to provide for the payments mentioned in Section 8.6(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 15.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

8.7 Notice of Payment by Debenture Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 14.2 by the Debenture Trustee to the Debentureholders of any payment to be made under this Article 8. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

8.8 Debenture Trustee May Demand Production of Debentures

The Debenture Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 8 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Debenture Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to Tidewater as the Debenture Trustee shall deem sufficient.

8.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Debenture Trustee, or upon or to the holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by equity.

8.10 Judgment Against Tidewater

Tidewater covenants and agrees with the Debenture Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Debenture Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and premium (if any) and the interest thereon and any other monies owing hereunder.

8.11 Immunity

The Debentureholders and the Debenture Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer or director of Tidewater or holder of Common Shares or of any successor thereto, for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by Tidewater contained herein or in the Debentures.

ARTICLE 9 SATISFACTION AND DISCHARGE

9.1 Cancellation and Destruction

All Debentures shall forthwith after payment of all obligations thereunder be delivered to the Debenture Trustee and cancelled by it. If required by Tidewater, the Debenture Trustee shall furnish to it a cancellation or destruction certificate setting out the designating numbers of the Debentures so cancelled.

9.2 Non-Presentation of Debentures

In case the holder of any Debenture shall fail to present the same for payment on the date on which the principal, premium (if any) or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Debenture Trustee may require:

- (a) Tidewater shall be entitled to pay or deliver to the Debenture Trustee and direct it to set aside; or
- (b) in respect of monies or Common Shares in the hands of the Debenture Trustee which may or should be applied to the payment of the Debentures, Tidewater shall be entitled to direct the Debenture Trustee to set aside; or
- (c) if the redemption was pursuant to notice given by the Debenture Trustee, the Debenture Trustee may itself set aside;

the principal, premium (if any) or the interest, as the case may be, in trust to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies or Common Shares, if applicable, have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies or Common Shares, if applicable, so set aside by the Debenture Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 9.3.

9.3 Repayment of Unclaimed Monies or Common Shares

Subject to applicable law, any monies or Common Shares, if applicable, set aside under Section 9.2 and not claimed by and paid to holders of Debentures as provided in Section 9.2 within three years less one day after the date of such setting aside shall be repaid and delivered to Tidewater upon receipt of a Written Direction of Tidewater by the Debenture Trustee and thereupon the Debenture Trustee shall be released from all further liability with respect to such monies or Common Shares, if applicable, and thereafter the Debentureholders in respect of which such monies or Common Shares, if applicable, were so repaid to Tidewater shall have no rights in respect thereof except to obtain payment and delivery of the monies or Common Shares, if applicable, from Tidewater subject to any limitation provided by the laws of the Province of Alberta. Notwithstanding the foregoing, the Debenture Trustee will pay any remaining funds prior to the expiry of three years less one day after the setting aside described in Section 9.2 to Tidewater upon receipt from Tidewater, or one of its Subsidiaries, subject to the Debenture Trustee's prior acceptance (acting reasonable) of an uncontested letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds.

9.4 Discharge

The Debenture Trustee shall at the written request of Tidewater execute and deliver such instruments as it shall be advised by Counsel are requisite to release and discharge this Indenture and to

release Tidewater from its covenants herein contained (other than the provisions relating to the indemnification of the Debenture Trustee), upon proof being given to the reasonable satisfaction of the Debenture Trustee that the principal of and premium (if any) and interest (including interest on amounts in default, if any) on all the Debentures and all other monies payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

9.5 Satisfaction

(a) Tidewater shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures of any series and the Debenture Trustee, at the expense of Tidewater, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures or all of the outstanding Debentures of any series, as applicable, either:

(i) Tidewater has deposited or caused to be deposited with the Debenture Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money or Freely Tradeable Common Shares, as applicable, sufficient to pay, satisfy and discharge the entire amount of principal, premium, if any, and interest, if any, to maturity or any repayment date or Redemption Dates, as the case may be, of such Debentures; or

(ii) Tidewater has deposited or caused to be deposited with the Debenture Trustee as property in trust for the purpose of making payment on such Debentures:

(A) if the Debentures are issued in Canadian dollars, such amount in Canadian dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or Freely Tradeable Common Shares, as applicable; or

(B) if the Debentures are issued in a currency or currency unit other than Canadian dollars, cash in the currency or currency unit in which the Debentures are payable and/or such amount in such currency or currency unit of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or the government that issued the currency or currency unit in which the Debentures are payable or Freely Tradeable Common Shares, as applicable;

as will, together with the income to accrue thereon and reinvestment thereof, be sufficient to pay and discharge the entire amount of principal and premium (if any) and accrued and unpaid interest to maturity or any repayment date or Redemption Date, as the case may be, of all such Debentures and in the case of Section 9.5(a)(ii), the Debenture Trustee will have the right to request that the Corporation provides an opinion of an appropriate expert or advisor to that effect as a condition precedent thereto;

and in either event:

(iii) Tidewater has paid, caused to be paid or made provisions to the satisfaction of the Debenture Trustee for the payment of all other sums payable with respect to all of such Debentures (together with all applicable expenses of the Debenture Trustee in connection with the payment of such Debentures including payment of any present taxes owing and any taxes arising with respect to all deposited funds or other provision for payment in respect of the Debentures); and

- (iv) Tidewater has delivered to the Debenture Trustee an Officer's Certificate and a legal opinion (if required) stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Debenture Trustee referred to in this Section 9.5 shall be irrevocable, subject to Section 9.6, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Debenture Trustee and which provides for the due and punctual payment of the principal of, and interest and premium, if any, on the Debentures being satisfied.

- (b) Upon the satisfaction of the conditions set forth in this Section 9.5 with respect to all the outstanding Debentures, or all the outstanding Debentures of any series, as applicable, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2, Article 3, Article 4, Article 6, Article 9 and Article 15 and Section 8.4 and the provisions of Article 1 pertaining to the foregoing provisions) shall no longer be binding upon or applicable to Tidewater.
- (c) Any funds or obligations deposited with the Debenture Trustee pursuant to this Section 9.5 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.
- (d) If the Debenture Trustee is unable to apply any money or securities in accordance with this Section 9.5 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, Tidewater's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 9.5 until such time as the Debenture Trustee is permitted to apply all such money or securities in accordance with this Section 9.5, provided that if Tidewater has made any payment in respect of principal, premium or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, Tidewater shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Debenture Trustee.

9.6 Continuance of Rights, Duties and Obligations

- (a) Where trust funds or trust property have been deposited pursuant to Section 9.5, the holders of Debentures and Tidewater shall continue to have and be subject to their respective rights, duties and obligations under Article 2, Article 3, Article 4, Article 6 and Article 9 and Section 8.4 and the provisions of Article 1 pertaining to the foregoing provisions, as may be applicable.
- (b) In the event that, after the deposit of trust funds or trust property pursuant to Section 9.5 in respect of a series of Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Common Shares or other securities of Tidewater in accordance with Subsection 2.4(f), Article 6 or any other provision of this Indenture, the Debenture Trustee shall upon receipt of a Written Direction of Tidewater, return to Tidewater from time to time the proportionate amount of the trust funds or other trust property deposited with the Debenture Trustee pursuant to Section 9.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased Debentures being converted in relation to the aggregate outstanding principal amount of all the Defeased Debentures).
- (c) In the event that, after the deposit of trust funds or trust property pursuant to Section 9.5, Tidewater is required to purchase any outstanding Debentures pursuant to Subsection 2.4(j) in relation to Initial Debentures or to purchase or make an offer to purchase Debentures pursuant to any other similar provisions relating to any other series of Debentures, Tidewater shall be entitled to use any trust money or trust property deposited with the Debenture Trustee pursuant to

Section 9.5 for the purpose of paying to any holders of Defeased Debentures who have accepted any such offer of Tidewater the Debenture Offer Price payable to such holders in respect of such offer to purchase the Initial Debentures (or the total offer price payable in respect of an offer relating to any other series of Debentures). Upon receipt of a Written Direction from Tidewater, the Debenture Trustee shall be entitled to pay to such holders from such trust money or trust property deposited with the Debenture Trustee pursuant to Section 9.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have accepted any such offer from Tidewater (which amount shall be based on the applicable principal amount of the Defeased Debentures held by holders that accept any such offer in relation to the aggregate outstanding principal amount of all of the Defeased Debentures).

ARTICLE 10 COMMON SHARE INTEREST PAYMENT ELECTION

10.1 Common Share Interest Payment Election

- (a) Provided that an Event of Default has not occurred and is not continuing and that all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Debentures or Common Shares are then listed), Tidewater shall have the right, from time to time, to make a Common Share Interest Payment Election in respect of any Interest Obligation by delivering a Common Share Interest Payment Election Notice to the Debenture Trustee no later than the earlier of: (i) the date required by applicable law or the rules of any stock exchange on which the Debentures or Common Shares are then listed, and (ii) the day which is 15 Business Days prior to the Interest Payment Date to which the Common Share Interest Payment Election relates. Such Common Share Interest Payment Election Notice shall provide that all or a portion of the Interest Obligation may be paid by the Corporation in Common Shares by the delivery of Common Shares to the Debenture Trustee and the subsequent facilitation of the sale of such Common Shares by the Debenture Trustee in accordance with this Section 10.1, and if only a portion of the Interest Obligation is to be paid in Common Shares, the Common Share Interest Payment Election shall state such portion to be paid in Common Shares and such portion to be paid in cash.
- (b) Upon receipt of a Common Share Interest Payment Election Notice, the Debenture Trustee acting on the Written Direction of Tidewater shall, in accordance with this Article 10 and such Common Share Interest Payment Election Notice, deliver Common Share Bid Requests to the investment banks, brokers or dealers identified by Tidewater, in its absolute discretion, in the Common Share Interest Payment Election Notice. In connection with the Common Share Interest Payment Election, the Debenture Trustee shall: (i) accept delivery of the Freely Tradeable Common Shares from Tidewater and process the Freely Tradeable Common Shares in accordance with the Common Share Interest Payment Election Notice; (ii) accept bids with respect to, and consummate sales of, such Freely Tradeable Common Shares, each as Tidewater shall direct in its absolute discretion through the investment banks, brokers or dealers identified by Tidewater in the Common Share Interest Payment Election Notice; (iii) invest the proceeds of such sales on the direction of Tidewater in Government Obligations which mature prior to the applicable Interest Payment Date and use such proceeds to pay the Interest Obligation in respect of which the Common Share Interest Payment Election was made; (iv) deliver proceeds to holders of Debentures that together with the additional cash payments of the Corporation, if any, will satisfy all of the Corporation's Interest Obligations, as directed by the Corporation in the Common Share Interest Payment Election Notice; and (v) perform any other action necessarily incidental thereto as directed by Tidewater in its absolute discretion. The Common Share Interest Payment Election Notice shall direct the Debenture Trustee to solicit and accept only, and each Common Share Bid Request shall provide that the acceptance of any bid is conditional on the acceptance of, sufficient bids to result in aggregate proceeds from such issue and sale of Freely Tradeable Common Shares which, together with the cash payments by Tidewater in lieu of fractional Common Shares, if any, equal the Interest Obligation on the Common Share Delivery Date.

- (c) The Common Share Interest Payment Election Notice shall provide for, and all bids shall be subject to, the right of Tidewater, by delivering written notice to the Debenture Trustee at any time prior to the consummation of such delivery and sale of the Freely Tradeable Common Shares on the Common Share Delivery Date, to withdraw the Common Share Interest Payment Election (which shall have the effect of withdrawing each related Common Share Bid Request), whereupon Tidewater shall be obliged to pay in cash the Interest Obligation in respect of which the Common Share Interest Payment Election Notice has been delivered.
- (d) Any sale of Freely Tradeable Common Shares pursuant to this Article 10 may be made to one or more persons whose bids are solicited, but all such sales with respect to a particular Common Share Interest Payment Election shall take place concurrently on the Common Share Delivery Date.
- (e) The amount received by a holder of a Debenture in respect of the Interest Obligation or the entitlement thereto will not be affected by whether or not Tidewater elects to satisfy the Interest Obligation pursuant to a Common Share Interest Payment Election.
- (f) The Debenture Trustee shall inform Tidewater promptly following receipt of any bid or bids for Freely Tradeable Common Shares solicited pursuant to the Common Share Bid Requests. The Debenture Trustee shall accept such bid or bids as Tidewater, in its absolute discretion, shall direct by Written Direction of Tidewater, provided that the aggregate proceeds of all sales of Common Shares resulting from the acceptance of such bids, together with the amount of any cash payment by Tidewater in lieu of any fractional Common Shares, on the Common Share Delivery Date, must be equal to the related Common Share Interest Payment Election Amount in connection with any bids so accepted. Tidewater and the applicable bidders shall, not later than the Common Share Delivery Date, enter into Common Share Purchase Agreements and shall comply with all Applicable Securities Legislation, including the securities rules and regulations of any stock exchange on which the Debentures or Common Shares are then listed. Tidewater shall pay all fees and expenses in connection with the Common Share Purchase Agreements including the fees and commissions charged by the investment banks, brokers and dealers and the fees of the Debenture Trustee.
- (g) Provided that: (i) all conditions specified in each Common Share Purchase Agreement to the closing of all sales thereunder have been satisfied, other than the delivery of the Freely Tradeable Common Shares to be sold thereunder against payment of the purchase price thereof; and (ii) the purchasers under each Common Share Purchase Agreement shall be ready, willing and able to perform thereunder, in each case on the Common Share Delivery Date, Tidewater shall, on the Common Share Delivery Date, deliver to the Debenture Trustee the Freely Tradeable Common Shares to be sold on such date, an amount in cash equal to the value of any fractional Freely Tradeable Common Shares and an Officer's Certificate to the effect that all conditions precedent to such sales, including those set forth in this Indenture and in each Common Share Purchase Agreement, have been satisfied. Upon such deliveries, the Debenture Trustee shall consummate such sales on such Common Share Delivery Date by the delivery of the Freely Tradeable Common Shares to such purchasers against payment to the Debenture Trustee in immediately available funds of the purchase price therefor in an aggregate amount equal to the Common Share Interest Payment Election Amount (less any amount attributable to any fractional Freely Tradeable Common Shares), whereupon the sole right of a holder of Debentures to receive such holder's portion of the Common Share Interest Payment Election Amount will be to receive same from the Debenture Trustee out of the proceeds of such sales of Freely Tradeable Common Shares plus any amount received by the Debenture Trustee from Tidewater attributable to any fractional Freely Tradeable Common Shares in full satisfaction of the Interest Obligation and the holder will have no further recourse to Tidewater in respect of the Interest Obligation.
- (h) The Debenture Trustee shall, on the Common Share Delivery Date, use the sale proceeds of the Freely Tradeable Common Shares (together with any cash received from Tidewater in lieu of any fractional Freely Tradeable Common Shares) to purchase, on the direction of Tidewater in writing,

Government Obligations which mature prior to the applicable Interest Payment Date and which the Debenture Trustee is required to hold until maturity (the "**Common Share Proceeds Investment**") and shall, on such date, deposit the balance, if any, of such sale proceeds in an account maintained by and subject to the control of the Debenture Trustee (the "**Interest Account**") for such Debentures. The Debenture Trustee shall hold such Common Share Proceeds Investment (but not income earned thereon) under its exclusive control in an irrevocable trust for the benefit of the Debentureholders. At least one Business Day prior to the Interest Payment Date, the Debenture Trustee shall deposit amounts from the proceeds of the Common Share Proceeds Investment in the Interest Account to bring the balance of the Interest Account to the Common Share Interest Payment Election Amount. On the Interest Payment Date, the Debenture Trustee shall pay funds held in the Interest Account to the holders entitled to payment thereof on the Interest Payment Date (less any tax required to be deducted, if any) and, provided that there is no Event of Default, shall remit amounts, if any, in respect of income earned on the Common Share Proceeds Investment or otherwise in excess of the Common Share Interest Payment Election Amount to Tidewater.

- (i) Neither the making of a Common Share Interest Payment Election nor the consummation of sales of Freely Tradeable Common Shares on a Common Share Delivery Date shall (i) result in the Debentureholders not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the Interest Obligation payable on such date or (ii) entitle such holders to receive any Freely Tradeable Common Shares in satisfaction of such Interest Obligation.
- (j) No fractional Freely Tradeable Common Shares will be issued in satisfaction of interest but in lieu thereof Tidewater will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest (less any tax required to be deducted, if any).

ARTICLE 11 SUCCESSORS

11.1 Restrictions on Amalgamation, Merger and Sale of Certain Assets, etc.

Subject to the provisions of Article 12, Tidewater shall not enter into any transaction or series of transactions whereby all or substantially all of its undertaking, property or assets would become the property of any other person (herein called a "**Successor**") whether by way of reorganization, consolidation, amalgamation, arrangement, merger, acquisition, transfer, sale or otherwise, unless:

- (a) prior to or contemporaneously with the consummation of such transaction Tidewater and the Successor shall have executed such instruments and done such things as, in the opinion of Counsel, are necessary or advisable to establish that upon the consummation of such transaction:
 - (i) the Successor will have assumed all the covenants and obligations of Tidewater under this Indenture in respect of the Debentures;
 - (ii) the Debentures will be valid and binding obligations of the Successor entitling the holders thereof, as against the Successor, to all the rights of Debentureholders under this Indenture; and
 - (iii) in the case of an entity organized otherwise than under the laws of the Province of Alberta, shall attorn to the jurisdiction of the courts of the Province of Alberta;
- (b) such transaction, in the opinion of Counsel, shall be on such terms as to substantially preserve and not impair any of the rights and powers of the Debenture Trustee or of the Debentureholders hereunder; and

- (c) no condition or event shall exist as to Tidewater (at the time of such transaction) or the Successor (immediately after such transaction) and after giving full effect thereto or immediately after the Successor shall become liable to pay the principal monies, premium, if any, interest and other monies due or which may become due hereunder, which constitutes or would constitute an Event of Default hereunder.

ARTICLE 12 COMPULSORY ACQUISITION

12.1 Definitions

In this Article:

- (a) "**Affiliate**" and "**Associate**" shall have their respective meanings set forth in the *Securities* (Alberta);
- (b) "**Dissenting Debentureholders**" means a Debentureholder who does not accept an Offer referred to in Section 12.2 and includes any assignee of the Debenture of a Debentureholder to whom such an Offer is made, whether or not such assignee is recognized under this Indenture;
- (c) "**Offer**" means an offer to acquire outstanding Debentures where, as of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with the Offeror's Debentures, constitute in the aggregate 20% or more of the outstanding principal amount of the Debentures;
- (d) "**offer to acquire**" includes an acceptance of an offer to sell;
- (e) "**Offeror**" means a person, or two or more persons acting jointly or in concert, who make an Offer to acquire Debentures;
- (f) "**Offeror's Debentures**" means Debentures beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate or Associate of the Offeror or any person acting jointly or in concert (as such term is defined in NI 62-104) with the Offeror; and
- (g) "**Offeror's Notice**" means the notice described in Section 12.3.

12.2 Offer for Debentures

If an Offer for all of the outstanding Debentures (other than Debentures held by or on behalf of the Offeror or an Affiliate or Associate of the Offeror) is made and:

- (a) within the time provided in the Offer for its acceptance or within 45 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Debentureholders representing at least 90% of the outstanding principal amount of the Debentures, other than the Offeror's Debentures;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for, the Debentures of the Debentureholders who accepted the Offer; and
- (c) the Offeror complies with Sections 12.3 and 12.5;

the Offeror is entitled to acquire, and the Dissenting Debentureholders are required to sell to the Offeror, the Debentures held by the Dissenting Debentureholder for the same consideration per Debenture payable or paid, as the case may be, under the Offer.

12.3 Offeror's Notice to Dissenting Debentureholders

Where an Offeror is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to Section 12.2 and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of termination of the Offer a notice (the "**Offeror's Notice**") to each Dissenting Debentureholder stating that:

- (a) Debentureholders holding at least 90% of the principal amount of all outstanding Debentures, other than Offeror's Debentures, have accepted the Offer;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for, the Debentures of the Debentureholders who accepted the Offer;
- (c) Dissenting Debentureholders must transfer their respective Debentures to the Offeror on the terms on which the Offeror acquired the Debentures of the Debentureholders who accepted the Offer within 21 days after the date of the sending of the Offeror's Notice; and
- (d) Dissenting Debentureholders must send their respective Debenture Certificate(s) to the Debenture Trustee within 21 days after the date of the sending of the Offeror's Notice.

12.4 Delivery of Debenture Certificates

A Dissenting Debentureholder to whom an Offeror's Notice is sent pursuant to Section 12.3 shall, within 21 days after the sending of the Offeror's Notice, send his or her Debenture Certificate(s) duly endorsed for transfer, if applicable, or such other documents as the Debenture Trustee or such other person may require in lieu thereof, to the Debenture Trustee.

12.5 Payment of Consideration to Debenture Trustee

Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 12.3, the Offeror shall pay or transfer to the Debenture Trustee, or to such other person as the Debenture Trustee may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to Section 12.2. The acquisition by the Offeror of all Debentures held by all Dissenting Debentureholders shall be effective as of the time of such payment or transfer.

12.6 Consideration to be held in Trust

The Debenture Trustee, or the person directed by the Debenture Trustee, shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under Section 12.5. The Debenture Trustee, or such persons, shall deposit cash in a separate account in a Canadian chartered bank, or other body corporate, any of whose deposits are insured by the Canada Deposit Insurance Corporation, and shall place any other consideration either in its own custody or in the custody of a Canadian chartered bank or such other body corporate.

12.7 Completion of Transfer of Debentures to Offeror

Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 12.3, the Debenture Trustee, if the Offeror has complied with Section 12.5, shall:

- (a) do all acts and things and execute and cause to be executed all instruments as in the Debenture Trustee's opinion, relying on an opinion of Counsel, may be necessary or desirable to cause the transfer of the Debentures of the Dissenting Debentureholders to the Offeror;
- (b) send to each Dissenting Debentureholder who has complied with Section 12.4 the consideration to which such Dissenting Debentureholder is entitled under this Article 12; and

- (c) send to each Dissenting Debentureholder who has not complied with Section 12.4 a notice stating that:
- (i) his or her Debentures have been transferred to the Offeror;
 - (ii) the Debenture Trustee or some other person designated in such notice are holding in trust the consideration for such Debentures; and
 - (iii) the Debenture Trustee, or such other person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholder's Debenture Certificate(s) or such other documents as the Debenture Trustee or such other person may require in lieu thereof;

and the Debenture Trustee is hereby appointed the agent and attorney of the Dissenting Debentureholders for the purposes of giving effect to the foregoing provisions.

12.8 Communication of Offer to Tidewater

An Offeror cannot make an Offer for Debentures unless, concurrent with the communication of the Offer to any Debentureholder, a copy of the Offer is provided to Tidewater.

ARTICLE 13 MEETINGS OF DEBENTUREHOLDERS

13.1 Right to Convene Meeting

The Debenture Trustee or Tidewater may at any time and from time to time, and the Debenture Trustee shall, on receipt of a written request of Tidewater or a written request signed by the holders of not less than 25% of the principal amount of the Debentures then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction by Tidewater or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Debenture Trustee failing, within 30 days after receipt of any such request and such funding and indemnity, to give notice convening a meeting, Tidewater or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary or at such other place as may be approved or determined by the Debenture Trustee.

13.2 Notice of Meetings

- (a) At least 21 days' notice of any meeting shall be given to the Debentureholders in the manner provided in Section 14.2 and a copy of such notice shall be sent by post to the Debenture Trustee, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any holder of Debentures shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.
- (b) If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, or any action to be taken or power exercised by instrument in writing under Section 13.15, especially affects the rights of holders of Debentures of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Debentures of any other series are affected (determined as provided in Sections 13.2(c) and 13.2(d)), then:

- (i) a reference to such fact, indicating each series of Debentures in the opinion of the Debenture Trustee so especially affected (hereinafter referred to as the "**especially affected series**") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "**Serial Meeting**"; and
- (ii) the holders of Debentures of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 13.15 unless in addition to compliance with the other provisions of this Article 13:
 - (A) at such Serial Meeting: (I) there are Debentureholders present in person or by proxy and representing at least 25% in principal amount of the Debentures then outstanding of such series, subject to the provisions of this Article 13 as to quorum at adjourned meetings; and (II) the resolution is passed by the affirmative vote of the holders of more than 50% (or in the case of an Extraordinary Resolution not less than 66 2/3%) of the principal amount of the Debentures of such series then outstanding voted on the resolution; or
 - (B) in the case of action taken or power exercised by instrument in writing under Section 13.15, such instrument is signed in one or more counterparts by the holders of not less than 66 2/3% in principal amount of the Debentures of such series then outstanding.
- (c) Subject to Section 13.2(d), the determination as to whether any business to be transacted at a meeting of Debentureholders, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, especially affects the rights of the Debentureholders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Debentureholders of any other series (and is therefore an especially affected series) shall be determined by an opinion of Counsel, which shall be binding on all Debentureholders, the Debenture Trustee and Tidewater for all purposes hereof.
- (d) A proposal:
 - (i) to extend the maturity of Debentures of any particular series or to reduce the principal amount thereof, the rate of interest or redemption premium thereon or to impair any conversion right thereof;
 - (ii) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding; or
 - (iii) to reduce with respect to Debentureholders of any particular series any percentage stated in this Section 13.2 or any of Sections 13.4, 13.12 and 13.15;

shall be deemed to especially affect the rights of the Debentureholders of such series in a manner differing in a material way from that in which it affects the rights of holders of Debentures of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series.

13.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the Debenture Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose some person present to be chairman.

13.4 Quorum

Subject to the provisions of Section 13.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures and, if the meeting is a Serial Meeting, at least 25% of the Debentures then outstanding of each especially affected series. If a quorum of the Debentureholders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 13.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures or of the Debentures then outstanding of each especially affected series. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

13.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the holders of a majority in principal amount of the Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

13.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 13.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

13.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in principal amount of the Debentures and of each especially affected series, if applicable, represented at the meeting and voted on the poll.

13.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures of which he shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than Canadian dollars, the principal amount thereof for these purposes shall be computed in Canadian dollars on the basis of the conversion of the principal amount thereof at the applicable spot buying rate of

exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day next preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded down to the nearest \$1,000. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

13.9 Proxies

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. Tidewater (in case it convenes the meeting) or the Debenture Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;
- (b) the deposit of instruments appointing proxies at such place as the Debenture Trustee, Tidewater or the Debentureholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited;
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, or sent by other electronic means before the meeting to Tidewater or to the Debenture Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting; and
- (d) generally, for the calling of a meeting of Debentureholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

13.10 Persons Entitled to Attend Meetings

Tidewater and the Debenture Trustee, by their respective officers and directors, the Auditors of Tidewater and the legal advisors of Tidewater may attend any meeting of the Debentureholders, but shall have no vote as such.

13.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution, subject in the case of the matters in paragraphs (a), (b), (c), (d) and (l) to receipt of the prior approval of the TSX (if applicable) or such other exchange on which the Debentures are then listed:

- (a) power to authorize the Debenture Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due or overdue;
- (b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Debenture Trustee against Tidewater, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;
- (c) subject to obtaining all required regulatory approvals (including stock exchange approvals), power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by Tidewater and to authorize the Debenture Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;
- (d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of Tidewater or for the consolidation, amalgamation or merger of Tidewater with any other person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of Tidewater or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Section 11.1 shall have been complied with;
- (e) power to direct or authorize the Debenture Trustee to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;
- (f) power to waive, and direct the Debenture Trustee to waive, any default hereunder and/or cancel any declaration made by the Debenture Trustee pursuant to Section 8.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;
- (g) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any trust or power hereunder;
- (h) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 8.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;
- (i) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of Tidewater;
- (j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Debenture Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither

the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

- (k) with the consent of the Corporation, power to remove the Debenture Trustee from office and to appoint a new Debenture Trustee or Debenture Trustees provided that no such removal shall be effective unless and until a new Debenture Trustee or Debenture Trustees shall have become bound by this Indenture;
- (l) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities or obligations of Tidewater or of any other person formed or to be formed;
- (m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of Section 13.11(l); and
- (n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to Section 13.11(j).

13.12 Meaning of "Extraordinary Resolution"

- (a) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the holders of not less than 25% of the principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, at which holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are present in person or by proxy and passed by the favourable votes of the holders of not less than 66 2/3% of the principal amount of the Debentures, and if the meeting is a Serial Meeting by the affirmative vote of the holders of not less than 66 2/3% of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll on such resolution.
- (b) If, at any such meeting, the holders of not less than 25% of the principal amount of the Debentures then outstanding and, if the meeting is a Serial Meeting, 25% of the principal amount of the Debentures then outstanding of each especially affected series, in each case are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 14.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed thereat by the affirmative vote of holders of not less than 66 2/3% of the principal amount of the Debentures and, if the meeting is a Serial Meeting, by the affirmative vote of the holders of not less than 66 2/3% of the principal amount of the Debentures of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

13.13 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

13.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Debenture Trustee at the expense of Tidewater, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

13.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of 66 2/3% of the principal amount of all the outstanding Debentures and, if the meeting at which such actions might be taken would be a Serial Meeting, by the holders of 66 2/3% of the principal amount of the Debentures then outstanding of each especially affected series, by an instrument in writing signed in one or more counterparts and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

13.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 13.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Debenture Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

13.17 Evidence of Rights of Debentureholders

- (a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.
- (b) The Debenture Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

13.18 Concerning Serial Meetings

If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, does not adversely affect the rights of the holders of Debentures of one or more series, the provisions of this Article 13 shall apply as if the Debentures of such series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series. Without limiting the generality of the foregoing, a

proposal to modify or terminate any covenant or agreement which is effective only so long as Debentures of a particular series are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series.

ARTICLE 14 NOTICES

14.1 Notice to Tidewater

Any notice to Tidewater under the provisions of this Indenture shall be valid and effective if delivered to Tidewater at: Suite 900, 222 - 3rd Avenue SW, Calgary, AB T2P 0B4, Attention: Chief Executive Officer, and a copy delivered to DLA Piper (Canada) LLP, Suite 1000, 250 – 2nd Street SW, Calgary, Alberta T2P 0C1, Attention: Trevor Wong-Chor, or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof. Tidewater may from time to time notify the Debenture Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of Tidewater for all purposes of this Indenture.

If by reason of any interruption of mail service, actual or threatened, any notice to be given to Tidewater would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to this Section 14.1, such notice shall be valid and effective only if delivered at the appropriate address in accordance with this Section 14.1.

14.2 Notice to Debentureholders

All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned with a copy to the Debenture Trustee and shall be deemed to have been effectively given three days following the day of mailing; provided that for any Debentures held through CDS or other Depository, if any notice or other communication is required to be given to Debentureholders, the Debenture Trustee or the Corporation may give such notices and communications to CDS or such other Depository by e-mail or facsimile (at such e-mail or facsimile number as is given by CDS or the Depository, as applicable, for such purpose from time to time) or in such other manner as is acceptable to CDS or the Depository, as applicable, and notice will be deemed to have been effective/given on the date of delivery. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of Tidewater to give or mail any notice due to anything beyond the reasonable control of Tidewater shall not invalidate any action or proceeding founded thereon.

If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, Tidewater shall give such notice by publication at least once in the city of Calgary (or in such of those cities as, in the opinion of the Debenture Trustee, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.

Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

All notices with respect to any Debenture may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders of any persons interested in such Debenture.

14.3 Notice to Debenture Trustee

Any notice to the Debenture Trustee under the provisions of this Indenture shall be valid and effective if delivered to the Debenture Trustee at its principal office in the City of Toronto, Ontario at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1; Attention: Vice President, Corporate Trust; Email: tmxestaff-corporatetrust@tmx.com; Fax: (416) 361-0470 or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof. The Debenture Trustee may from time to time notify Tidewater in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Debenture Trustee for all purposes of this Indenture.

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Debenture Trustee or the Corporation would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to this Section 14.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 14.3.

ARTICLE 15 CONCERNING THE DEBENTURE TRUSTEE

15.1 No Conflict of Interest

The Debenture Trustee represents to Tidewater that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Debenture Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 15.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture, and the Debentures issued hereunder, shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises but the Debenture Trustee shall, within 30 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 15.2.

15.2 Replacement of Debenture Trustee

The Debenture Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to Tidewater 60 days' notice in writing or such shorter notice as Tidewater may accept as sufficient. If at any time a material conflict of interest exists in the Debenture Trustee's role as a fiduciary hereunder the Debenture Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 15.2. The validity and enforceability of this Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Debenture Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, Tidewater shall forthwith appoint a new Debenture Trustee unless a new Debenture Trustee has already been appointed by the Debentureholders. Failing such appointment by Tidewater, the retiring Debenture Trustee or any Debentureholder may apply to a Justice of the Court of Queen's Bench of Alberta, on such notice as such Justice may direct at Tidewater' expense, for the appointment of a new Debenture Trustee but any new Debenture Trustee so appointed by Tidewater or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Debenture Trustee shall be effective only upon such new Debenture Trustee becoming bound by this Indenture. Any new Debenture Trustee appointed under any provision of this Section 15.2 shall be a corporation authorized to carry on the business of a trust company in all of the Provinces of Canada. On any new appointment the new Debenture Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Debenture Trustee.

Any company into which the Debenture Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Debenture Trustee shall be a party, or any company succeeding to the

corporate trust business of the Debenture Trustee shall be the successor Debenture Trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Debenture Trustee or of Tidewater, the Debenture Trustee ceasing to act shall, upon payment of any outstanding fees and expenses, execute and deliver an instrument assigning and transferring to such successor Debenture Trustee, upon trusts herein expressed, all the rights, powers and trusts of the Debenture Trustee so ceasing to act, and shall duly assign, transfer and deliver, on payment of all reasonable outstanding fees and expenses then owing to the Debenture Trustee, all property and money held by such Debenture Trustee to the successor Debenture Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from Tidewater be required by any new Debenture Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Debenture Trustee, be made, executed, acknowledged and delivered by Tidewater.

15.3 Duties of Debenture Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Debenture Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

15.4 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties and obligations hereunder the Debenture Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Debenture Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Debenture Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 15.5, if applicable, and with any other applicable requirements of this Indenture. The Debenture Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Debenture Trustee may rely on an opinion of Counsel satisfactory to the Debenture Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for Tidewater.

15.5 Evidence and Authority to Debenture Trustee, Opinions, etc.

Tidewater shall furnish to the Debenture Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by Tidewater or the Debenture Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the Authentication and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Debenture Trustee at the request of or on the application of Tidewater, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Debenture Trustee in accordance with the terms of this Section 15.5, or (b) the Debenture Trustee, in the exercise of its rights and duties under this Indenture, gives Tidewater written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

Such evidence shall consist of:

- (a) an Officer's Certificate stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
- (b) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and

- (c) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of Tidewater whom the Debenture Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

Whenever such evidence relates to a matter other than the certificates and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of Tidewater it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

Tidewater shall furnish to the Debenture Trustee at any time if the Debenture Trustee reasonably so requires, its certificate that Tidewater has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. Tidewater shall, whenever the Debenture Trustee so requires, furnish the Debenture Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Debenture Trustee as to any action or step required or permitted to be taken by Tidewater or as a result of any obligation imposed by this Indenture.

15.6 Officer's Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Debenture Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Debenture Trustee, if acting in good faith, may rely upon an Officer's Certificate.

15.7 Experts, Advisers and Agents

The Debenture Trustee may:

- (a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Debenture Trustee or by Tidewater, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and
- (b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the proper determination and discharge of its duties hereunder and in the

management of the trusts hereof and any solicitors employed or consulted by the Debenture Trustee may, but need not be, solicitors for Tidewater. The Corporation shall pay or reimburse the Debenture Trustee for any reasonable fees, expenses and disbursements of such counsel or advisors.

15.8 Debenture Trustee May Deal in Debentures

Subject to Sections 15.1 and 15.3, the Debenture Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with Tidewater or otherwise, without being liable to account for any profits made thereby.

15.9 Investment of Monies Held by Debenture Trustee

Unless otherwise provided in this Indenture, any monies held by the Debenture Trustee, which, under the trusts of this Indenture, may or ought to be invested or which may be on deposit with the Debenture Trustee or which may be in the hands of the Debenture Trustee, may be invested and reinvested in the name or under the control of the Debenture Trustee in securities in which, under the laws of the Province of Alberta, trustees are authorized to invest trust monies, provided that such securities are expressed to mature within two years or such shorter period selected to facilitate any payments expected to be made under this Indenture, after their purchase by the Debenture Trustee, and unless and until the Debenture Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Debenture Trustee shall so invest such monies at the Written Direction of Tidewater given in a reasonably timely manner. Pending the investment of any monies as hereinbefore provided, such monies may be deposited in the name of the Debenture Trustee in any chartered bank of Canada or, with the consent of Tidewater, in the deposit department of the Debenture Trustee or any other loan or trust company authorized to accept deposits under the laws of Canada or any Province thereof at the rate of interest, if any, then current on similar deposits.

Unless and until the Debenture Trustee shall have declared the principal of and interest on the Debentures to be due and payable, and except as otherwise expressly provided herein, the Debenture Trustee shall pay over to Tidewater all interest received by the Debenture Trustee in respect of any investments or deposits made pursuant to the provisions of this Section.

The Debenture Trustee may retain any cash balance held in connection with the Indenture, and may, but need not, hold the same in its deposit department or the deposit department of one of its Affiliates; but the Debenture Trustee and its Affiliate shall not be liable to account for any profit to the Corporation or any other person or entity other than at a rate, if any, established from time to time by the Debenture Trustee or its Affiliates.

15.10 Debenture Trustee Not Ordinarily Bound

Except as provided in Section 8.2 and as otherwise specifically provided herein, the Debenture Trustee shall not, subject to Section 15.3, be bound to give notice to any person of the execution hereof, nor to do, observe or perform or see to the observance or performance by Tidewater of any of the obligations herein imposed upon Tidewater or of the covenants on the part of Tidewater herein contained, nor in any way to supervise or interfere with the conduct of Tidewater's business, unless the Debenture Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Debentures then outstanding or by any Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 13, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

15.11 Debenture Trustee Not Required to Give Security

The Debenture Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

15.12 Debenture Trustee Not Bound to Act on Tidewater's Request

Except as in this Indenture otherwise specifically provided, the Debenture Trustee shall not be bound to act in accordance with any direction or request of Tidewater until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Debenture Trustee, and the Debenture Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Debenture Trustee to be genuine.

15.13 Conditions Precedent to Debenture Trustee's Obligations to Act Hereunder

The obligation of the Debenture Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Debenture Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing when required by notice in writing by the Debenture Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Debenture Trustee to protect and hold harmless the Debenture Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

None of the provisions contained in this Indenture shall require the Debenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

The Debenture Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Debenture Trustee the Debentures held by them for which Debentures the Debenture Trustee shall issue receipts.

The Debenture Trustee shall not be bound to do or give any notice or take any act, action, proceeding for the enforcement of any of the obligations of the Corporation under this Indenture unless and until it shall have received a Debentureholder's request specifying the act, action or proceeding which the Debenture Trustee is requested to take, nor shall the Debenture Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Debenture Trustee and, in the absence of any such notice, the Debenture Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, debentures, covenants, agreements, or conditions contained herein.

No duty shall rest with the Debenture Trustee to determine compliance of the transferor or transferee with applicable securities laws. The Debenture Trustee shall be entitled to assume that all transfers are legal and proper.

15.14 Authority to Carry on Business

The Debenture Trustee represents to Tidewater that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in all of the provinces and territories of Canada, but if, notwithstanding the provisions of this Section 15.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Debenture Trustee shall, within 90 days after ceasing to be authorized to carry on the business of trust

company in the Province of Alberta, either become so authorized or resign in the manner and with the effect specified in Section 15.2.

15.15 Compensation and Indemnity

- (a) Tidewater shall pay to the Debenture Trustee from time to time compensation for its services hereunder as agreed separately by Tidewater and the Debenture Trustee, and shall pay or reimburse the Debenture Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Debenture Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Debenture Trustee under this Indenture shall be finally and fully performed. The Debenture Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. Any amount due under this Section 15.5(a) and unpaid for 30 days shall bear interest at the then current rate charged by the Debenture Trustee for similar accounts in its book of business, and such interest amount shall be added to and form part of the Debenture Trustee's remuneration and shall be immediately due and payable by the Corporation. The remuneration and repayment referred to in this Section 15.5(a) shall continue to be payable until the trusts hereunder created shall be finally wound up and whether or not the trusts under this Indenture shall be in the course of administration by or under the direction of a court.
- (b) Tidewater hereby indemnifies and saves harmless the Debenture Trustee and its directors, officers, employees and agents (the "**Indemnified Parties**") from and against any and all loss, damages, charges, expenses, claims, demands, actions or liability whatsoever which may be brought against the Debenture Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of the gross negligence, failure to act, wilful misconduct or bad faith of the Debenture Trustee. The Debenture Trustee shall notify Tidewater promptly of any claim for which it may seek indemnity. Tidewater shall defend the claim and the Debenture Trustee shall co-operate in the defence. The Debenture Trustee may have separate Counsel and Tidewater shall pay the reasonable fees and expenses of such Counsel. Tidewater need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. For greater certainty, the Corporation agrees to indemnify and save harmless the Indemnified Parties against and from any present and future taxes (other than income taxes), duties, assessments or other charges imposed or levied on behalf of any governmental authority having the power to tax in connection with the Debenture Trustee's duties hereunder. In addition, the Corporation agrees to reimburse, indemnify and save harmless the Indemnified Parties for, against and from all legal fees and disbursements (on a substantial indemnity, or solicitor and client, basis) incurred by an Indemnified Party if the Corporation commences an action, or cross claims or counterclaims, against the Indemnified Party and the Indemnified Party is successful in defending such claim. This indemnity shall survive the resignation or removal of the Debenture Trustee or the termination or discharge of this Indenture.
- (c) Tidewater need not reimburse any expense or indemnify against any loss or liability incurred by the Debenture Trustee through gross negligence, wilful misconduct, bad faith or breach of the Debenture Trustee's duties hereunder.

15.16 Acceptance of Trust

The Debenture Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

15.17 Third Party Interests

Each party to this Indenture (in this paragraph referred to as a "**representing party**") hereby represents to the Debenture Trustee that any account to be opened by, or interest to be held by, the Debenture Trustee in connection with this Indenture, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Debenture Trustee a declaration, in the Debenture Trustee prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

15.18 Force Majeure

Except for the payment obligations of the Corporation contained herein, neither party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, economic sanctions or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures).

In no event shall the Debenture Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond the Debenture Trustee's control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services outside of the ordinary course; it being understood that the Debenture Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

15.19 Anti-Money Laundering and Privacy

The Debenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Debenture Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Debenture Trustee, in its sole judgment, determine, acting reasonable, at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 30 days' prior written notice sent to all parties provided that (i) the Debenture Trustee written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Debenture Trustee's satisfaction within such 30 day period, then such resignation shall not be effective.

The parties acknowledge that the Debenture Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Indenture and other services that may be requested from time to time;
- (b) to help the Debenture Trustee manage its servicing relationships with such individuals;

- (c) to meet the Debenture Trustee's legal and regulatory requirements; and
- (d) if Social Insurance Numbers are collected by the Debenture Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Debenture Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of acting under this Indenture for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Debenture Trustee shall make available on its website, www.tsxtrust.com, or upon request, including revisions thereto. The Debenture Trustee may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Debenture Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 16 SUPPLEMENTAL INDENTURES

16.1 Supplemental Indentures

From time to time the Debenture Trustee and, when authorized by a resolution of the Board of Directors, Tidewater may, subject to the approval of the TSX or such other exchange on which the Debentures are then listed, and they shall when required by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) providing for the issuance of Additional Debentures under this Indenture;
- (b) adding to the covenants of Tidewater herein contained for the protection of the Debentureholders, or of the Debentures of any series, or providing for events of default, in addition to those herein specified;
- (c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Debenture Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;
- (d) evidencing the succession, or successive successions, of others to Tidewater and the covenants of and obligations assumed by any such Successor in accordance with the provisions of this Indenture;
- (e) giving effect to any Extraordinary Resolution passed as provided in Article 13; and
- (f) for any other purpose not inconsistent with the terms of this Indenture.

Unless the supplemental indenture requires the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, by Extraordinary Resolution, the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. Tidewater and the Debenture Trustee may amend any of the provisions of this Indenture related to matters of United States law or the issuance of

Debentures into the United States in order to ensure that such issuances can be made in accordance with applicable law in the United States without the consent or approval of the Debentureholders. Further, Tidewater and the Debenture Trustee may, without the consent or concurrence of the Debentureholders or the holders of a particular series of Debentures, as the case may be, by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of Tidewater providing for the issue of Debentures, provided that in the opinion of the Debenture Trustee (relying upon an opinion of Counsel) the rights of the Debentureholders are in no way prejudiced thereby.

ARTICLE 17 EXECUTION AND FORMAL DATE

17.1 Execution

This Indenture may be executed in several counterparts and delivered by facsimile or electronic means, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

17.2 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of August 8, 2019, irrespective of the actual date of execution hereof

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

**TIDEWATER MIDSTREAM AND
INFRASTRUCTURE LTD.**

Per: (signed) "Joel Vorra"
Name: Joel Vorra
Title: Chief Financial Officer

TSX TRUST COMPANY

Per: (signed) "Bolanle Oyelade"
Name: Bolanle Oyelade
Title: Corporate Trust Officer

Per: (signed) "Patricia Selby"
Name: Patricia Selby
Title: Senior Relationship Manager

SCHEDULE "A"
FORM OF INITIAL DEBENTURE

**TO THE TRUST INDENTURE BETWEEN
TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. AND
TSX TRUST COMPANY**

SCHEDULE "A"

ISIN CA886453AB52

No. [●]

\$[●]

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

(A CORPORATION INCORPORATED PURSUANT TO THE
BUSINESS CORPORATIONS ACT (ALBERTA))5.50% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURE
DUE SEPTEMBER 30, 2024

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. ("Tidewater" or the "Corporation") for value received hereby acknowledges itself indebted and, subject to the provisions of the trust indenture (the "Indenture") dated as of August 8, 2019 between Tidewater and TSX Trust Company (the "Debenture Trustee"), promises to pay to the registered holder hereof on the maturity date of this Initial Debenture, as hereinafter described, or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal sum of [●] Dollars (\$●) in lawful money of Canada on presentation and surrender of this Initial Debenture at the principal office of the Debenture Trustee in Toronto, Ontario in accordance with the terms of the Indenture. This Initial Debenture shall mature on September 30, 2024 (the "Maturity Date"). Subject as hereinafter provided, Tidewater further promises to pay interest on the principal amount hereof from the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 5.50% per annum, in like money, in semi-annual instalments in arrears (less any tax required by law to be deducted) on the last Business Day in March and September in each year commencing on March 31, 2020 and, should Tidewater at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. The first interest payment payable on March 31, 2020 shall be in the amount of \$35.56164384 per \$1,000 principal amount of Initial Debentures.

Interest hereon shall be payable by cheque mailed by prepaid ordinary mail or by electronic transfer of funds to the registered holder hereof and, subject to the provisions of the Indenture, the mailing of such cheque or the sending of such electronic transfer of funds, as the case may be, shall, to the extent of the sum represented thereby (plus the amount of any tax withheld), satisfy and discharge all liability for interest on this Initial Debenture. Notwithstanding the foregoing, Tidewater shall have the right, from time to time, to make a Common Share Interest Payment Election in respect of any Interest Obligation by delivering a Common Share Interest Payment Election Notice to the Debenture Trustee in accordance with the provisions of the Indenture.

This Initial Debenture is one of the 5.50% Convertible Unsecured Subordinated Debentures (referred to herein as the "Initial Debentures") of Tidewater issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of \$86,250,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of Tidewater and of the Debenture Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

The Initial Debentures are issuable only in denominations of \$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Initial Debentures of any denomination may be

exchanged for an equal aggregate principal amount of Initial Debentures in any other authorized denomination or denominations.

Upon and subject to the provisions and conditions contained in the Indenture, the whole, or if this Initial Debenture is a denomination in excess of \$1,000, any part which is \$1,000 or an integral multiple thereof, shall be convertible into Common Shares, at the option of the Debentureholder, upon surrender of this Initial Debenture at the principal office of the Debenture Trustee in Toronto, Ontario, at any time prior to the close of business on the earliest of (i) the business day immediately preceding the Maturity Date, (ii) if called for redemption, on the business day immediately preceding the date fixed for redemption, or (iii) if called for repurchase pursuant to a Change of Control, on the business day immediately preceding the payment date, into 537.6344 Common Shares for each \$1,000 principal amount of Debentures, representing a conversion price of \$1.86 per Common Share (the "**Conversion Price**"), subject to adjustment as provided in this Indenture (provided that, if called for repurchase pursuant to a Change of Control, under no circumstances will the representative Conversion Price be less than \$1.069655). In the event that a Debentureholder exercises their conversion right, such holder will be entitled to receive accrued and unpaid interest, in addition to the applicable number of Common Shares to be received on conversion, for the period from the last Interest Payment Date to the date of conversion.

The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, Tidewater will satisfy such fractional interest by a cash payment equal to the fractional interest multiplied by the Current Market Price of the Common Shares on the Date of Conversion determined in accordance with the Indenture, provided, however, Tidewater shall not be required to make any payment of less than \$10.00.

This Initial Debenture may be redeemed at the option of Tidewater on the terms and conditions set out in the Indenture at the redemption price therein and herein set out provided that this Initial Debenture is not redeemable before September 30, 2022, except in the event of the satisfaction of certain conditions after a Change of Control has occurred. On and after September 30, 2022 and prior to September 30, 2023, the Initial Debentures may be redeemed at the option of Tidewater, in whole or in part, from time to time, at the redemption price equal to the principal amount of the Debentures plus accrued and unpaid interest, if any, up to and excluding the date set for redemption (the "**Redemption Price**") provided the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given (the "**Current Market Price**") is at least 125% of the Conversion Price. On or after September 30, 2023, and prior to maturity, the Initial Debentures may be redeemed at the option of Tidewater, in whole or in part, from time to time, at the Redemption Price, irrespective of the Current Market Price of the Common Shares. Tidewater may, on notice as provided in the Indenture, at its option and subject to any applicable regulatory approval, elect to satisfy its obligation to pay all or a portion of the applicable Redemption Price by the issue of that number of Freely Tradeable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price on the Redemption Date. In the event that a holder of Debentures exercises their conversion right following a Redemption Notice by the Corporation, such holder shall be entitled to receive accrued and unpaid interest, in addition to the applicable number of Common Shares to be received on conversion, for the period from and including the latest interest payment date prior to, but excluding, the Date of Conversion.

Upon the occurrence of a Change of Control of Tidewater, Tidewater is required to make an offer to purchase all of the Initial Debentures at a price equal to 100% of the principal amount of such Initial Debentures plus accrued and unpaid interest (if any) up to, but excluding, the date the Initial Debentures are so repurchased (the "**Debenture Offer**"). If 90% or more of the principal amount of all Initial Debentures outstanding on the date Tidewater provides notice of the Change of Control to the Debenture Trustee have been tendered for purchase pursuant to the Debenture Offer, the Corporation has the right to redeem all the remaining outstanding Initial Debentures on the same date and at the same price.

In addition to the requirement for the Corporation to make a Debenture Offer in the event of a Change of Control, if 10% or more of the consideration for the Common Shares in the transaction or transactions constituting the Change of Control consists of:

- (i) cash, other than cash payments for fractional Common Shares and cash payments made in respect of dissenter's appraisal rights;
- (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or
- (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange,

then subject to regulatory approvals, during the period beginning 10 trading days before the anticipated date on which the Change of Control becomes effective and ending 30 days after the Debenture Offer is delivered, holders of Initial Debentures will be entitled to convert their Initial Debentures, subject to certain limitations, and receive, in addition to the number of Common Shares they would otherwise be entitled to receive, an additional number of Common Shares per \$1,000 principal amount of Initial Debentures calculated in accordance with the terms of the Indenture.

If an Offer for all of the outstanding Initial Debentures (other than the Offeror's Initial Debentures) is made and 90% or more of the principal amount of all the Initial Debentures (other than Initial Debentures held at the date of the Offer by or on behalf of the Offeror, Associates or Affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Initial Debentures of those holders who did not accept the Offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Initial Debentures.

Tidewater may, on notice as provided in the Indenture, at its option and subject to any applicable regulatory approval, elect to satisfy the obligation to repay all or any portion of the principal amount of this Initial Debenture plus accrued but unpaid interest due on the Maturity Date by the issue of that number of Freely Tradeable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price on the Maturity Date.

The Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right.

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter Authenticated and delivered under the Indenture, is a direct unsecured obligation of Tidewater, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment of all Senior Indebtedness (including any indebtedness to trade creditors), whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder (or in certain circumstances specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

This Initial Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Debenture Trustee in Toronto, Ontario and in such other place or places and/or by such other registrars (if any) as Tidewater with the approval of the Debenture Trustee may designate. No transfer of this Initial Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Debenture Trustee or other registrar, and upon compliance with such reasonable requirements as the Debenture Trustee and/or other registrar may prescribe and upon surrender of this Initial Debenture for cancellation. Thereupon a new Initial Debenture or Initial Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Initial Debenture shall not become obligatory for any purpose until it shall have been Authenticated by the Debenture Trustee under the Indenture.

If any of the provisions of this Initial Debenture are inconsistent with the provisions of the Indenture, the provisions of the Indenture shall take precedence and shall govern. Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

The Indenture and this Debenture shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. has caused this Initial Debenture to be signed by its authorized representatives as of the 8 day of August, 2019.

**TIDEWATER MIDSTREAM AND
INFRASTRUCTURE LTD.**

By: _____

This Initial Debenture is one of the 5.50% Convertible Unsecured Subordinated Debentures due September 30, 2024 referred to in the Indenture within mentioned.

TSX TRUST COMPANY

By: _____
(Authorized Officer)

REGISTRATION PANEL

(No writing hereon except by Debenture Trustee or other registrar)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Debenture Trustee or Registrar</u>
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FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or \$_____ principal amount hereof*) of Tidewater Midstream and Infrastructure Ltd. ("**Tidewater**") standing in the name(s) of the undersigned in the register maintained by Tidewater with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Debenture Trustee to transfer such Initial Debenture in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

*If less than the full principal amount of the within Initial Debenture is to be transferred, indicate in the space provided the principal amount (which must be \$1,000 or an integral multiple thereof, unless you hold an Initial Debenture in a non-integral multiple of \$1,000 by reason of your having exercised your right to exchange upon the making of a Debenture Offer, in which case such Initial Debenture is transferable only in its entirety) to be transferred.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Initial Debenture in every particular without alteration or any change whatsoever. The signature(s) on this form must be guaranteed by one of the following methods.
 - (a) **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed".
 - (b) **Canada:** A Signature Guarantee obtained from a major Canadian Schedule I chartered bank. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program.
 - (c) **USA:** The undersigned confirms that this Debenture is being transferred (please check one):
 - to the Corporation;
 - outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act, and the undersigned has furnished to the Debenture Trustee such documentation as the Debenture Trustee or the Corporation has reasonably requested, including, if requested, an opinion of counsel;
 - in accordance with Rule 144A ("Rule 144A") under the 1933 Act to a person who the undersigned reasonably believes is a "Qualified Institutional Buyer", as such term is defined in Rule 144A, that is purchasing for its own account or for the account of one or more Qualified Institutional Buyers and to whom notice is given that the offer, sale, pledge or transfer is being made in reliance on Rule 144A;
 - in accordance with the exemption from registration under the 1933 Act provided by Rule 144 thereunder, and the undersigned has provided a legal opinion of counsel of

recognized standing, satisfactory to the Corporation, acting reasonably, to the effect that the sale of such securities is not required to be registered under the 1933 Act;

- pursuant to an effective registration statement under the 1933 Act;
 - in another transaction that does not require registration under the 1933 Act, and the undersigned has provided a legal opinion of counsel of recognized standing, satisfactory to the Corporation, acting reasonably, to the effect that the sale of such securities is not required to be registered under the 1933 Act;
- (d) **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.
2. The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Initial Debenture.

[Signature page follows.]

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

Signature of transferring registered holder

SCHEDULE "B"
FORM OF REDEMPTION NOTICE

**TO THE TRUST INDENTURE BETWEEN
TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. AND
TSX TRUST COMPANY**

SCHEDULE "B"

**FORM OF REDEMPTION NOTICE
TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.
5.50% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
REDEMPTION NOTICE**

To: Holders of 5.50% Convertible Unsecured Subordinated Debentures (the "**Debentures**") of Tidewater Midstream and Infrastructure Ltd. ("**Tidewater**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.3 of the trust indenture (the "**Indenture**") dated as of August 8, 2019 between Tidewater and TSX Trust Company (the "**Debenture Trustee**"), that the aggregate principal amount of \$[•] of the [Initial/other] Debentures outstanding will be redeemed as of [•] (the "**Redemption Date**") upon payment of a redemption amount of \$1,000 for each \$1,000 principal amount of Debentures (the "**Redemption Price**"), plus all accrued and unpaid interest hereon to but excluding the Redemption Date (collectively, the "**Total Redemption Price**").

The Total Redemption Price will be payable upon presentation and surrender of the Debentures called for redemption at the following corporate trust office:

TSX Trust Company
301 - 100 Adelaide Street West
Toronto, Ontario M5H 4H1
Attention: Vice President, Corporate Trust

The interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Total Redemption Price shall not be made on presentation for surrender of such Debentures at the above-mentioned corporate trust office on or after the Redemption Date or prior to the setting aside of the Total Redemption Price pursuant to the Indenture.

[Pursuant to Section 4.6 of the Indenture, Tidewater hereby irrevocably elects to satisfy its obligation to pay \$[•] of the Redemption Price payable to holders of Debentures in accordance with this notice by issuing and delivering to the holders that number of Freely Tradeable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price on the Redemption Date.]

[No fractional Common Shares shall be delivered upon the exercise by Tidewater of the above-mentioned redemption right but, in lieu thereof, Tidewater shall pay the cash equivalent thereof determined on the basis of the Current Market Price of Common Shares on the Redemption Date (less any tax required to be deducted, if any).]

[Upon presentation and surrender of the Debentures for payment on the Redemption Date, Tidewater shall, on the Redemption Date, make the delivery to the Debenture Trustee, at the above-mentioned corporate trust office, for delivery to and on account of the holders, of certificates representing the Freely Tradeable Common Shares to which holders are entitled in respect of principal of plus accrued and unpaid interest up to, but excluding, the Redemption Date on the Debentures, together with the cash equivalent in lieu of fractional Common Shares, and, if only a portion of the Debentures are to be redeemed by issuing Freely Tradeable Common Shares, cash representing the balance of the Redemption Price.]

[Signature page follows]

DATED: _____

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

(Authorized Director or Officer)

SCHEDULE "C"
FORM OF MATURITY NOTICE

**TO THE TRUST INDENTURE BETWEEN
TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. AND
TSX TRUST COMPANY**

**SCHEDULE "C"
FORM OF MATURITY NOTICE**

**TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.
5.50% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
MATURITY NOTICE**

To: Holders of 5.50% Convertible Unsecured Subordinated Debentures (the "**Debentures**") of Tidewater Midstream and Infrastructure Ltd. ("**Tidewater**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.10(b) of the trust indenture (the "**Indenture**") dated as of August 8, 2019 between Tidewater and TSX Trust Company, as trustee (the "**Debenture Trustee**"), that the Debentures are due and payable as of September 30, 2024 (the "**Maturity Date**") and Tidewater elects to satisfy its obligation to pay \$[•] of the principal amount and any accrued and unpaid interest of the Debentures outstanding on the Maturity Date by issuing and delivering to the holders that number of Freely Tradeable Common Shares equal to the number obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price on the Maturity Date.

No fractional Common Shares shall be delivered on exercise by Tidewater of the above mentioned repayment right but, in lieu thereof, Tidewater shall pay the cash equivalent thereof determined on the basis of the Current Market Price of Common Shares on the Maturity Date (less any tax required to be deducted, if any).

In this connection, upon presentation and surrender of the Debentures for payment on the Maturity Date, Tidewater shall, on the Maturity Date, make delivery to the Debenture Trustee, at its principal corporate trust office in Toronto, Ontario, for delivery to and on account of the holders, of certificates representing the Freely Tradeable Common Shares to which holders are entitled in respect of principal of plus accrued and unpaid interest up to, but excluding, the Maturity Date on the Debentures, together with the cash equivalent in lieu of fractional Common Shares, and if only a portion of the Debentures are to be repaid by issuing Freely Tradeable Common Shares, cash representing the balance of the principal amount due on the Maturity Date.

Note: Certificates representing any Common Shares issuable on the Maturity Date in respect of Debentures shall bear the U.S. Legend contained in Section 2.14 of the Indenture or are held under a CUSIP that bears the U.S. Legend set forth in Section 2.14 of the Indenture.

DATED: _____

TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

(Authorized Director or Officer)

SCHEDULE "D"
FORM OF NOTICE OF CONVERSION

**TO THE TRUST INDENTURE BETWEEN
TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD. AND
TSX TRUST COMPANY**

SCHEDULE "D"
FORM OF NOTICE OF CONVERSION

CONVERSION NOTICE

TO: TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

Note: All capitalized terms used herein have the meaning ascribed thereto in the Trust Indenture between Tidewater Midstream and Infrastructure Ltd. and TSX Trust Company dated August 8, 2019 (the "**Indenture**"), unless otherwise indicated.

The undersigned registered holder of 5.50% Convertible Unsecured Subordinated Debentures bearing Certificate No. [•] irrevocably elects to convert such Debentures (or \$[•] principal amount thereof*) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures, and, if applicable, directs that the Common Shares of Tidewater Midstream and Infrastructure Ltd. issuable upon a conversion (or such other securities or property required to be delivered as provided by the terms of the Indenture) be issued and/or delivered to the person indicated below. (If Common Shares or other securities are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

Note: Certificates representing any Common Shares issuable on the conversion of Debentures shall bear the U.S. Legend contained in Section 2.14 of the Indenture or are held under a CUSIP that bears the U.S. Legend set forth in Section 2.14 of the Indenture.

Dated: _____

(Signature of Registered Holder)

If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be \$1,000 or integral multiples thereof).

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature(s) on this form must be guaranteed by one of the following methods:

- (a) **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed".
- (b) **Canada:** A Signature Guarantee obtained from a major Canadian Schedule I chartered bank. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program.
- (c) **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

(Print name in which Common Shares are to be issued, delivered and registered)

Name: _____

(Address)

(City, Province and Postal Code)

Name of guarantor: _____

Authorized signature: _____