**UNITED STATES BANKRUPTCY COURT**
**SOUTHERN DISTRICT OF TEXAS**
**HOUSTON DIVISION**

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| **In re:** | § | **Chapter 11** |
| **PETROQUEST ENERGY, INC., *et al.*,** | § | **Case No. 18-36322 (DRJ)** |
| **Debtors.**[1] | § | **(Jointly Administered)** |

## NOTICE OF FILING OF PLAN SUPPLEMENT

**PLEASE TAKE NOTICE THAT** on January 3, 2019, the United States Bankruptcy Court for the Southern District of Texas (the "Court") entered an order [Docket No. 338] (the "Disclosure Statement Order"): (a) authorizing PetroQuest Energy, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors"), to solicit acceptances for the *Debtors' First Amended Chapter 11 Plan of Reorganization* (as modified, amended, or supplemented from time to time, the "Plan");[2] (b) approving the *Third Amended Disclosure Statement for the Debtors' First Amended Chapter 11 Plan of Reorganization* (the "Disclosure Statement") as containing "adequate information" pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

**PLEASE TAKE FURTHER NOTICE THAT** as contemplated by the Plan and the Disclosure Statement Order approving the Disclosure Statement, the Debtors hereby file the Plan Supplement. The Plan Supplement contains the following documents (each as defined in the Plan): (a) the New Organizational Documents; (b) the New Second Lien PIK Notes Documents; (c) the Exit Facility and the Exit Facility Documents; (d) the Schedule of Rejected Executory Contracts and Unexpired Leases; (e) the Schedule of Assumed Executory Contracts and Unexpired Leases; (f) a list of retained Causes of Action; (g) the Management Incentive Plan; (h) the identity of the members of the New Boards and the senior management team to be retained by the Reorganized Debtors as of the Effective Date (to the extent known); (i) the Registration Rights Agreement; (j) the Employment Agreements; (k) the GUC Administrator Agreement; and (l) the Notice Regarding Settlement Negotiations with the Creditors' Committee. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date subject in all respects to the consent rights set forth herein and in the Restructuring Support Agreement.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), TDC Energy LLC (8877), PetroQuest Oil & Gas, L.L.C. (1170), PQ Holdings LLC (7576), Pittrans Inc. (1747), and Sea Harvester Energy Development, L.L.C. (5903). The address of the Debtors' headquarters is: 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508.

[2] Capitalized terms not otherwise defined herein have the same meanings as set forth in the Plan.

**PLEASE TAKE FURTHER NOTICE THAT EXHIBIT L (NOTICE REGARDING SETTLEMENT NEGOTIATIONS WITH THE CREDITORS' COMMITTEE) DESCRIBES A SETTLEMENT REACHED AMONG THE DEBTORS, THE CREDITORS' COMMITTEE, AND THE CONSENTING CREDITORS.**

**PLEASE TAKE FURTHER NOTICE THAT** the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence on **January 30, 2019, at 1:00 p.m.** prevailing Central Time, before the Honorable David R. Jones, in the United States Bankruptcy Court for the Southern District of Texas, located at 515 Rusk Street, Courtroom 400, Houston, Texas 77002.

**PLEASE TAKE FURTHER NOTICE THAT** the deadline for filing objections to the Plan (including the proposed assumption of an Executory Contract or Unexpired Lease or the proposed amount of any Cure Claim, as applicable, as contemplated in the Plan Supplement) is **January 23, 2019, at 12:00 p.m.** prevailing Central Time (the "Plan Objection Deadline"). Any objection to the Plan ***must***: be (i) in writing, (ii) filed with the Clerk of the Court together with proof of service thereof, (iii) set forth the name of the objecting party, and the nature and amount of any claim or interest asserted by the objecting party against the estate or property of the Debtors, and state the legal and factual basis for such objection, and (iv) conform to the applicable Bankruptcy Rules and the Bankruptcy Local Rules. In addition to being filed with the Clerk of the Court, any such objections should be served upon the following parties:

(i) PetroQuest Energy, Inc., 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508 (Attn: Charles T. Goodson, President and Chief Executive Officer);

(ii) Counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, Suite 3600, Houston, Texas 77002 (Attn: John F. Higgins, Joshua W. Wolfshohl, and M. Shane Johnson);

(iii) Counsel to the Consenting Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036 (Attn: Michael S. Stamer) and Akin Gump Strauss Hauer & Feld LLP, 2300 N. Field Street, Suite 1800, Dallas, Texas 75201 (Attn: Sarah Link Schultz);

(iv) Counsel to the Prepetition Term Loan Agent, Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York 10178 (Attn: Pamela Bruzzese-Szczygiel);

(v) Counsel to the Indenture Trustee, Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne);

(vi) Counsel to the Committee, Heller, Draper, Patrick, Horn & Manthey, L.L.C., 650 Poydras Street, Suite 2500, New Orleans, Louisiana 70130 (Attn: William H. Patrick, III, Tristan Manthey, Cherie Dessauer Nobles, and Michael Landis); and

(vii) The Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, TX 77002.

**PLEASE TAKE FURTHER NOTICE THAT** if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement, or related documents, you should contact Epiq Corporate Restructuring, LLC, the notice and claims agent retained by the Debtors in the Chapter 11 Cases (the "Notice and Claims Agent"), by: (a) visiting the Debtors' restructuring website at: http://dm.epiq11.com/PetroQuest; (b) calling the Notice and Claims Agent at 1-866-897-6433 (domestic and Canada) or 1-646-282-2500 (international) and requesting to speak with a member of the Solicitation Team, or (c) emailing tabulation@epiqglobal.com with a reference to "PetroQuest" in the subject line.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AND **ARTICLE VIII.F CONTAINS A THIRD-PARTY RELEASE**. THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

**THIS NOTICE IS BEING SENT TO YOU FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED HEREIN OR IF YOU WOULD LIKE TO OBTAIN ADDITIONAL INFORMATION, CONTACT THE NOTICE AND CLAIMS AGENT.**

Dated: January 11, 2019
Houston, Texas

**PORTER HEDGES LLP**

By: */s/ John F. Higgins*
John F. Higgins (TX 09597500)
Joshua W. Wolfshohl (TX 24038592)
M. Shane Johnson (TX 24083263)
1000 Main Street, 36th Floor
Houston, Texas 77002
Telephone: (713) 226-6000
Fax: (713) 226-6248

**COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION**

**UNITED STATES BANKRUPTCY COURT**
**SOUTHERN DISTRICT OF TEXAS**
**HOUSTON DIVISION**

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| **In re:** | § | **Chapter 11** |
| **PETROQUEST ENERGY, INC., *et al.*,** | § | **Case No. 18-36322 (DRJ)** |
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**PLAN SUPPLEMENT FOR THE DEBTORS' FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

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Certain documents, or portions thereof, contained in the Plan Supplement remain subject to continuing negotiations among the Debtors and the Consenting Creditors. The Debtors reserve all rights to amend, revise, or supplement the Plan Supplement, and any of the documents and designations contained herein, at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Court. Each of the documents contained in the Plan Supplement or its amendments are subject to certain consent and approval rights to the extent provided in the Plan and/or the Restructuring Support Agreement.[2]

[2] Capitalized terms used but not otherwise defined in this Plan Supplement shall have the meanings ascribed to such terms in the *Debtors' First Amended Chapter 11 Plan of Reorganization* [Docket No. 291], as it may be amended, modified, or supplemented from time to time (the "Plan").

# EXHIBIT A

**Form of New Organizational Documents**
**(Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws)**

**AMENDED AND RESTATED**
**CERTIFICATE OF INCORPORATION**

**OF**

**[PETROQUEST ENERGY, INC.]**

[PetroQuest Energy, Inc.], a corporation organized and existing under the laws of the State of Delaware (the "***Corporation***"), hereby certifies as follows:

1. The Certificate of lncorporation of the Corporation was originally filed with the Secretary of State of the State of Delaware on August 26, 1998, as amended on May 14, 2008 and May 18, 2016 (the "***Original Certificate of Incorporation***").

2. On November 6, 2018, the Corporation and certain of its subsidiaries (collectively with the Corporation, the "***Debtors***") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "***Bankruptcy Court***").

3. This Amended and Restated Certificate of Incorporation (this "***Certificate***") was duly adopted, without the need for approval of the Board of Directors or the stockholders of the Corporation, in accordance with Sections 242, 245 and 303 of the Delaware General Corporation Law, as amended (the "***DGCL***"), in accordance with the Chapter 11 Plan of Reorganization of the Debtors (the "***Plan of Reorganization***") confirmed by order, dated [●], 2019, of the Bankruptcy Court, jointly administered under the caption "In re: PETROQUEST ENERGY, INC., et al.", Case No. 18-36322 (DRJ) (the "***Confirmation Order***").

4. This Certificate shall become effective when filed with the Secretary of State of the State of Delaware.

5. This Certificate amends and restates the Original Certificate of Incorporation of the Corporation to read in full as follows:

## ARTICLE I
## NAME

The name of the corporation is [PetroQuest Energy, Inc.] (the "***Corporation***").

## ARTICLE II
## PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

## ARTICLE III
## REGISTERED AGENT

The street address of the registered office of the Corporation in the State of Delaware is c/o Corporation Service Company, 251 Little Falls Drive, County of New Castle, City of Wilmington, Delaware 19808. The name of the Corporation's registered agent at such address is Corporation Service Company.

## ARTICLE IV
## CAPITALIZATION

**Section 4.1** Authorized Capital Stock. The total number of shares of capital stock that the Corporation is authorized to issue is [●] shares, consisting of (a) [●] shares of Class A Common Stock, par value $0.01 per share (the "***Class A Common Stock***"), (b) one (1) share of Class B Common Stock, par value $0.01 per share (the "***Class B Common Stock***"), (c) one (1) share of Class C Common Stock, par value $0.01 per share (the "***Class C Common Stock***", and together with the Class A Common Stock and the Class B Common Stock, the "***Common Stock***") and (d) [●] shares of preferred stock, par value $0.01 per share (the "***Preferred Stock***").

**Section 4.2** Preferred Stock.

(a) Shares of Preferred Stock may be issued in one or more series from time to time, with each such series to consist of such number of shares and to have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the board of directors of the Corporation (the "***Board***") and included in a certificate of designations (a "***Preferred Stock Designation***") filed pursuant to the DGCL, and the Board is hereby expressly vested with the authority, to the full extent now or hereafter provided by law, to adopt any such resolution or resolutions.

(b) Subject to the rights of the holders of any series of Preferred Stock issued pursuant to the terms of this Certificate (including any Preferred Stock Designation), the number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock, without a vote of the holders of the Preferred Stock, or any series thereof, irrespective of the provisions of Section 242(b)(2) of the DGCL, unless a vote of

any such holders of Preferred Stock is required pursuant to another provision of this Certificate (including any Preferred Stock Designation).

**Section 4.3** Common Stock.

(a) Each holder of shares of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. Except as otherwise required by law or this Certificate (including any Preferred Stock Designation), at any annual or special meeting of the stockholders the Common Stock shall have the exclusive right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders. Notwithstanding the foregoing, except as otherwise required by law or this Certificate (including a Preferred Stock Designation), holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate (including any amendment to any Preferred Stock Designation) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate (including any Preferred Stock Designation) or pursuant to the DGCL.

(b) Subject to the rights of the holders of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared thereon by the Board from time to time out of any assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of Preferred Stock in respect thereof, the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(d) The Corporation shall issue the shares of Class A Common Stock in the form of one or more global certificates to be deposited in the facilities of the Depository Trust Company ("***DTC***"), and the beneficial interests in the Class A Common Stock will be reflected as electronic book-entry interests through the facilities of DTC and will transfer only via electronic book-entry form through the facilities of DTC; provided, however, that any holder of shares of Class A Common Stock as the Board shall from time to time determine may hold such Class A Common Stock through direct registration on the books and records of the Corporation or in the records maintained by any transfer agent of the Corporation. The shares of Class B Common Stock and Class C Common Stock shall be registered directly on the books and records of the Corporation or in the records maintained by any transfer agent of the Corporation.

**Section 4.4** Nonvoting Equity Securities. The Corporation shall not issue nonvoting equity securities; provided, however, the foregoing restriction shall (a) have no further force and effect beyond that required under Section 1123(a)(6) of the Bankruptcy Code, (b) only have such force and effect for so long as Section 1123 of the Bankruptcy Code is in effect and applicable to the Corporation, and (c) in all events may be amended or eliminated in accordance with applicable

law as from time to time may be in effect. The prohibition on the issuance of nonvoting equity securities is included in this Certificate in compliance with Section 1123(a)(6) of the Bankruptcy Code.

**Section 4.5** Transfer of Class B and Class C Common Stock.

(a) Subject to the provisions of this Section 4.5, (i) the share of Class B Common Stock shall automatically be transferred to the Corporation for no consideration and shall cease to be issued and outstanding upon the earliest to occur of the date that (x) Corre's ownership percentage of Class A Common Stock falls below the Class B Threshold (provided, that, notwithstanding the foregoing, there shall be no automatic cancellation of the share of Class B Common Stock prior to the expiration of the Initial Term), (y) consummation of a Drag-Along Sale occurs, and (z) consummation of an Approved Sale occurs (the date of such automatic transfer, the "***Class B Transfer Date***"), and (ii) the share of Class C Common Stock shall automatically be transferred to the Corporation for no consideration and shall cease to be issued and outstanding upon the earliest to occur of the date that (x) MacKay's ownership percentage of Class A Common Stock falls below the Class C Threshold (provided, that, notwithstanding the foregoing, there shall be no automatic cancellation of the share of Class C Common Stock prior to the expiration of the Initial Term), (y) consummation of a Drag-Along Sale occurs, and (z) consummation of an Approved Sale occurs (the date of such automatic transfer, the "***Class C Transfer Date***").

(b) The holder of the share of Class B Common Stock or Class C Common Stock shall surrender any certificate (if any) representing such share of Class B Common Stock or Class C Common Stock to the Corporation for no consideration at the Class B Transfer Date or Class C Transfer Date, as applicable, but the failure to so surrender shall not prevent or delay the automatic effect of Section 4.5(a) hereof. Following the Class B Transfer Date or Class C Transfer Date, the Corporation will take all actions necessary to retire such share of Class B Common Stock or Class C Common Stock and such share shall not be reissued by the Corporation.

**Section 4.6** Drag Along Right.

(a) As long as Corre and MacKay beneficially own, collectively, thirty-three percent (33%) of the issued and outstanding shares of Class A Common Stock, if a beneficial holder of Class A Common Stock or group of beneficial holders of Class A Common Stock, collectively comprising at least a majority of all then outstanding shares of Class A Common Stock (the "***Selling Stockholders***"), wish to sell shares of Class A Common Stock owned by them and comprising at least a majority of all then outstanding shares of Class A Common Stock (on a fully diluted basis) to any Person who is not an Affiliate of a Selling Stockholder (such Person, excluding any Affiliate of a Selling Stockholder, a "***Third Party Purchaser***") for cash or publicly traded securities or a combination thereof, either in a transfer or in a merger (or similar transaction), other combination, consolidation, recapitalization or reorganization (a "***Drag-Along Sale***"), then such Selling Stockholders shall have the right to require the other holders of Class A Common Stock to (x) sell all of their shares of Class A Common Stock to such Third Party Purchaser in connection with such Drag-Along Sale and otherwise on the same terms as such Selling Stockholders selling such shares of Class A Common Stock and (y) vote in favor thereof and use their best efforts to cooperate in the Drag-Along Sale as reasonably requested by the Board, including by waiving any appraisal or similar rights with respect to the Drag-Along Sale and

executing any action or actions by written consent of the holders of Class A Common Stock. Such right shall be exercisable by written notice (a "***Buyout Notice***") given to each holder of Class A Common Stock other than the Selling Stockholders which shall state (i) that such Selling Stockholders propose to effect the sale of all of the Class A Common Stock of every holder of Class A Common Stock of the Corporation to such Third Party Purchaser, (ii) the name of the Third Party Purchaser, and (iii) the purchase price the Third Party Purchaser is paying for the shares of Class A Common Stock and which attaches a copy of any definitive agreements between such Selling Stockholders and the other parties to such transaction. Each such holder of Class A Common Stock agrees that, upon receipt of a Buyout Notice, each such holder of Class A Common Stock shall be obligated to sell all of its shares of Class A Common Stock for the purchase price set forth in the Buyout Notice and upon the other terms and conditions of such transaction (and otherwise take all reasonably necessary action to cause consummation of the proposed transaction, including voting such shares of Class A Common Stock in favor of such transaction).

(b) As long as Corre and MacKay beneficially own, collectively, thirty-three percent (33%) of the issued and outstanding shares of Class A Common Stock, if the Board approves a Change of Control (an "***Approved Sale***"), then each holder of Class A Common Stock agrees to vote in favor thereof and will use its best efforts to cooperate in the Approved Sale as reasonably requested by the Board, including by waiving any appraisal or similar rights with respect to the Approved Sale and executing any action or actions by written consent of the holders of Class A Common Stock.

(c) The closing with respect to any Drag-Along Sale pursuant to this Section 4.6 shall be held as soon as practicable and at the time and place specified in the Buyout Notice but in any event within nine (9) months of the date the Buyout Notice is delivered to the holders of Class A Common Stock (the "***Drag-Along Outside Date***"). Consummation of the transfer of shares of Class A Common Stock by any holder of Class A Common Stock to the Third Party Purchaser in a Drag-Along Sale (i) shall be conditioned upon consummation of the transfer by each Selling Stockholder to such Third Party Purchaser of the shares of Class A Common Stock proposed to be transferred by the Selling Stockholders and (ii) may be effected by a transfer of the shares of Class A Common Stock or the merger, other combination, consolidation, recapitalization or reorganization of the Corporation with or into the Third Party Purchaser (or any of its Affiliates), in one or a series of related transactions. If the proposed transfer with respect to the applicable shares of Class A Common Stock subject to the Buyout Notice does not meet the requirements of Section 4.6(a) prior to the Drag-Along Outside Date, such Selling Stockholders shall be deemed to have forfeited their rights to require the other holders of Class A Common Stock to sell all of their shares of Class A Common Stock to such Third Party Purchaser in connection with such Drag-Along Sale without again fully complying with the provisions of this Section 4.6.

(d) In connection with any transfer pursuant to a Buyout Notice, each other holder of Class A Common Stock shall execute the applicable transaction agreement, if applicable, and make or provide the same representations, warranties, covenants, indemnities, agreements, escrows and holdback arrangements as the Selling Stockholders, if applicable, make or provide in connection with the Drag-Along Sale; provided, however, that each other holder of Class A Common Stock shall only be obligated to make individual representations and warranties with respect to its title to and ownership of the applicable shares of Class A Common Stock, authorization, execution and delivery of relevant documents, enforceability of such documents against such holder of Class A

Common Stock, and other matters relating to such holder of Class A Common Stock, but not with respect to any of the foregoing with respect to any other holders of Class A Common Stock, the Selling Stockholders or their shares of Class A Common Stock; provided, further, that all representations, warranties, covenants and indemnities in the applicable transaction agreement shall be made by the Selling Stockholders and the other holders of Class A Common Stock severally and not jointly and any indemnification obligation shall be *pro rata* based on the consideration received by the Selling Stockholders and each other holder of Class A Common Stock, in each case, in an amount not to exceed the aggregate proceeds received by the Selling Stockholder and each other holder of Class A Common Stock in the Drag-Along Sale; provided, further, in no event shall any other holder of Class A Common Stock (other than any member of the Corporation's management) be required to enter into a non-compete or any other restrictive covenant. Any transaction costs, including transfer taxes and legal, accounting and investment banking fees incurred by the Corporation and the Selling Stockholders and any other holder of Class A Common Stock participating in a transfer pursuant to this Section 4.6 shall, unless the applicable Third Party Purchaser refuses, be borne by the Corporation in the event of an Approved Sale and shall otherwise be borne by the holders of Class A Common Stock on a *pro rata* basis based on the consideration received by each holder of Class A Common Stock in such transfer; provided, further, that, except for *de minimis* out-of-pocket expenditures, no holder of Class A Common Stock shall be obligated to make any out-of-pocket expenditure prior to the consummation of such transfer.

(e) For purposes of this Section 4.6, "***Change of Control***" means the occurrence of any of the following: (i) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions (including any merger, other combination, consolidation, recapitalization or reorganization, whether by operation of law or otherwise), of all or substantially all of the properties or assets of the Corporation and its subsidiaries, taken as a combined whole, to any one Third Party Purchaser (or group of Affiliated Third Party Purchasers) or (ii) the consummation of any transaction (including any merger, other combination, consolidation, recapitalization or reorganization, whether by operation of law or otherwise), the result of which is that any one Third Party Purchaser (or group of Affiliated Third Party Purchasers) becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the then outstanding Class A Common Stock of the Corporation or of the equity interests of any surviving entity of any such merger, other combination, consolidation, recapitalization or reorganization.

## ARTICLE V
## RELATED PARTY TRANSACTIONS AND CORPORATE OPPORTUNITIES

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation, and the same are in furtherance of and not in limitation of the powers conferred by law.

**Section 5.1** Related Party Transactions. No contract or other transaction of the Corporation with any other person, firm, corporation or other entity in which the Corporation has an interest, shall be affected or invalidated by the fact that any one or more of the directors or officers of the Corporation, individually or jointly with others, may be a party to or may be interested in any contract or transaction so long as the contract or other transaction is approved by the Board in accordance with the DGCL. Each person who may become a director or officer of the Corporation

is hereby relieved, in his or her capacity as such, from any personal liability (solely to the extent arising from the fact that the matter was contracted for the benefit of such person or any such firm or corporation) that might otherwise arise by reason of his or her contracting with the Corporation for the benefit of himself or herself or any firm or corporation in which he or she may be in any way interested.

**Section 5.2** Corporate Opportunities.

(a) In recognition and anticipation that (i) certain directors, principals, officers and employees and/or other representatives of stockholders of the Corporation and their respective Affiliates (as defined below) may serve as directors or officers of the Corporation, (ii) stockholders of the Corporation and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board who are not employees of the Corporation ("***Non-Employee Directors***"), including, for the avoidance of doubt, the Chairman of the Board if he or she is not otherwise an employee, consultant or officer of the Corporation, and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Section 5.2 are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve the Corporation's stockholders, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and the Corporation's directors, officers and stockholders in connection therewith.

(b) None of (i) the stockholders of the Corporation or any of their Affiliates or (ii) any Non-Employee Director or his or her Affiliates (the Persons (as defined below) identified in (i) and (ii) above being referred to, collectively, as "***Identified Persons***" and, individually, as an "***Identified Person***"; provided, however, that no employee, consultant or officer of the Corporation shall be an Identified Person) shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (x) engaging in a corporate opportunity in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage, (y) making investments in any kind of property in which the Corporation may make investments or (z) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by the DGCL, no Identified Person shall (A) be deemed to have acted in bad faith or in a manner inconsistent with the best interests of the Corporation or its stockholders or to have acted in a manner inconsistent with or opposed to any fiduciary duty to the Corporation or its stockholders or (B) be liable to the Corporation or its stockholders for breach of any fiduciary duty, in each case, by reason of the fact that such Identified Person engages in any such activities. The Corporation hereby renounces any interest or expectancy in, or in being offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in paragraph (c) of this Section 5.2. Subject to Section 5.2(c), in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of

its Affiliates, such Identified Person shall have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by the DGCL, shall not (I) be deemed to have acted in bad faith or in a manner inconsistent with the best interests of the Corporation or its stockholders or to have acted in a manner inconsistent with or opposed to any fiduciary duty to the Corporation or its stockholders or (II) be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, in each case, by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

(c) The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of this Corporation) if such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the Corporation and the provisions of Section 5.2(b) shall not apply to any such corporate opportunity.

(d) In addition to and notwithstanding the foregoing provisions of this Section 5.2, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

(e) For purposes of this Certificate (i) "***Affiliate***" shall mean (x) in respect of stockholders of the Corporation, any Person that, directly or indirectly, is controlled by such stockholder, controls such stockholder or is under common control with such stockholder and shall include any principal, member, director, partner, shareholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (y) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (z) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (ii) "***Person***" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

(f) To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Section 5.2.

## ARTICLE VI
## BOARD OF DIRECTORS

**Section 6.1** Number of Directors.

(a) Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any Preferred Stock Designation) or this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors

constituting the Board shall be determined from time to time exclusively by resolution adopted by the Board and the Board shall initially be comprised of five (5) directors. The directors shall consist of a single class, with the initial term of office to expire at the 2020 annual meeting of stockholders to take place in 2020 (the "***Initial Term***"), and each director shall hold office until his or her successor shall have been duly elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal. At each annual meeting of stockholders, directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the next succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal.

(b) On the date of effectiveness of this Certificate (the "***Effective Date***"), [Corre] (including any of its Affiliates, "***Corre***") shall be issued the only share of Class B Common Stock (the "***Class B Holder***"). The Class B Holder, as the holder of the only outstanding share of Class B Common Stock, shall have the right to elect two directors (the "***Designated Class B Directors***"), which right shall not be assignable. The initial term of the Designated Class B Directors shall be the Initial Term; provided, however, that the Class B Holder shall continue to have the right to elect:

(i) two (2) Designated Class B Directors as members of the Board (A) for the Initial Term, and (B) following expiration of the Initial Term, for so long as Corre holds at least [●]%[1] of the then-outstanding Class A Common Stock (as adjusted in the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of the Corporation); and

(ii) after Corre holds less than [●]% of the then-outstanding Class A Common Stock, one (1) Designated Class B Director as member of the Board, for so long as Corre holds at least [●]% of the then-outstanding Class A Common Stock (as adjusted in the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of the Corporation) (such percentage, the "***Class B Threshold***"); provided, that this clause (ii) shall not apply prior to expiration of the Initial Term.

If at any time during the period in clauses (i) and (ii) of the immediately preceding sentence (but, for the avoidance of doubt, excluding the Initial Term) Corre holds less than any minimum percentage threshold set forth in the immediately preceding sentence, then the Designated Class B Director or Designated Class B Directors, as applicable, then in office with the shortest tenure as a director of the Corporation (or, if Corre provides written notice to the Corporation in advance of it holding less than any minimum percentage ownership threshold set forth in the immediately preceding sentence, the Designated Class B Director or Designated Class B Directors specified by Corre in such notice) shall automatically cease to be qualified as a director and shall no longer be a director, and the vacancy or vacancies created by such disqualification shall be filled by the vote of a majority of the members of the Board in office following such disqualification (excluding any Designated Class B Director).

[1] NTD: Percentages in this Section 6.1 to be determined prior to the Effective Date.

(c) On the Effective Date, [MacKay] (including any of its Affiliates, "***MacKay***") shall be issued the only share of Class C Common Stock (the "***Class C Holder***"). The Class C Holder, as the holder of the only outstanding share of Class C Common Stock, shall have the right to elect two directors (the "***Designated Class C Directors***"), which right shall not be assignable. The initial term of the Designated Class C Directors shall be the Initial Term; provided, however, that the Class C Holder shall continue to have the right to elect:

(i) two (2) Designated Class C Directors as members of the Board (A) for the Initial Term, and (B) following expiration of the Initial Term, for so long as MacKay holds at least [●]% of the then-outstanding Class A Common Stock (as adjusted in the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of the Corporation); and

(ii) after MacKay holds less than [●]% of the then-outstanding Class A Common Stock, one (1) Designated Class C Director as member of the Board, for so long as MacKay holds at least [●]% of the then-outstanding Class A Common Stock (as adjusted in the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of the Corporation) (such percentage, the "***Class C Threshold***"); provided, that this clause (ii) shall not apply prior to expiration of the Initial Term.

If at any time during the period in clauses (i) and (ii) of the immediately preceding sentence (but, for the avoidance of doubt, excluding the Initial Term) MacKay holds less than any minimum percentage threshold set forth in the immediately preceding sentence, then the Designated Class C Director or Designated Class C Directors, as applicable, then in office with the shortest tenure as a director of the Corporation (or, if MacKay provides written notice to the Corporation in advance of it holding less than any minimum percentage ownership threshold set forth in the immediately preceding sentence, the Designated Class C Director or Designated Class C Directors specified by MacKay in such notice) shall automatically cease to be qualified as a director and shall no longer be a director, and the vacancy or vacancies created by such disqualification shall be filled by the vote of a majority of the members of the Board in office following such disqualification (excluding any Designated Class C Director).

(d) One (1) director shall be elected by the holders of a plurality in voting power of the outstanding shares of Class A Common Stock of the Corporation then entitled to vote in the election of directors (the "***Fifth Director***"), who shall initially be the Chief Executive Officer of the Corporation (such Chief Executive Officer of the Corporation to serve as a member of the Board for the Initial Term).

(e) Subject to any rights granted to holders of shares of any series of Preferred Stock then outstanding, the holders of the outstanding shares of Common Stock, voting together as a single class, shall be entitled to elect any directors of the Corporation other than the Designated Class B Directors and the Designated Class C Directors, including any newly created directorships resulting from any increase in the number of directors on the Board.

(f) Unless and except to the extent that the Bylaws of the Corporation (the "***Bylaws***") shall so require, the election of directors of the Corporation need not be by written ballot.

**Section 6.2** Removal; Vacancies. Any director elected pursuant to Section 6.1(b) above may be removed without cause only by the Class B Holder. Any director elected pursuant to Section 6.1(c) above may be removed without cause only by the Class C Holder. All other directors (excluding any and all Designated Class B Directors and Designated Class C Directors, but including directors from (i) newly created directorships resulting from any increase in the size of the Board and (ii) directors replacing any Designated Class B Director or Designated Class C Director due to their disqualification, subject in all respect to Section 6.1) may be removed without cause only by the affirmative vote of the holders of not less than a majority of the total voting power of the capital stock of the Corporation entitled to vote thereon. Any director may be removed for cause by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of directors. Subject to Section 6.1, any vacancy caused by the resignation, retirement, removal, disqualification or death of any director shall be filled by the affirmative vote of a majority of the directors then in office, provided, it is the intention of the Board to appoint the new Chief Executive Officer as the Fifth Director in the event of any vacancy of the Fifth Director; provided, however, that the vacancy of any Designated Class B Director(s) or Designated Class C Director(s) shall be filled by Corre or MacKay, as applicable, pursuant to Section 6.1(b) or Section 6.1(c) above, as applicable.

**Section 6.3** Chairman of the Board. The Board shall be presided over by the Chairman of the Board (the "***Chairman***") who shall be chosen by a majority of the Board; provided, however, that such Chairman shall not also serve as the Chief Executive Officer of the Corporation absent the unanimous vote of the Board (excluding the Fifth Director).

**Section 6.4** Power of Directors. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. In addition to the powers and authority expressly conferred upon the Board by the DGCL or by the other provisions of this Certificate or the Bylaws of the Corporation (the "***Bylaws***"), the Board is hereby authorized and empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject to the provisions of the DGCL, this Certificate and the Bylaws; provided, however, that no Bylaws hereafter adopted, or any amendments thereto, shall invalidate any prior act of the Board that would have been valid if such Bylaws or amendment had not been adopted.

**Section 6.5** Cumulative Voting. There shall be no cumulative voting in the election of directors.

**Section 6.6** Preferred Stock – Directors. Notwithstanding any other provision of this Article VI, and except as otherwise required by law, whenever the holders of one or more series of Preferred Stock shall have the right, voting separately by class or series, to elect one or more directors, the term of office, the filling of vacancies, the removal from office and other features of such directorships shall be governed by the terms of such series of Preferred Stock as set forth in this Certificate (including any Preferred Stock Designation).

## ARTICLE VII
## BYLAWS

In furtherance and not in limitation of the powers conferred upon it by law, the Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of

the Board shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the stockholders; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by law or by this Certificate (including any Preferred Stock Designation), the affirmative vote of the holders of a majority of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws.

## ARTICLE VIII
## MEETINGS OF STOCKHOLDERS

**Section 8.1** Action by Written Consent. Any action required or permitted to be taken by stockholders of the Corporation at any meeting of stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by holders of outstanding stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

**Section 8.2** Special Meetings. Except as otherwise required by law or the terms of any one or more series of Preferred Stock, special meetings of stockholders of the Corporation may be called only by the Chairman of the Board, the Board upon delivery of a written request of stockholders holding at least a majority of the outstanding shares of Common Stock complying with the Bylaws, or the Board pursuant to a resolution adopted by a majority of the Board.

**Section 8.3** Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws.

## ARTICLE IX
## LIMITATION ON LIABILITY OF DIRECTORS

To the fullest extent that the DGCL or any other law of the State of Delaware as the same exists or is hereafter amended permits the limitation or elimination of the liability of directors, no person who is or was a director of the Corporation shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director. Any repeal or amendment of this Article IX by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Certificate inconsistent with this Article IX will, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to further limit or eliminate the liability of directors) and shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or amendment or adoption of such inconsistent provision with respect to acts or omissions occurring prior to such repeal or amendment or adoption of such inconsistent provision.

## ARTICLE X
## INDEMNIFICATION

**Section 10.1** Right to Indemnification. To the fullest extent permitted by applicable law, the Corporation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding ("***Proceeding***"), whether civil,

criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that the Person is or was a director, officer, employee, fiduciary or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise ("***Other Entity***"), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such Proceeding if the Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the Person's conduct was unlawful, provided, however, that the Corporation shall not be obligated to indemnify against any amount paid in settlement unless the Corporation has consented to such settlement. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which the Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the Person's conduct was unlawful. To the extent specified by the members of the Board not party to the applicable action or suit at any time and to the fullest extent permitted by applicable law, the Corporation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the Person is or was a director, officer, employee, fiduciary or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of an Other Entity against expenses (including attorneys' fees) actually and reasonably incurred by the Person in connection with the defense or settlement of such action or suit if the Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware (the "***Court of Chancery***") or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

**Section 10.2** Reimbursement or Advancement of Expenses. The Corporation shall, from time to time, reimburse or advance to any director or officer or other Person entitled to indemnification hereunder the funds necessary for payment of expenses, including attorneys' fees and disbursements, incurred in connection with any Proceeding, in advance of the final disposition of such Proceeding; provided, however, that, if required by the DGCL, such expenses incurred by or on behalf of any director or officer or other Person may be paid in advance of the final disposition of a Proceeding only upon receipt by the Corporation of an undertaking, by or on behalf of such director or officer (or other Person indemnified hereunder), to repay any such amount so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that such director, officer or other Person is not entitled to be indemnified for such expenses.

**Section 10.3** Claims by Indemnifiable Persons. If a claim for indemnification or advancement of expenses under this Article X is not paid in full within thirty (30) days after a written claim

therefor by any Person entitled to indemnification and/or advancement of expenses under this Article X (an "***Indemnifiable Person***") has been received by the Corporation (and any undertaking required under Section 10.2), the Indemnifiable Person may file suit to recover the unpaid amount of such claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses, the Indemnifiable Person shall be entitled to be paid the expense of prosecuting or defending such claim to the fullest extent permitted by applicable law. In any such action the Corporation shall have the burden of proving that the Indemnifiable Person is not entitled to the requested indemnification or advancement of expenses under law. Neither the failure of the Corporation (including its Board or a committee thereof, its independent legal counsel and its stockholders) to have made a determination prior to the commencement of such action that such indemnification or reimbursement or advancement of expenses is proper in the circumstances nor an actual determination by the Corporation (including its Board or a committee thereof, its independent legal counsel and its stockholders) that such Indemnifiable Person is not entitled to such indemnification or reimbursement or advancement of expenses shall constitute a defense to the action or create a presumption that such Indemnifiable Person is not so entitled. Such an Indemnifiable Person shall also be indemnified, to the fullest extent permitted by law, for any expenses incurred in connection with successfully establishing his or her right to such indemnification or reimbursement or advancement of expenses, in whole or in part, in any such action. Any right to indemnification or reimbursement or advancement of expenses shall be determined by the applicable law in effect at the time indemnification or reimbursement or advancement of expenses is sought.

**Section 10.4** Non-Exclusivity of Rights. The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Article X shall not be deemed exclusive of any other rights to which a Person seeking indemnification or reimbursement or advancement of expenses may have or hereafter be entitled under any statute, this Certificate, the Bylaws, any agreement (including any policy of insurance purchased or provided by the Corporation under which directors, officers, employees and other agents of the Corporation are covered), any vote of the holders of capital stock of the Corporation entitled to vote or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

**Section 10.5** Continuing Rights. The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Article X shall continue as to a Person who has ceased to be a director or officer (or other Person indemnified hereunder) and shall inure to the benefit of the executors, administrators, legatees and distributees of such Person.

**Section 10.6** Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any Person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, member, manager, employee or agent of an Other Entity, against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such Person against such liability under the provisions of this Article X, the Bylaws or under Section 145 of the DGCL or any other provision of law.

**Section 10.7** Contract Rights; Amendment or Repeal. The provisions of this Article X shall be

a contract between the Corporation, on the one hand, and each director and officer who serves in such capacity at any time while this Article X is in effect and any other Person indemnified hereunder, on the other hand, pursuant to which the Corporation and each such director, officer, or other Person intend to be legally bound. Notwithstanding anything to the contrary contained in this Certificate, no amendment, repeal or modification of this Article X shall affect any rights or obligations with respect to any state of facts then or theretofore existing or any proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

**Section 10.8** Requested Services. Any director, officer, employee, fiduciary or agent of the Corporation serving in any capacity in (i) another corporation of which a majority of the shares entitled to vote in the election of its directors is held, directly or indirectly, by the Corporation or (ii) any employee benefit plan of the Corporation or any corporation referred to in clause (i) shall be deemed to be doing so at the request of the Corporation.

**Section 10.9** Indemnitor of First Resort. It is the intent that with respect to all advancement, reimbursement and indemnification obligations under this Article X, the Corporation shall be the indemnitor of first resort (*i.e.*, its obligations to indemnitees under this Certificate are primary and any obligation of any Person to provide advancement or indemnification for the same losses incurred by indemnitees are secondary), and if any Person pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to this Certificate, the Bylaws, contract, law or regulation), then (i) such Person shall be fully subrogated to all rights hereunder of the indemnitee with respect to such payment and (ii) the Corporation shall reimburse such stockholder (or such Affiliate, as the case may be) for the payments actually made and waive any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of such Person.

## ARTICLE XI
## AMENDMENT OF CERTIFICATE OF INCORPORATION

This Certificate may be amended, restated, amended and restated or otherwise modified only with the approval by vote of (i) a majority of the members of the Board and (ii) a majority of the total voting power of the capital stock of the Corporation. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate (including any Preferred Stock Designation), in the manner now or hereafter prescribed by this Certificate and the DGCL, and, except as set forth in Article IX and Article X, all rights, preferences and privileges herein conferred upon stockholders, directors or any other persons by and pursuant to this Certificate in its present form or as hereafter amended are granted subject to the right reserved in this Article XI.

## ARTICLE XII
## SECTION 203

The Corporation shall not be governed by the provisions of Section 203 of the DGCL.

## ARTICLE XIII
## ENFORCEABILITY; SEVERABILITY; FORUM FOR ADJUDICATION OF DISPUTES

**Section 13.1** Enforceability; Severability. Each provision of this Certificate shall be enforceable in accordance with its terms to the fullest extent permitted by applicable law, but in case any one or more of the provisions contained in this Certificate shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Certificate, and this Certificate shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**Section 13.2** Exclusive Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate or the Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery or (d) any action asserting a claim governed by the internal affairs doctrine shall, in each case, be the Court of Chancery. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 13.2.

**Section 13.3** Stockholder Consent to Personal Jurisdiction. If any action the subject matter of which is within the scope of Section 13.2 above is filed in a court other than a court located within the State of Delaware without the approval of the Board (a "***Foreign Action***") in the name of any stockholder, such stockholder shall be deemed to have consented to (a) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce Section 13.2 above (an "***FSC Enforcement Action***") and (b) having service of process made upon such stockholder in any such FSC Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

## ARTICLE XIV
## RESTRICTIONS ON TRANSFER OF SECURITIES

It is in the best interests of the Corporation and its stockholders that certain restrictions on the Transfer of Corporation Securities (each as defined below), as relates to the preservation of certain Tax Benefits, be established as more fully set forth in this Article XIV.

**Section 14.1** Definitions. As used in this Article XIV, the following capitalized terms shall have the following respective meanings (and any references to any portions of Treasury Regulation Section 1.382-2T shall include any successor provision thereto):

(a) "***Agent***" has the meaning set forth in Section 14.3(b).

(b) "***Acquire***" means the acquisition, directly, indirectly or constructively (as determined for purposes of Section 382 of the Code, or any successor provision or replacement provision), of ownership of Corporation Securities by any means, including, without limitation, (i) the exercise of any rights under any option, warrant, convertible security, pledge or other security interest or similar right to acquire Corporation Securities, (ii) the entering into of any swap, hedge or other arrangement that results in the acquisition of any of the economic consequences of ownership of Corporation Securities or (iii) any other acquisition or transaction treated under the

applicable rules under Section 382 of the Code as a direct or indirect acquisition (including the acquisition of an ownership interest in a Substantial Holder) of ownership of such Corporation Securities, which shall include acquisitions by operation of law. The terms "Acquires" and "Acquisition" shall have the correlative meaning.

(c) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time.

(d) "***Corporation Securities***" means (i) shares of Common Stock, (ii) any other interests that are treated as "stock" of the Corporation pursuant to Treasury Regulation Section 1.382-2T(f)(18), and (iii) warrants, rights or options (including within the meaning of Treasury Regulation Section 1.382-4(d)(9)) to purchase Corporation Securities, but only to the extent such warrants, rights or options are treated as exercised or deemed exercised pursuant to Treasury Regulation Section 1.382-4(d).

(e) "***Disposition***" means the sale, transfer, exchange, assignment, liquidation, conveyance, pledge, or other disposition or transaction treated under the applicable rules under Section 382 of the Code as a direct or indirect disposition (including the disposition of an ownership interest in a Substantial Holder). The terms "Dispose" and "Disposition" shall have the correlative meaning.

(f) "***DTC***" means The Depository Trust Company.

(g) "***Excess Securities***" has the meaning set forth in Section 14.3(a).

(h) "***Percentage Stock Ownership***" means on any testing date (within the meaning of Treasury Regulation Section 1.382-2(a)(4)) the percentage stock ownership as determined in accordance with Treasury Regulation Section 1.382-2T(g), (h) (without regard to the rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), (j) and (k), and Treasury Regulation Section 1.382-4 and, for the avoidance of doubt, taking into account Treasury Regulation Section 1.382-3(j)(7).

(i) "***Prohibited Distributions***" has the meaning set forth in Section 14.3(b).

(j) "***Prohibited Transfer***" means any purported Transfer of Corporation Securities to the extent that such Transfer is prohibited and/or void under this Article XIV.

(k) "***Purported Transferee***" has the meaning set forth in Section 14.3(a).

(l) "***Purported Transferor***" has the meaning set forth in Section 14.3(b)(ii).

(m) "***Restriction Release Date***" means the earliest of (i) any date after the Effective Date if the Board in good faith determines that it is in the best interests of the Corporation and its stockholders for the ownership and transfer limitations set forth in this Article XIV to expire, (ii) the beginning of a taxable year of the Corporation as of which no Tax Benefits are available, (iii) the second anniversary of the Effective Date, (iv) the date selected by the holders of a majority of the voting power of the Corporation, at an annual or special meeting of stockholders or by written consent or (v) the repeal, amendment or modification of Section 382 of the Code (and any

comparable successor provision) in such a way as to render the restrictions imposed by Section 382 of the Code no longer applicable to the Corporation.

(n) "***Restructuring***" means those certain transactions consummated under the Plan of Reorganization pursuant to the Confirmation Order.

(o) "***Section 501(c)(3)***" has the meaning set forth in Section 14.3(c)(iii).

(p) "***Substantial Holder***" means a Tax Person (including, without limitation, any group of Tax Persons treated as a single "entity" within the meaning of Treasury Regulation Section 1.382-3) holding Corporation Securities, whether as of the Effective Date, after giving effect to the Restructuring, or thereafter, representing a Percentage Stock Ownership (including indirect ownership, as determined under applicable Treasury Regulations) in the Corporation of 4.9% or greater in any separate class of Corporation Securities.

(q) "***Tax Benefits***" means the net operating loss carryforwards, capital loss carryforwards, general business credit carryforwards, alternative minimum tax credit carryforwards and foreign tax credit carryforwards, as well as any loss or deduction attributable to "net unrealized built-in loss" within the meaning of Section 382 of the Code, of the Corporation or any direct or indirect subsidiary thereof.

(r) "***Tax Person***" means an individual, corporation, estate, trust, association, limited liability company, partnership, joint venture or similar organization or "entity" within the meaning of Treasury Regulation Section 1.382-3 (including, without limitation, any group of Tax Persons treated as a single entity under such regulation).

(s) "***Transfer***" means any direct or indirect Acquisition or Disposition of Corporation Securities.

(t) "***Treasury Regulation***" means a Treasury regulation promulgated under the Code.

**Section 14.2** Ownership Limitations.

(a) To the fullest extent permitted by law, from and after the Effective Date and prior to the Restriction Release Date, (i) no Tax Person shall be permitted to make an Acquisition, whether in a single transaction or series of related transactions, and any such purported Acquisition will be void *ab initio*, to the extent that after giving effect to such purported Acquisition (x) the purported acquiror or any other Tax Person by reason of the purported acquiror's Acquisition would become a Substantial Holder or (y) the Percentage Stock Ownership of a Tax Person that, prior to giving effect to the purported Acquisition, is a Substantial Holder would be increased; and (ii) no Substantial Holder shall Dispose of any Corporation Securities and any such purported Disposition will be void *ab initio*. The prior sentence is not intended to prevent the Corporation Securities from being DTC-eligible and shall not preclude the settlement of any transactions in the Corporation Securities entered into through the facilities of a national securities exchange or other exchange or quotation system, but such transaction, if prohibited by the prior sentence, shall nonetheless be a Prohibited Transfer.

(b) The restrictions set forth in Section 14.2(a) shall not apply to a proposed Transfer, and such Transfer shall be permitted notwithstanding anything to the contrary in Section 14.2(a), if the transferor or the transferee, upon providing at least fifteen (15) days prior written notice of such proposed Transfer to the Board, obtains the written approval or consent to the proposed Transfer from the Board. The Board will consider all factors it deems relevant with respect to the proposed Transfer, including whether the proposed Transfer, when considered alone or with other proposed or planned Transfers, will impair the Tax Benefits and may, within its discretion, determine whether to permit the proposed Transfer, or not to permit the proposed Transfer. The Board shall endeavor to inform the requesting party of its determination within ten (10) days after receiving such written notice; provided, however, that the failure of the Board to respond during such ten (10) day period shall not be deemed to be a consent to the Transfer. As a condition to granting its consent to the proposed Transfer, the Board may, in its discretion, require and/or obtain (at the expense of the transferor and/or transferee) representations and/or agreements from the transferor and/or transferee, opinions of counsel or a nationally recognized accounting firm selected by the Board, and such other advice, in each case as to such matters as the Board determines is appropriate. Notwithstanding the foregoing, the Board may also waive the restrictions imposed in this Article XIV, in whole or in part, with respect to a Transfer (whether or not advance notice thereof has been provided to the Board in accordance with this Section 14.2(b)) in circumstances where it determines, in its sole discretion, that granting such waiver (either prospectively or retroactively) either would be in the best interests of the stockholders of the Corporation taken as a whole.

**Section 14.3** Treatment of Excess Securities.

(a) No employee or agent of the Corporation shall record any Prohibited Transfer, and the purported transferee (the "***Purported Transferee***") of a Prohibited Transfer shall not be recognized as a stockholder of the Corporation for any purpose whatsoever in respect of the Corporation Securities which are the subject of the Prohibited Transfer (the "***Excess Securities***"). The Purported Transferee shall not be entitled with respect to such Excess Securities to any rights of stockholders of the Corporation, including, without limitation, the right to vote such Excess Securities and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof. Once the Excess Securities have been acquired in a Transfer that is in accordance with this Section 14.3 and is not a Prohibited Transfer, such Corporation Securities shall cease to be Excess Securities.

(b) If the Board determines that a Prohibited Transfer has occurred, such Prohibited Transfer and, if applicable, the recording of such Prohibited Transfer, shall, to the fullest extent permitted by law, be void *ab initio* and have no legal effect, and, upon written demand by the Corporation, the Purported Transferee shall transfer or cause to be transferred any certificate or other evidence of ownership of the Excess Securities within the Purported Transferee's possession or control, together with any dividends or other distributions that were received by the Purported Transferee from the Corporation with respect to the Excess Securities (the "***Prohibited Distributions***"), to an agent designated by the Board (the "***Agent***").

(i) In the case of a Prohibited Transfer described in Section 14.2(a)(i), the Agent shall thereupon sell to a buyer or buyers the Excess Securities transferred to it in one or more arm's-length transactions (including over a national securities exchange or other exchange

or quotation system on which the Corporation Securities may be traded, if possible); provided, however, that the Agent, in its sole discretion, shall effect such sale or sales in an orderly fashion and shall not be required to effect any such sale within any specific time frame if, in the Agent's discretion, such sale or sales would disrupt the market for the Corporation Securities or otherwise would adversely affect the value of the Corporation Securities; provided, further that any such sale must not constitute a Prohibited Transfer. If the Purported Transferee has resold the Excess Securities before receiving the Corporation's demand to surrender the Excess Securities to the Agent, the Purported Transferee shall be deemed to have sold the Excess Securities for the Agent, and shall be required, to the fullest extent permitted by law, to transfer to the Agent any Prohibited Distributions and proceeds of such sale, except to the extent that the Corporation grants written permission to the Purported Transferee to retain a portion of such sales proceeds not exceeding the amount that the Purported Transferee would have received from the Agent pursuant to Section 14.3(c) if the Agent, rather than the Purported Transferee had resold the Excess Securities.

(ii) In the case of a Prohibited Transfer described in Section 14.2(a)(ii), the transferor of such Prohibited Transfer (the "***Purported Transferor***") shall also deliver to the Agent the sales proceeds from the Prohibited Transfer (in the form received, *i.e.*, whether in cash or other property), and the Agent shall thereupon sell any non-cash consideration to a buyer or buyers in one or more arm's-length transactions (including over a national securities exchange, if possible). If the Purported Transferee is determinable (other than with respect to a transaction entered into through the facilities of a national securities exchange), the Agent shall, to the extent possible, return the Excess Securities and Prohibited Distributions to the Purported Transferor, and shall reimburse the Purported Transferee from the sales proceeds received from the Purported Transferor (or the proceeds from the disposition of any non-cash consideration) for the cost of any Excess Securities returned in accordance with Section 14.3(c). If the Purported Transferee is not determinable, or to the extent the Excess Securities have been resold and thus cannot be returned to the Purported Transferor, the Agent shall use the proceeds to acquire on behalf of the Purported Transferor, in one or more arm's-length transactions (including over a national securities exchange on which the Corporation Securities may be traded, if possible), an equal amount of Corporation Securities in replacement of the Excess Securities sold; provided, however, that, to the extent the amount of proceeds is not sufficient to fund the purchase price of such Corporation Securities and the Agent's costs and expenses (as described in Section 14.3(c)), the Purported Transferor shall promptly fund such amounts upon demand by the Agent.

(c) The Agent shall apply any proceeds or any other amounts received by it and in accordance with Section 14.3 as follows:

(i) first, such amounts shall be paid to the Agent to the extent necessary to cover its costs and expenses incurred in connection with its duties hereunder;

(ii) second, any remaining amounts shall be paid to the Purported Transferee, up to the amount actually paid by the Purported Transferee, for the Excess Securities (or in the case of any Prohibited Transfer by gift, devise or inheritance or any other Prohibited Transfer without consideration, the fair market value, (x) calculated on the basis of the closing market price for the Corporation Securities on the day before the Prohibited Transfer, (y) if the Corporation Securities are not listed or admitted to trading on any stock exchange but are traded in the over-the-counter market, calculated based upon the difference between the highest bid and lowest asked

prices in the applicable over-the-counter market as furnished by any New York Stock Exchange member firm that shall be selected from time to time by the Corporation for that purpose on the day before the Prohibited Transfer or, if none, on the last preceding day for which such quotations exist or (z) if the Corporation Securities are neither listed nor admitted to trading on any stock exchange nor traded in the over-the-counter market, then as determined in good faith by the Board, which amount (or fair market value) shall be determined at the discretion of the Board); and

(iii) third, any remaining amounts, subject to the limitations imposed by the following proviso, shall be paid to one or more organizations qualifying under Section 501(c)(3) of the Code (or any comparable successor provision) ("***Section 501(c)(3)***") selected by the Board; provided, however, that, if the Excess Securities (including any Excess Securities arising from a previous Prohibited Transfer not sold by the Agent in a prior sale or sales) represent a 4.9% or greater Percentage Stock Ownership interest in the Corporation, then such remaining amounts shall be paid to two or more organizations qualifying under Section 501(c)(3) selected by the Board, such that no organization qualifying under Section 501(c)(3) shall possess Percentage Stock Ownership in the Corporation of 4.9% or greater.

(iv) The recourse of any Purported Transferee in respect of any Prohibited Transfer shall be limited to the amount payable to the Purported Transferee pursuant to clause (c)(ii) above. Except as may be required by law, in no event shall the proceeds of any sale of Excess Securities pursuant to this Article XIV inure to the benefit of the Corporation.

(d) If the Purported Transferee or the transferor fails to surrender the Excess Securities (as applicable) or the proceeds of a sale thereof to the Agent within thirty (30) days from the date on which the Corporation makes a demand pursuant to Section 14.3(b), then the Corporation shall use its best efforts to enforce the provisions hereof, including the institution of legal proceedings to compel the surrender.

**Section 14.4** Obligation to Provide Information. At the request of the Corporation, any Tax Person which is a beneficial, legal or record holder of Corporation Securities, and any proposed transferor or transferee and any Tax Person controlling, controlled by or under common control with the proposed transferor or transferee, shall provide such information as the Corporation may reasonably request as may be necessary from time to time in order to determine compliance with this Article XIV or the status of the Tax Benefits.

**Section 14.5** Bylaws; Legends; Compliance.

(a) The bylaws of the Corporation may make appropriate provisions to effectuate the requirements of this Article XIV.

(b) Until the Restriction Release Date, all certificates representing Corporation Securities shall bear a conspicuous legend as follows:

> "THE TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO OWNERSHIP RESTRICTIONS PURSUANT TO ARTICLE XIV OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF [PETROQUEST ENERGY, INC.], AS MAY BE AMENDED FROM TIME TO TIME. THE CORPORATION WILL FURNISH, WITHOUT CHARGE TO THE

HOLDER OF RECORD OF THIS CERTIFICATE, A COPY OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION CONTAINING THE ABOVE-REFERENCED TRANSFER RESTRICTIONS UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS."

(c) The Corporation shall have the power to make appropriate notations upon its stock transfer records and instruct any transfer agent, registrar, securities intermediary or depository with respect to the requirements of this Article XIV for any uncertificated Corporation Securities or Corporation Securities held in an indirect holding system, and the Corporation shall provide notice of the restrictions on transfer and ownership to holders of uncertificated shares in accordance with applicable law.

(d) The Board shall have the power to determine in its sole discretion all matters necessary for determining compliance with this Article XIV, including, without limitation, determining (i) the identification of Substantial Holders, (ii) whether a Transfer is a Prohibited Transfer, (iii) the Percentage Stock Ownership of any Substantial Holder or other Tax Person, (iv) whether an instrument constitutes a Corporation Security, (v) the amount (or fair market value) due to a Purported Transferee pursuant to clause (ii) of Section 14.3(c) and (vi) any other matters that the Board determines to be relevant. The good faith determination of the Board on such matters shall be conclusive and binding for the purposes of this Article XIV. Any determination by the Board may be made prospectively or retroactively.

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Certificate of Incorporation as of this [●] day of [●], 2019.

[PetroQuest Energy, Inc.]

_____
Name:
Title:

**AMENDED AND RESTATED BYLAWS OF**

**[PETROQUEST ENERGY, INC.]**

Incorporated under the Laws of the State of Delaware

**Adopted [●], 2019**

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## ARTICLE I
## OFFICES

Section 1.01 **Registered Office**. The registered office of [PetroQuest Energy, Inc.] (the "***Corporation***") within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the corporation or individual acting as the Corporation's registered agent in Delaware.

Section 1.02 **Additional Offices**. The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the "***Board***") may from time to time determine or as the business and affairs of the Corporation may require.

## ARTICLE II
## MEETINGS OF STOCKHOLDERS

Section 2.01 **Annual Meetings**. The annual meeting of stockholders shall be held at such place and time and on such date as shall be determined by the Board and stated in the notice of the meeting; provided, that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 8.05(A). At each annual meeting, the stockholders shall elect directors of the Corporation and may transact any other business as may properly be brought before the meeting.

Section 2.02 **Special Meetings**.

(A) Except as otherwise required by applicable law or provided in the Corporation's Amended and Restated Certificate of Incorporation, as the same may be amended or restated from time to time (the "***Certificate of Incorporation***"), special meetings of stockholders, for any purpose or purposes, may be called only by (i) the Chairman of the Board, (ii) the Board pursuant to a resolution adopted by a majority of the Board or (iii) the Board upon the delivery of a written request complying with Section 2.02(B) of these Bylaws to the Corporation by the holders of at least a majority of the outstanding shares of the outstanding common stock of the Corporation ("***Common Stock***"), in the aggregate (a "***Stockholder-Requested Meeting***"). Special meetings of stockholders shall be held at such place and time and on such date as shall be determined by the Board and stated in the Corporation's notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 8.05(A).

(B) To be valid, a written request for a Stockholder-Requested Meeting must (i) be in writing, signed and dated by one or more stockholder(s) of record, (ii) set forth the proposed date, time and place of the special meeting (which may not be earlier than sixty (60) days after the date the request is delivered (or ninety (90) days in the case of a Stockholder-Requested Meeting to elect directors)), provided, for the avoidance of doubt, that such proposed date, time and place of the special meeting shall not be binding on the Corporation or the Board, (iii) set forth a statement of the purpose or purposes of and the matters proposed to be acted on at the special meeting, (iv) include the information required by Section 2.07(A) or Section 3.02 of these Bylaws to be set forth in a stockholder's notice for the proposal of business or nominations, as applicable and (v) be delivered personally or sent by certified or registered mail, return receipt requested, to the Secretary at the principal executive offices of the Corporation. If the Board determines that a stockholder request pursuant to Section 2.02(A)(iii) is valid, the Board will determine the time and place, if any, of a Stockholder-Requested Meeting, which time will be not less than thirty (30) days nor more than ninety (90) days after the receipt of such request, and will set a record date for the determination of stockholders entitled to vote at such meeting in the manner set forth in Section 8.02 hereof. Notwithstanding the foregoing, a Stockholder-Requested Meeting need not be held if (1) the special meeting request relates to an item of business that is not a proper subject for stockholder action under applicable law, (2) the special meeting request is delivered during the period commencing ninety (90) days prior to the first anniversary of the date of the notice of annual meeting for the immediately preceding annual meeting and ending on the earlier of (x) the date of the next annual meeting and (y) thirty (30) calendar days after the first anniversary of the date of the immediately preceding annual meeting, (3) an identical or substantially similar item (as determined in good faith by the Board, a "***Similar Item***"), other than the election of directors, was presented at a meeting of the stockholders held not more than twelve (12) months before the special meeting request is delivered, (4) a Similar Item was presented at a meeting of the stockholders held not more than ninety (90) days before the special meeting request is delivered (and, for purposes of this clause (4), the election of directors shall be deemed a "Similar Item" with respect to all items of business involving the election or removal of directors) or (5) a Similar Item is included in the Corporation's notice as an item of business to be brought before a stockholder meeting that has been called by the time the special meeting request is delivered but not yet held. No business may be transacted at a special meeting, including a Stockholder-Requested Meeting unless specified in the Corporation's notice of meeting.

Section 2.03 **Notices**. Notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting if such date is different from the record date for determining stockholders entitled to notice of the meeting shall be given in the manner permitted by Section 8.03 to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Such notice shall be given by the Corporation not less than ten (10) nor more than sixty (60) days before the date of the meeting. If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation's notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any special meeting of stockholders as to which notice has been

given may be cancelled, by the Board upon public announcement (as defined in Section 2.07(C)) given before the date previously scheduled for such meeting.

Section 2.04 **Quorum**. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.06 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.05 **Voting of Shares**.

(A) Voting Lists. The Secretary shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order for each class of stock and showing the address and the number of shares registered in the name of each stockholder. Nothing contained in this Section 2.05(A) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. If the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If a meeting of stockholders is to be held solely by means of remote communication as permitted by Section 8.05(A), then such list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of meeting. The stock ledger shall be the only

evidence as to who are the stockholders entitled to examine the list required by this Section 2.05(A) or to vote in person or by proxy at any meeting of stockholders.

(B) Manner of Voting. At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxyholders at any meeting conducted by remote communication may be effected by a ballot submitted by Electronic Transmission (as defined in Section 8.03), provided that any such Electronic Transmission must either set forth or be submitted with information from which the Corporation can determine that the Electronic Transmission was authorized by the stockholder or proxyholder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(C) Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the Secretary until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority:

(1) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile or other reproduction signature.

(2) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an Electronic Transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such Electronic Transmission must either set forth or be submitted with information from which it can be determined that the Electronic Transmission was authorized by the stockholder.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(D) Required Vote. Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, and subject to the rights of the holders of one or

more series of preferred stock of the Corporation ("***Preferred Stock***"), voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, the election of directors shall be determined by a plurality of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon. All other matters shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon, unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(E) Inspectors of Election. The Board may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

Section 2.06 **Adjournments**. Any meeting of stockholders, annual or special, may be adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place. Notice need not be given of any such adjourned meeting if the date, time and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 2.03, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.07 **Advance Notice for Business**.

(A) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record on the date of the giving of the notice provided for in this Section 2.07(A) and who is entitled to vote at such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.07(A). Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), if applicable, and included in the notice of meeting given by or at the direction of the Board, the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of stockholders. Stockholders seeking to nominate persons for election to the Board must comply with Section 3.02, and this Section 2.07 shall not be applicable to nominations.

(1) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.07(A)(4), to be timely, a stockholder's notice to the Secretary with respect to such business must (x) comply with the provisions of this Section 2.07(A)(1) and (y) be timely updated by the times and in the manner required by the provisions of Section 2.07(A)(3). A stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the opening of business on the 120th day before the anniversary date of the date on which the Corporation first mailed its proxy materials for the annual meeting of stockholders of the immediately preceding year; provided, however, that if the annual meeting is called for a date that is more than thirty (30) days earlier or more than sixty (60) days later than such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the one hundred twentieth (120th) day before the meeting and not later than the later of (x) the close of business on the ninetieth (90th) day before the meeting or (y) the close of business on the tenth (10th) day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 2.07(A).

(2) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth (A) as to each such matter such stockholder proposes to bring before the annual meeting (1) a brief description of the business desired to be brought before the annual meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and if such business includes a proposal to amend these Bylaws, the text of the proposed amendment) and (3) the reasons for conducting such business at the annual meeting, (B) the name and address of the stockholder proposing such business, as they appear on the Corporation's books,

and the name and address of any Stockholder Associated Person, (C) the class or series and number of shares of capital stock of the Corporation that are owned of record or are directly or indirectly owned beneficially by such stockholder and by any Stockholder Associated Person, (D) any option, warrant, convertible security, stock appreciation right, swap or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right is subject to settlement in the underlying class or series of shares of the Corporation or otherwise (a "***Derivative Instrument***") directly or indirectly owned beneficially by such stockholder or by any Stockholder Associated Person and any other direct or indirect opportunity of such stockholder or any Stockholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (E) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares of the Corporation, (F) any short interest in any security of the Corporation held by such stockholder or any Stockholder Associated Person (for purposes of this Section 2.07 a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (G) any rights owned beneficially by such stockholder or Stockholder Associated Person to dividends on the shares of the Corporation that are separated or separable from the underlying shares of the Corporation, (H) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (I) any performance-related fees (other than an asset-based fee) that such stockholder or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of such stockholder's or any Stockholder Associated Person's immediate family sharing the same household, (J) a description of all agreements, arrangements or understandings (written or oral) between or among such stockholder, any Stockholder Associated Person or any other person or persons (including their names) in connection with the proposal of such business by such stockholder, (K) any other information relating to such stockholder and any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for election of directors (even if an election contest is not involved), or would be otherwise required, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (L) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, and (M) a statement of whether such stockholder or any Stockholder Associated Person intends, or is part of a group that intends, to solicit proxies in connection with the proposal.

(3) A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.07(A) shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (x) in the case of the update and supplement required to be made as of such record date, not later than five (5) business days after such record date and (y) in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof, as applicable, not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof, if practicable (or if not practicable, on the first practicable date prior to the date for the meeting or such adjournment or postponement thereof).

(4) The foregoing notice requirements of this Section 2.07(A) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Exchange Act, if applicable, and such stockholder's proposal has been included in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.07(A), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.07(A) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairman of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.07(A) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.07(A), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.07(A), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(5) In addition to the provisions of this Section 2.07(A), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.07(A) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, if applicable.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been stated in the notice of such special meeting. The proposal by stockholders of other business to be conducted at a special meeting of

stockholders may be made only in accordance with Section 2.03. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only pursuant to Section 3.02.

(C) Definitions. For purposes of these Bylaws, "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act; and "***Stockholder Associated Person***" shall mean for any stockholder (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

Section 2.08 **Conduct of Meetings**. The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairman of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.09 **Consents in Lieu of Meeting**.

(A) Any action required or permitted to be taken by stockholders of the Corporation at any meeting of stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by holders of outstanding stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. In order that the

Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by delivery of a written notice sent by certified or registered mail, return receipt requested, to the Secretary at the principal executive offices of the Corporation, request that the Board fix a record date, and such written notice shall include such information as would have been required to be provided under Section 2.02 if the stockholders had requested that a Stockholder-Requested Meeting be held to take such action. The Board shall promptly, but in all events within ten (10) days after the date on which such written notice is received, adopt a resolution fixing the record date (unless a record date has previously been fixed by the Board pursuant to this Section 2.09(A)). If no record date has been fixed by the Board pursuant to this Section 2.09(A) or otherwise within ten (10) days after the date on which such written notice is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by applicable law, shall be the first business day after the expiration of such ten (10) day time period on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or to the Secretary. If no record date has been fixed by the Board pursuant to this Section 2.09(A), the record date for determining stockholders entitled to consent to corporate action in writing without a meeting if prior action by the Board is required by applicable law shall be at the close of business on the date on which the Board adopts the resolution taking such prior action.

(B) In the event of the delivery, in the manner provided by Section 2.09(A) and applicable law, to the Corporation of written consent or consents to take corporate action and/or any related revocation or revocations, the Corporation shall engage independent inspectors of elections for the purpose of performing promptly a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such inspectors have completed their review, determined that the requisite number of valid and unrevoked consents delivered to the Corporation in accordance with this Section 2.09 and applicable law have been obtained to authorize or take the action specified in the consents, and certified such determination for entry in the records of the Corporation kept for the purpose of recording the proceedings of meetings of stockholders. Nothing contained in this Section 2.09(B) shall in any way be construed to suggest or imply that the Board or any stockholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

## ARTICLE III
## DIRECTORS

Section 3.01 **Powers; Term**.

(A) The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

(B) The number of directors constituting the Board shall be as set forth in the Certificate of Incorporation. Subject to the previous sentence, the precise number of directors of the Corporation shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board. For purposes of these Bylaws, "***Whole Board***" shall mean the total number of directors the Corporation would have if there were no vacancies.

(C) The Board shall consist of a single class of directors. Directors need not be stockholders or residents of the State of Delaware. Except as set forth in the Certificate of Incorporation, the term of office of each director will be from the time of his or her respective election until the next annual meeting of stockholders or until his or her respective successor is duly elected and qualified, except as in the case of such director's earlier death, resignation, retirement, disqualification, removal or incapacity.

(D) Upon written request to the Corporation, each of Corre and MacKay (such terms as defined in the Certificate of Incorporation) shall be entitled to appoint one (1) non-voting Board observer to the extent it beneficially owns at least ten percent (10%) of the issued and outstanding shares of Common Stock. Each Board observer shall enter into a customary observer agreement with the Corporation.

Section 3.02 **Advance Notice for Nomination of Directors**.

(A) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors by the stockholders of the Corporation, except as may be otherwise provided by (x) the Certificate of Incorporation or (y) the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board (or, in the case of a special meeting, by the stockholders pursuant to Section 2.02) or (ii) by any stockholder of the Corporation (x) who is a stockholder of record on the date of the giving of the notice provided for in this Section 3.02 and who is entitled to vote in the election of directors at such meeting and (y) who complies with the notice procedures set forth in this Section 3.02 provided, in the case of a special meeting, that the Board (or the stockholders pursuant to Section 2.02) has determined that directors shall be elected at such special meeting).

(B) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice to the Secretary must (x) comply with the provisions of this Section 3.02(B) and (y) be timely updated by the times and in the manner required by the provisions of Section 3.02(E). A stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual

meeting, not later than the close of business on the ninetieth (90th) day nor earlier than the opening of business on the one hundred twentieth (120th) day before the anniversary date of the date on which the Corporation first mailed its proxy materials for the annual meeting of stockholders of the immediately preceding year; provided, however, that if the annual meeting is called for a date that is more than thirty (30) days earlier or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the one hundred twentieth (120th) day before the meeting and not later than the later of (A) the close of business on the ninetieth (90th) day before the meeting or (B) the close of business on the tenth (10th) day following the day on which public announcement of the date of the annual meeting is first made by the Corporation; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not earlier than the opening of business on the one hundred twentieth (120th) day before the meeting and not later than the later of (A) the close of business on the ninetieth (90th) day before the meeting or (B) the close of business on the tenth (10th) day following the day on which public announcement of the date of the special meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting or special meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 3.02.

(C) Notwithstanding anything in paragraph (B) to the contrary, if the number of directors to be elected to the Board at an annual meeting is greater than the number of directors whose terms expire on the date of the annual meeting and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the ninetieth (90th) day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this Section 3.02 shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

(D) To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation that are owned of record or are directly or indirectly owned beneficially by the person, (D) any Derivative Instrument directly or indirectly owned beneficially by such person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation and (E) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (ii) as to the stockholder giving the notice (A) the name and address of such stockholder as they appear on the Corporation's books, and the name and address of any Stockholder Associated Person, (B) the class or series and number of shares of capital stock of the Corporation that are owned of record or directly or indirectly owned beneficially by such Stockholder and any Stockholder Associated Person, (C) any Derivative Instrument directly or indirectly owned beneficially by such stockholder or Stockholder Associated Person and any

other direct or indirect opportunity of such stockholder or any Stockholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (D) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares of the Corporation, (E) any short interest in any security of the Corporation held by such stockholder or any Stockholder Associated Person (for purposes of this Section 3.02 a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (F) any rights beneficially owned, directly or indirectly, by such stockholder or Stockholder Associated Person to dividends on the shares of the Corporation that are separated or separable from the underlying shares of the Corporation, (G) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (H) any performance-related fees (other than an asset-based fee) that such stockholder or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of such stockholder's or any Stockholder Associated Person's immediate family sharing the same household, (I) a description of all agreements, arrangements or understandings (written or oral) between or among such stockholder, any Stockholder Associated Person, any proposed nominee or any other person or persons (including their names) pursuant to which the nomination or nominations are to be made by such stockholder, (J) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, (K) any other information relating to such stockholder and any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (L) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder or any Stockholder Associated Person, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand and (M) a statement of whether such stockholder or any Stockholder Associated Person intends, or is part of a group that intends, to solicit proxies for the election of the proposed nominee. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(E) A stockholder providing notice of a director nomination shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 3.02 shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (x) in the case of the update and supplement

required to be made as of such record date, not later than five (5) business days after such record date and (y) in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof, as applicable, not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof, if practicable (or if not practicable, on the first practicable date prior to the date for the meeting or such adjournment or postponement thereof). In addition, at the request of the Board, a proposed nominee shall furnish to the Secretary of the Corporation within ten (10) days after receipt of such request such information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee, and if such information is not furnished within such time period, the notice of such director's nomination shall not be considered to have been timely given for purposes of this Section 3.02.

(F) Except as otherwise provided by the Certificate of Incorporation or the terms of one or more series of Preferred Stock with respect to the rights of one or more series of Preferred Stock to nominate and elect directors, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3.02. If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this Section 3.02, then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of this Section 3.02, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(G) In addition to the provisions of this Section 3.02, a stockholder providing notice of a director nomination shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein.

(H) Nothing in this Section 3.02 shall be deemed to affect any rights of the holders of Class B Common Stock or Class C Common stock (each as defined in the Certificate of Incorporation) or Preferred Stock, as applicable, to nominate and elect directors pursuant to the Certificate of Incorporation, the right of the holders of Common Stock to fill newly created directorships on the Board, and the right of holders of Class B Common Stock or Class C Common Stock (each as defined in the Certificate of Incorporation) or the holders of Common Stock, as applicable, to fill vacancies on the Board pursuant to the Certificate of Incorporation.

Section 3.03 **Compensation**. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed their expenses, if any, for attendance at each meeting of the Board and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

Section 3.04 **Appointment of Directors; Vacancies**. Newly created directorships resulting from an increase in the number of directors and any vacancies on the Board resulting from death, resignation, retirement, disqualification, removal or other cause shall be filled in accordance with the Certificate of Incorporation.

Section 3.05 **Removal of Directors**. Except as set forth in the Certificate of Incorporation, any director or the entire Board may be removed from office, with or without cause.

## ARTICLE IV
## BOARD MEETINGS

Section 4.01 **Annual Meetings**. The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this Section 4.01.

Section 4.02 **Regular Meetings**. Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places as shall from time to time be determined by the Board.

Section 4.03 **Special Meetings**. Special meetings of the Board (a) may be called by the Chairman of the Board or Chief Executive Officer and (b) shall be called by the Chairman of the Board, Chief Executive Officer or Secretary on the written request of at least a majority of directors then in office, or the sole director, as the case may be, and shall be held at such time, date and place as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in Section 8.03, to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of Electronic Transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 8.04.

Section 4.04 **Quorum; Required Vote**. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, in each case except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the

directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.05 **Consent in Lieu of Meeting**. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by Electronic Transmission, and the writing or writings or Electronic Transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.06 **Organization**. The Board shall elect a Chairman of the Board from among the directors by resolution passed by a majority of the Board; provided, however, the Chairman of the Board shall not contemporaneously serve as the Chief Executive Officer of the Corporation absent the unanimous vote of the Board (excluding the Fifth Director (as defined in the Certificate of Incorporation)). The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

## ARTICLE V
## COMMITTEES OF DIRECTORS

Section 5.01 **Establishment**. The Board may by resolution passed by a majority of the Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.02 **Available Powers**. Any committee established pursuant to Section 5.01 hereof, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

Section 5.03 **Alternate Members**. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee.

Section 5.04 **Procedures**. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member

at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these Bylaws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws.

## ARTICLE VI
## OFFICERS

Section 6.01 **Officers**. The officers of the Corporation elected by the Board may include a Chief Executive Officer, a President, a Treasurer, a Secretary and such other officers (including without limitation a Chief Financial Officer, Vice Presidents, controllers, Assistant Secretaries and Assistant Treasurers) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI. Such officers shall also have such powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or the President may also appoint such other officers (including without limitation one or more Vice Presidents and controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or the President, as may be prescribed by the appointing officer.

(A) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer shall preside when present at all meetings of the stockholders and of the Board.

(B) President. The President, if any, shall be subject to the direction and control of the Chief Executive Officer and the Board and shall have such powers and duties as the Board or the Chief Executive Officer may assign to the President. If the absence (or inability or refusal to act) of the Chief Executive Officer, the President shall preside when present at all meetings of the stockholders and (if he or she shall be a director) of the Board.

(C) Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of the Corporation and the principal accounting officer of the Corporation. The Chief Financial Officer shall be subject to the direction and control of the Chief Executive Officer and shall have such powers and duties as the Board or the Chief Executive Officer may assign to the Chief Financial Officer.

(D) Vice Presidents. In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President. Any one or more of the Vice Presidents may be given an additional designation of rank or function. Specifically, Vice Presidents may include Executive Vice Presidents and Senior Vice Presidents.

(E) Secretary.

(1) The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chief Executive Officer or the President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(2) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(3) The Secretary may designate one (1) or more Assistant Secretaries who shall have such of the authority and perform such of the duties of the Secretary as may be assigned to them by the Board, the President or the Secretary.

(F) Assistant Secretaries. The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

(G) Treasurer. The Treasurer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation which from time to time may come into the Treasurer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize). The Treasurer may designate one (1) or more Assistant Treasurers who shall have such of the authority and perform such of the duties of the Treasurer as may be assigned to them by the Board, the President or the Treasurer.

(H) Assistant Treasurers. The Assistant Treasurer or, if there shall be more than one, the Assistant Treasurers in the order determined by the Board shall, in the absence (or

inability or refusal to act) of the Treasurer, perform the duties and exercise the powers of the Treasurer.

Section 6.02 **Term of Office; Removal; Vacancies**. The elected officers of the Corporation shall be elected annually by the Board at its first meeting held after each annual meeting of stockholders. All officers elected by the Board shall hold office until the next annual meeting of the Board and until their successors are duly elected and qualified or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or the President may also be removed, with or without cause, by the Chief Executive Officer or the President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or the President may be filled by the Chief Executive Officer or the President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.03 **Other Officers**. The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable.

Section 6.04 **Multiple Officeholders; Stockholder and Director Officers**. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

## ARTICLE VII
## SHARES

Section 7.01 **Certificated and Uncertificated Shares**. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. In lieu of issuing certificates for shares, the Board may either issue receipts therefor or may keep accounts upon the books of the Corporation for the record holders of such shares, who shall in either case be deemed, for all purposes hereunder, to be the holders of certificates for such shares as if they had accepted such certificates and shall be held to have expressly assented and agreed to the terms hereof. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed in accordance with Section 7.03 representing the number of shares registered in certificate form. The Corporation shall not have power to issue a certificate representing shares in bearer form.

Section 7.02 **Multiple Classes of Stock**. The Corporation shall, by resolution of the Board, be authorized to issue, from time to time, one or more classes of Preferred Stock and, with respect to each such class, to fix the terms thereof. If the Corporation issues more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class

of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 7.03 **Signatures**. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by any two authorized officers of the Corporation, including, without limitation, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.04 **Consideration and Payment for Shares**.

(A) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible property or benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities.

(B) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock, or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.05 **Lost, Destroyed or Wrongfully Taken Certificates**.

(A) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or shall issue such shares in uncertificated form if the owner: (i) requests such a new certificate or the issuance of uncertificated shares before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser (as

such term is defined in Section 8-303 of the Uniform Commercial Code as adopted by the State of Delaware); (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(B) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.06 **Transfer of Stock**.

(A) If a certificate representing shares of the Corporation is presented to the Corporation with a stock power or other endorsement requesting the registration of transfer of such shares or an instruction is presented to the Corporation requesting the registration of transfer of uncertificated shares, the Corporation shall register the transfer as requested if:

(1) in the case of certificated shares, the certificate representing such shares has been surrendered;

(2) (A) with respect to certificated shares, the indorsement is made by the person specified by the certificate as entitled to such shares; (B) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (C) with respect to certificated shares or uncertificated shares, the indorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;

(3) the Corporation has received a guarantee of signature of the person signing such indorsement or instruction or such other reasonable assurance that the indorsement or instruction is genuine and authorized as the Corporation may request;

(4) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable in accordance with Section 7.08(a); and

(5) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

(B) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.07 **Registered Stockholders**. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.08 **Effect of the Corporation's Restriction on Transfer**.

(A) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the Delaware General Corporation Law (the "***DGCL***") and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice sent by the Corporation to the registered owner of such shares within a reasonable time after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

(B) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice sent by the Corporation to the registered owner of such shares within a reasonable time after the issuance or transfer of such shares.

Section 7.09 **Regulations**. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

## ARTICLE VIII
## MISCELLANEOUS

Section 8.01 **Place of Meetings**. If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these Bylaws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 8.05 hereof, then such meeting shall not be held at any place.

Section 8.02 **Fixing Record Dates**.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a record date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 8.02(A) at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 8.03 **Means of Giving Notice**.

(A) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, (ii) by means of facsimile telecommunication or other form of Electronic Transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (A) if given by hand delivery, orally, or by telephone, when actually received by the director, (B) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (C) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (D) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (E) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (F) if sent by any other

form of Electronic Transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(B) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of Electronic Transmission consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL. A notice to a stockholder shall be deemed given as follows: (A) if given by hand delivery, when actually received by the stockholder, (B) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (C) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, or (D) if given by a form of Electronic Transmission consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above, (I) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (II) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (III) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (IV) if by any other form of Electronic Transmission, when directed to the stockholder. A stockholder may revoke such stockholder's consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if (x) the Corporation is unable to deliver by Electronic Transmission two consecutive notices given by the Corporation in accordance with such consent and (y) such inability becomes known to the Secretary or an Assistant Secretary or to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(C) Electronic Transmission. "***Electronic Transmission***" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by facsimile telecommunication or electronic mail.

(D) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a single written notice or a single Electronic Transmission to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(E) Exceptions to Notice Requirements. Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. If the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then-current address, the requirement that notice be given to such stockholder shall be reinstated. If the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL.

Section 8.04 **Waiver of Notice**. Whenever any notice is required to be given under applicable law, the Certificate of Incorporation or these Bylaws, a written waiver of such notice, signed before or after the date of such meeting by the person or persons entitled to said notice, or a waiver by Electronic Transmission by the person entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 8.05 **Meeting Attendance via Remote Communication Equipment**.

(A) Stockholder Meetings. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(B) Board Meetings. Unless otherwise restricted by applicable law, the Certificate of Incorporation or these Bylaws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 8.06 **Dividends**. The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 8.07 **Reserves**. The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 8.08 **Contracts and Negotiable Instruments**. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, any contract, bond, deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chief Executive Officer, the President, Chief Financial Officer or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any restrictions imposed by the Board, the Chief Executive Officer, the President, Chief Financial Officer or any Vice President may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 8.09 **Fiscal Year**. The fiscal year of the Corporation shall be fixed by the Board.

Section 8.10 **Seal**. The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 8.11 **Books and Records**. The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 8.12 **Treasury Regulation Section 1.382-3**. For purposes of applying Article XIV of the Certificate of Incorporation, if the Board reasonably believes that any person may have violated the provisions of Article XIV of the Certificate of Incorporation (including whether a person is part of a single entity under Treasury Regulation Section 1.382-3 and thus is a Substantial Holder (as defined in the Certificate of Incorporation)), then the Board shall be authorized to require such person to provide (at the expense of such person) such information, representations, agreements and/or opinions of counsel or a national accounting firm selected by the Board in support of the position that no violation has occurred.

Section 8.13 **Resignation**. Any director, committee member or officer may resign by giving notice thereof in writing or by Electronic Transmission to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. The resignation shall take effect at the time specified therein, or at the time of receipt of such notice if no time is specified or the specified time is earlier than the time of such receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.14 **Surety Bonds**. Such officers, employees and agents of the Corporation (if any) as the Chief Executive Officer, the President or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chief Executive Officer, the President or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

Section 8.15 **Securities of Other Corporations**. Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, the President, any Vice President or the Secretary. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have

exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 8.16 **Amendments**. The Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of the Board shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the stockholders; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation, the affirmative vote of the holders of a majority of the voting power of all outstanding shares of Common Stock (as defined in the Certificate of Incorporation) of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws.

# EXHIBIT B

## Form of New Second Lien PIK Notes Documents
## (New Second Lien PIK Indenture)

This Exhibit B includes the New Second Lien PIK Indenture. On the Effective Date, New Parent will issue the New Second Lien PIK Notes in accordance with the terms of the New Second Lien PIK Notes Documents. The Confirmation Order shall constitute approval of the New Second Lien PIK Notes (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Reorganized Debtors in connection therewith, including the payment of all fees and expenses provided for therein), and authorization for the Reorganized Debtors to enter into and perform under the New Second Lien PIK Notes Documents and such other documents as may be required or appropriate. The New Second Lien PIK Notes Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The Debtors reserve all rights to amend, revise, or supplement the New Second Lien PIK Notes Documents at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Court, subject to the consent and approval rights provided in the Plan and/or the Restructuring Support Agreement.

[PETROQUEST ENERGY, INC.]
as Company,

THE SUBSIDIARY GUARANTORS PARTY HERETO,
as Subsidiary Guarantors,

AND

WILMINGTON TRUST, NATIONAL ASSOCIATION
as Trustee and Collateral Agent

INDENTURE

DATED AS OF [•], 2019

10% SENIOR SECURED PIK NOTES DUE 2024

**Reference is made to the Lien Subordination and Intercreditor Agreement (as defined herein) dated as of [●], 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), by and among Wells Fargo Bank, National Association, as Intercreditor Agent, Wilmington Trust, National Association, as Collateral Agent, PetroQuest Energy, L.L.C, PetroQuest Energy Inc. (the "Parent") and the subsidiaries of the Parent party thereto. Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the Collateral Agent (as defined herein) pursuant to this Indenture are expressly subject and subordinate to the liens and security interests granted to Wells Fargo Bank, National Association, as agent (and its permitted successors), for the benefit of the lenders referred to below, as contemplated by that certain Term Loan Credit Agreement dated as of [●], 2019 (as amended, restated, supplemented or otherwise modified from time to time), by and among PetroQuest Energy, L.L.C, PetroQuest Energy Inc., Wells Fargo Bank, National Association, as agent and the lenders party thereto and (ii) the exercise of any right or remedy by the Collateral Agent hereunder is subject to the limitations and provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Indenture, the terms of the Intercreditor Agreement shall govern. The foregoing provisions are intended as an inducement to the lenders under the Priority Lien Documents (as defined herein) to extend credit to PetroQuest Energy, L.L.C., and such lenders are intended third party beneficiaries of such provisions and the provisions of the Intercreditor Agreement.**

# CROSS-REFERENCE TABLE*

| *Trust Indenture Act Section* | *Indenture Section* |
|---|---|
| 310(a)(1) | 7.10 |
| (a)(2) | 7.10 |
| (a)(3) | N.A. |
| (a)(4) | N.A. |
| (a)(5) | 7.10 |
| (b) | 7.10 |
| (c) | N.A. |
| 311(a) | 7.11 |
| (b) | 7.11 |
| (c) | N.A. |
| 312(a) | 2.05 |
| (b) | 11.03 |
| (c) | 11.03 |
| 313(a) | 7.06 |
| (b)(1) | 7.06 |
| (b)(2) | 7.06; 7.07 |
| (c) | 7.06; 11.02 |
| (d) | 7.06 |
| 314(a) | 4.12; 11.02; 11.05 |
| (b) | 12.06 |
| (c)(1) | 11.04 |
| (c)(2) | 11.04 |
| (c)(3) | N.A. |
| (d) | 12.05; 12.06 |
| (e) | 11.05 |
| (f) | N.A. |
| 315(a) | 7.01 |
| (b) | 7.05; 11.02 |
| (c) | 7.01 |
| (d) | 7.01 |
| (e) | 6.11 |
| 316(a) | Section 11.06 |
| (a)(1)(A) | 6.05 |
| (a)(1)(B) | 6.04 |
| (a)(2) | N.A. |
| (b) | 6.07 |
| (c) | 2.11 |
| 317(a)(1) | 6.08 |
| (a)(2) | 6.09 |
| (b) | 2.04 |
| 318(a) | 11.01 |
| (b) | N.A. |
| (c) | 11.01 |

N.A. means not applicable.

* This Cross Reference Table is not part of this Indenture.

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INDENTURE, dated as of [•], 2019, between [PETROQUEST ENERGY, INC.], a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508, the SUBSIDIARY GUARANTORS party hereto from time to time and WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee and WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent.

**RECITALS**

WHEREAS, pursuant to the terms and conditions of the Plan of Reorganization, dated November 6, 2018, as the same may be amended, modified or restated from time to time (the "Plan of Reorganization") relating to the reorganization under Chapter 11 of Title 11 of the United States Code of the Company and certain of its direct and indirect Subsidiaries, which Plan of Reorganization was confirmed by order, dated [●], 2019, of the Bankruptcy Court, the holders of Prepetition Second Lien Notes (as defined in the Plan of Reorganization) and Prepetition Second Lien PIK Notes (as defined in the Plan of Reorganization) are to be issued 10% Senior Secured PIK Notes due 2024 of the Company in an aggregate principal amount of $80,000,000 (as increased by any increase in the aggregate principal amount of the 10% Senior Secured PIK Notes due 2024 of the Company in connection with PIK Payments and PIK Notes);

WHEREAS, the Liens securing the Notes Obligations are subordinate to the Liens securing certain indebtedness of PetroQuest Energy, L.L.C in the manner and to the extent set forth in the Intercreditor Agreement; and

WHEREAS, all acts and things necessary to make the Securities, when executed by the Company and authenticated and delivered by the Trustee or a duly authorized authenticating agent, as in this Indenture provided, the valid, binding and legal obligations of the Company, each Guarantee, when duly executed by the Subsidiary Guarantors and delivered hereunder, the valid, binding and legal obligations of the Subsidiary Guarantors, and this Indenture a valid agreement of the Company and the Subsidiary Guarantors according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Securities and each Guarantee have in all respects been duly authorized.

NOW, THEREFORE, in order to declare the terms and conditions upon which the Securities are, and are to be, authenticated, issued and delivered, and in consideration of the premises set forth herein, the Company and the Subsidiary Guarantors covenant and agree with the Trustee and Collateral Agent for the equal and proportionate benefit of the respective Holders from time to time of the Securities and the Guarantees (except as otherwise provided below), as follows:

**ARTICLE 1**
**Definitions and Incorporation by Reference**

SECTION 1.01 Definitions.

"*Additional Assets*" means:

(1) any property, plant or equipment used or useful in a Related Business;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, however, that any such Restricted Subsidiary described in clause (2) or (3) above is primarily engaged in a Related Business.

"*Adjusted Consolidated Net Tangible Assets*" or "*ACNTA*" means (without duplication), as of the date of determination:

(a) the sum of:

(1) discounted future net revenue from proved oil and gas reserves of the Company and its Restricted Subsidiaries calculated in accordance with SEC guidelines (but giving effect to applicable Oil and Gas Hedging Contracts in place as of the date of determination (whether positive or negative)) before any state, federal, foreign or other income taxes, as estimated by the Company in a reserve report prepared as of the end of the most recently completed fiscal year for which audited financials are available, as increased by, as of the date of determination, the discounted future net revenue calculated in accordance with SEC guidelines (utilizing the prices utilized in such year-end reserve report) but giving effect to applicable Oil and Gas Hedging Contracts in place as of the date of determination (whether positive or negative) of:

(A) estimated proved oil and gas reserves of the Company and its Restricted Subsidiaries attributable to acquisitions consummated since the date of such reserve report, and

(B) estimated oil and gas reserves of the Company and its Restricted Subsidiaries attributable to extensions, discoveries and other additions and upward determinations of estimates of proved oil and gas reserves (including previously estimated development costs Incurred during the period and the accretion of discount since the prior period end) due to exploration, development or exploitation, production or other activities which reserves were not reflected in such reserve report;

and ***decreased by***, as of the date of determination, the discounted future net revenue (calculated in accordance with SEC guidelines using prices used in such year-end reserve report) attributable to:

(C) estimated proved oil and gas reserves of the Company and its Restricted Subsidiaries reflected in such reserve report produced or disposed of since the date of such reserve report, and

(D) reductions in the estimated oil and gas reserves of the Company and its Restricted Subsidiaries reflected in such reserve report since the date of such

reserve report attributable to downward determinations of estimates of proved crude oil and natural gas reserves due to exploration, development or exploitation, production or other activities conducted or otherwise occurring since the date of such reserve report;

provided, however, that, in the case of each of the determinations made pursuant to clauses (A) through (D), such increases and decreases shall be estimated by the Company's engineers in accordance with customary reserve engineering practices;

(2) the capitalized costs that are attributable to Oil and Gas Properties of the Company and its Restricted Subsidiaries to which no proved oil and gas reserves are attributed, based on the Company's books and records as of a date no earlier than the end of the most recent fiscal quarter for which internal financial statements of the Company have been made available prior to the date of determination;

(3) the Net Working Capital as of the end of the most recent fiscal quarter for which internal financial statements of the Company have been made available prior to the date of determination; and

(4) the greater of (i) the net book value as of a date no earlier than the end of the most recent fiscal quarter for which internal financial statements of the Company have been made available prior to the date of determination and (ii) the fair market value, as estimated by the Company, of other tangible assets of the Company and its Restricted Subsidiaries as of a date within the immediately preceding twelve months; minus

(b) to the extent not otherwise taken into account in the immediately preceding clause (a), the sum of

(1) minority interests;

(2) any net gas balancing liabilities of the Company and its Restricted Subsidiaries reflected in the Company's latest annual or quarterly balance sheet (to the extent not deducted in calculating Net Working Capital in accordance with clause (a)(3)above of this definition);

(3) the discounted future net revenue, as of the effective date of such reserve report, calculated in accordance with SEC guidelines (utilizing the same prices utilized in the Company's year-end reserve report), attributable to reserves that are required to be delivered to third parties to fully satisfy the obligations of the Company and its Restricted Subsidiaries with respect to Volumetric Production Payments on the schedules specified with respect thereto; and

(4) the discounted future net revenue, as of the effective date of such reserve report, calculated in accordance with SEC guidelines, attributable to reserves subject to Dollar-Denominated Production Payments that, based on the estimates of production included in determining the discounted future net revenue specified in the immediately preceding clause (a)(1) (utilizing the same prices utilized in the Company's year-end reserve report), would be necessary to satisfy fully the obligations of the Company and its

Restricted Subsidiaries with respect to Dollar-Denominated Production Payments on the schedules specified with respect thereto.

Whether the Company uses the successful efforts method of accounting or the full cost (or similar method) method of accounting, ACNTA shall be calculated as if the Company were using the full cost method of accounting.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Asset Disposition*" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of:

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary); and

(2) any other assets (other than Capital Stock) of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary

(other than, in the case of clauses (1) and (2) above,

(A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(B) for purposes of Section 4.06 only, (i) a disposition that constitutes a Restricted Payment (or would constitute a Restricted Payment but for the exclusions from the definition thereof) and that is not prohibited by Section 4.04 and (ii) a disposition of all or substantially all the assets of the Company in accordance with Section 5.01;

(C) any single transaction or series of related transactions that: (a) involves the disposition of assets having a Fair Market Value of less than $5.0 million; or (b) results in Net Available Cash to the Company and its Restricted Subsidiaries of less than $5.0 million;

(D) the trade or exchange by the Company or any Restricted Subsidiary of any oil and gas lease, oil or gas property or interest therein and any related assets owned or held by the Company or such Restricted Subsidiary or the capital stock of a Subsidiary for (a) any oil and gas lease, oil or gas property or interest therein and any related assets owned or held by another Person or (b) the Capital Stock of

another Person that becomes a Restricted Subsidiary as a result of such trade or exchange or the Capital Stock of another Person that is a joint venture, partnership or other similar entity, in each case all or substantially all of whose assets consist of crude oil or natural gas properties, including in the case of either of clauses (a) or (b), any cash or cash equivalents necessary in order to achieve an exchange of equivalent value; provided, however, that the value of the property or Capital Stock received by the Company or any Restricted Subsidiary in such trade or exchange (including any cash or cash equivalents) is substantially equal to the Fair Market Value of the property (including any cash or cash equivalents so traded or exchanged);

(E) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(F) any Production Payment and Reserve Sale created, issued or assumed in connection with the financing of the acquisition of Oil and Gas Properties that are subject thereto (and within 90 days after such acquisition), so long as the owner or purchaser of such Production Payment and Reserve Sale has recourse solely to such Oil and Gas Properties and to the proceeds thereof, subject to the obligation of the grantor or transferor of such Production Payment and Reserve Sale to operate and maintain the related Oil and Gas Properties in a prudent manner or other customary standard, to deliver the associated production (if required) and to indemnify with respect to environmental, title and other matters customary in the Oil and Gas Business;

(G) any issuance or sale of Capital Stock of the Company;

(H) a disposition of cash or Temporary Cash Investments;

(I) the licensing or sublicensing of intellectual property (including, without limitation, the licensing of seismic data) or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of the Company and its Restricted Subsidiaries; and

(J) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien)).

For the avoidance of doubt, any disposition of oil, natural gas or other Hydrocarbons or other mineral products and related equipment or surplus, damaged, unserviceable, worn-out or obsolete equipment; any abandonment, relinquishment, farm-in, farm-out, lease, sub-lease or other disposition of developed or undeveloped or both developed and undeveloped Oil and Gas Properties; the provision of services, equipment and other assets for the operation and development of the Company's and its Restricted Subsidiaries' oil and natural gas wells (notwithstanding that any such transaction may be recorded as an asset sale in accordance with full cost accounting guidelines); any assignment of a working, overriding royalty or net profits interest to an employee or consultant of the Company or any of its Restricted Subsidiaries in connection with the

generation of prospects or the exploration or development of oil and natural gas projects; and the liquidation of any assets received in settlement of claims owed to the Company or any Restricted Subsidiary, in each such case in the ordinary course of business of the Company or its Subsidiaries, shall not constitute an Asset Disposition.

"*Attributable Debt*" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the Sale/Leaseback Transaction, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby shall be determined in accordance with the definition of "Capital Lease Obligation".

"*Average Life*" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by,

(2) the sum of all such payments.

"*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division, in the proceedings under Chapter 11 of the United States Bankruptcy Code styled *In re* PetroQuest Energy, Inc. *et al*., Debtors, Case No. 18-36322 (DRJ), Chief Judge David R. Jones presiding.

"*Bankruptcy Proceeding*" means the bankruptcy proceedings of the Company and certain of its Subsidiaries under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court

"*Bank Product*" means each and any of the following bank services and products provided to the Company or any Subsidiary Guarantor by any lender under the Priority Lien Credit Agreement or any Affiliate thereof: (a) commercial credit cards, (b) stored value cards and (c) Treasury Management Arrangements (including controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"*Bank Product Obligations*" means any and all Obligations of the Company or any Subsidiary Guarantor, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with any Bank Product.

"*Board of Directors*" means the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"*Borrowing Base*" means the maximum amount in United States dollars determined or re-determined by the lenders under the Priority Lien Credit Agreement as the aggregate lending value to be ascribed to the Oil and Gas Properties of the Company and the Subsidiary Guarantors against

which commercial banks or one or more entities that are beneficial owners of the Securities or Affiliates of such entities are prepared to provide loans or other Indebtedness to the Company and the Subsidiary Guarantors under the Priority Lien Credit Agreement, using their customary practices and standards for determining reserve-based loans and which are generally applied by commercial banks or one or more entities that are beneficial owners of the Securities or Affiliates of such entities to borrowers in the Oil and Gas Business, as determined either quarterly or semi-annually during each year and/or on such other occasions as may be provided for by the Priority Lien Credit Agreement, and which is based upon, inter alia, the review by such lenders of the Hydrocarbon reserves, royalty interests and assets and liabilities of the Company and the Subsidiary Guarantors.

"*Business Day*" means each day which is not a Legal Holiday.

"*Capital Lease Obligation*" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of Section 4.09, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased.

"*Capital Stock*" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Change of Control*" means any one of the following events:

(1) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than a Permitted Holder is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time) directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company;

(2) the adoption by the stockholders of the Company of a plan of liquidation or dissolution of the Company; or

(3) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, or the sale of all or substantially all the assets of the Company (determined on a consolidated basis) to another Person other than a transaction following which (i) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at

least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and (ii) in the case of a sale of assets transaction, each transferee becomes an obligor in respect of the Securities and a Subsidiary of the transferor of such assets.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Collateral*" means all assets and property, whether real, personal or mixed, wherever located and whether now owned or at any time acquired after the date of this Indenture by the Company as to which a Lien is granted under the Security Documents to secure the Notes Obligations.

"*Collateral Agent*" means Wilmington Trust, National Association, in its capacity as collateral agent under the Indenture and Security Documents, until a successor replaces it in such capacity and, thereafter, means the successor.

"*Collateral Disposition*" means any sale, transfer or other disposition (whether voluntary or involuntary) to the extent involving assets or other rights or property that constitute Collateral.

"*Confirmation Date*" means the later of the date on which the Plan of Reorganization is first confirmed by the Bankruptcy Court or the last date on which an amendment, modification or restatement of the Plan of Reorganization is approved by the Bankruptcy Court.

"*Consolidated Coverage Ratio*" as of any date of determination means the ratio of (a) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters prior to the date of such determination for which internal financial statements are available to (b) Consolidated Interest Expense for such four fiscal quarters; provided, however, that:

(1) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period;

(2) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(3) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(4) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes producing Oil and Gas Properties or all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(5) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company; including any reasonably identifiable and factually supportable pro forma changes to EBITDA, including any pro forma expenses and costs reductions, that have occurred or in the judgment of such officer are reasonably expected to occur within 12 months of the date of the applicable transaction (regardless of whether such expense or cost reduction or any other operating improvements could then be reflected properly in pro forma financial statements prepared in accordance with Regulation S-X under the Securities Act or any other regulation or policy of the SEC). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of

12 months). If any Indebtedness that is being given pro forma effect bears an interest rate at the option of the Company, the interest rate shall be calculated by applying such optional rate chosen by the Company. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Company may designate.

If any Indebtedness is Incurred under a revolving credit facility and is being given pro forma effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four fiscal quarters or such shorter period for which such facility was outstanding or if such revolving credit facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such revolving credit facility to the date of such calculation, in each case, provided that such average daily balance shall take into account any repayment of Indebtedness under such revolving credit facility as provided under clause (2) above.

"*Consolidated Interest Expense*" means, for any period, the total interest expense of the Company and its consolidated Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent Incurred by the Company or its Restricted Subsidiaries, without duplication:

(1) interest expense attributable to Capital Lease Obligations;

(2) amortization of debt discount and debt issuance cost;

(3) capitalized interest;

(4) non-cash interest expense;

(5) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(6) net payments pursuant to Interest Rate Agreements;

(7) dividends accrued in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, in each case held by Persons other than the Company or a Restricted Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Company); provided, however, that such dividends shall be multiplied by a fraction the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the issuer of such Preferred Stock (expressed as a decimal) for such period (as estimated by the chief financial or accounting Officer of the Company in good faith);

(8) interest Incurred in connection with Investments in discontinued operations;

(9) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by (or secured by the assets of) the Company or any Restricted Subsidiary; and

(10) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust, minus, to the extent included above, write-off of deferred financing costs (and interest) attributable to Dollar-Denominated Production Payments.

"*Consolidated Net Income*" means, for any period, the net income of the Company and its consolidated Subsidiaries; provided, however, that there shall not be included in such Consolidated Net Income:

(1) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that:

(A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during or with respect to such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

(B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Company or a Restricted Subsidiary during such period;

(2) any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction (or any transaction accounted for in a manner similar to a pooling of interests) for any period prior to the date of such acquisition;

(3) any net income of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company, except that:

(A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(4) any gain (or loss), together with any provision for taxes related to such gain (or loss), realized upon the sale or other disposition of any assets of the Company, its

consolidated Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) together with any provision for taxes related to such gain (or loss), realized upon the sale or other disposition of any Capital Stock of any Person;

(5) any unrealized non-cash gains or losses or charges in respect of hedge or non-hedge derivatives (including those resulting from the application of FASB ASC 815);

(6) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

(7) extraordinary or non-recurring gains or losses, together with any provision for taxes related to such extraordinary or non-recurring gains or losses;

(8) the cumulative effect of a change in accounting principles;

(9) any "ceiling limitation" on Oil and Gas Properties or other asset impairment writedowns under GAAP or SEC guidelines; and

(10) any after-tax effect of income (loss) from the early extinguishment of Indebtedness,

in each case, for such period. Notwithstanding the foregoing, for the purposes of Section 4.04 only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Company or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under Section 4.04(a)(3)(E).

"*Consolidated Net Worth*" means the total of the amounts shown on the balance sheet of the Company and its consolidated Subsidiaries, determined on a consolidated basis in accordance with GAAP, as of the end of the most recent fiscal quarter of the Company for which internal financial statements are available prior to the taking of any action for the purpose of which the determination is being made, as the sum of:

(1) the par or stated value of all outstanding Capital Stock of the Company, plus

(2) paid-in capital or capital surplus relating to such Capital Stock, plus

(3) any retained earnings or earned surplus, less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"*Credit Facility*" means one or more debt facilities (including, without limitation, the Priority Lien Credit Agreement), commercial paper facilities or other debt instruments, indentures or agreements in each case provided by one or more commercial banks or one or more entities that are beneficial owners of the Securities or Affiliates of such entities providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to the lenders or to special purpose entities formed to borrow from the lenders against such receivables), letters

of credit, capital markets financings and/or private placements involving bonds or other debt securities, or other debt obligations, in each case, as amended, restated, modified, renewed, refunded, restructured, supplemented, replaced or refinanced from time to time in whole or in part from time to time, including without limitation any amendment increasing the amount of Debt Incurred or available to be borrowed thereunder, extending the maturity of any Debt Incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are commercial banks or one or more entities that are beneficial owners of the Securities or Affiliates of such entities).

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

"*Debt*" means, for any Person, the sum of the following (without duplication): (a) all obligations of such Person for borrowed money or evidenced by bonds, bankers' acceptances, debentures, notes or other similar instruments; (b) all obligations of such Person (whether contingent or otherwise) in respect of letters of credit, surety or other bonds and similar instruments; (c) all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of property or services; (d) all Capital Lease Obligations; (e) all obligations under synthetic leases; (f) all Debt (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any property of such Person, whether or not such Debt is assumed by such Person; (g) all Debt (as defined in the other clauses of this definition) of others guaranteed by such Person or in which such Person otherwise assures a creditor against loss of the Debt (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Debt and the maximum stated amount of such guarantee or assurance against loss; (h) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others or to purchase the Debt or property of others; (i) obligations to deliver commodities, goods or services, including, without limitation, Hydrocarbons, in consideration of one or more advance payments, other than gas balancing arrangements in the ordinary course of business; (j) obligations to pay for goods or services even if such goods or services are not actually received or utilized by such Person; (k) any Debt of a partnership for which such Person is liable either by agreement, by operation of law or by a governmental requirement but only to the extent of such liability; (l) Disqualified Stock; and (m) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment. The Debt of any Person shall include all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such Person under GAAP.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(3) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the date that is 91 days after the earlier of the date (a) of the Stated Maturity of the Securities and (b) on which there are no Securities outstanding; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the date 91 days after the earlier date determined pursuant to clause (a) or (b) above shall not constitute Disqualified Stock if:

(A) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not materially more favorable to the holders of such Capital Stock than the terms applicable to the Securities in Section 4.06 and Section 4.08; and

(B) any such requirement only becomes operative after compliance with such terms applicable to the Securities, including the purchase of any Securities tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to this Indenture; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price shall be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"*Dollar-Denominated Production Payments*" means production payment obligations recorded as liabilities in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"*EBITDA*" for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Reorganization Expenses;

(2) all income tax expense of the Company and its consolidated Restricted Subsidiaries;

(3) Consolidated Interest Expense;

(4) depreciation, depletion and amortization expense of the Company and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid item that was paid in cash in a prior period);

(5) all other non-cash charges of the Company and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period but including non-cash charges resulting from the application of FASB ASC 410 (Asset Retirement and Environmental Obligations) less all non-cash items of income of the Company and its consolidated Restricted Subsidiaries (other than accruals of revenue by the Company and its consolidated Restricted Subsidiaries in the ordinary course of business)); and

(6) if the Company changes its method of accounting from full cost to successful efforts or a similar method of accounting, consolidated exploration and abandonment expense of the Company and its Restricted Subsidiaries;

in each case for such period and less, to the extent included in calculating such Consolidated Net Income and in excess of any costs or expenses attributable thereto and deducted in calculating such Consolidated Net Income, the sum of:

(A) the amount of deferred revenues that are amortized during such period and are attributable to reserves that are subject to Volumetric Production Payments; and

(B) amounts recorded in accordance with GAAP as repayments of principal and interest pursuant to Dollar-Denominated Production Payments.

Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation, depletion and amortization and non-cash charges of, a Restricted Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income or loss of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"*Employee Stock Purchase Plan*" means any employee stock ownership plan or trust or any employee stock purchase plan or other similar arrangement for the benefit of employees of the Company or of some or all of its Restricted Subsidiaries or of both the Company and some or all of its Restricted Subsidiaries.

"*Equity Offering*" means a public or private offering for cash by the Company of Capital Stock (other than Disqualified Stock), other than public offerings registered on Form S-8.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended.

"*Fair Market Value*" means, with respect to any Asset Disposition, Sale/Leaseback Transaction or Restricted Payment (or Investment or Permitted Investment), the price that would be negotiated in an arm's-length transaction between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction, as such price is determined in good faith by:

(1) if the value of such Asset Disposition, Sale/Leaseback Transaction or Restricted Payment (or Investment or Permitted Investment) is less than $10.0 million, an Officer of the Company; and

(2) if the value of such Asset Disposition, Sale/Leaseback Transaction or Restricted Payment (or Investment or Permitted Investment) is $10.0 million or greater, the Board of Directors.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect as of December 31, 2018, including those set forth in:

(1) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants;

(2) statements and pronouncements of the Financial Accounting Standards Board;

(3) such other statements by such other entity as approved by a significant segment of the accounting profession; and

(4) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

"*Grantor*" means, for purposes of the Intercreditor Agreement, the Company and each Subsidiary of the Company that has granted any Lien in favor of any of the Priority Lien Agent or the Collateral Agent on any of its assets or properties to secure any of the Priority Lien Obligations or the Notes Obligations.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guaranty Agreement*" means a supplemental indenture, substantially in the form attached hereto as Exhibit B, pursuant to which a Subsidiary Guarantor guarantees the Company's obligations with respect to the Securities on the terms provided for in this Indenture.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Oil and Gas Hedging Contract.

"*Holder*" or "*Securityholder*" means the Person in whose name a Security is registered on the Registrar's books.

"*Hydrocarbon Interests*" means all rights, titles, interests and estates in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"*Hydrocarbons*" means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"*Incur*" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Section 4.03:

(1) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(2) the accrual of interest or dividends and the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms;

(3) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or making of a mandatory offer to purchase such Indebtedness; and

(4) unrealized losses, charges or other similar obligations in respect of Hedging Obligations (including those resulting from the application of FASB ASC 815), shall not be deemed to be the Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(2) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding any accounts payable or other liability to trade creditors arising in the ordinary course of business);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, bankers' acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit);

(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with this Indenture (but excluding, in each case, any accrued dividends);

(6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(7) all obligations of the type referred to in clauses (1) through (6) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the fair market value of such property or assets and the amount of the obligation so secured;

(8) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and

(9) any guarantee by such Person of production or payment with respect to a Production Payment, but excluding guarantees with respect to operation and maintenance of the related Oil and Gas Properties in a prudent manner, delivery of the associated production (if required) and other such contractual obligations.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term "Indebtedness" shall exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 60 days thereafter. In addition, except as expressly provided in clause (9) above, Production Payments and Reserve Sales shall not constitute "Indebtedness."

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all obligations as described above; provided, however, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time shall be the accreted value thereof at such time.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Independent Qualified Party*" means an investment banking firm, accounting firm or appraisal firm of national standing; provided, however, that such firm is not an Affiliate of the Company.

"*Insolvency or Liquidation Proceeding*" means:

(a) any case commenced by or against the Company or any other Grantor under Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Company or any other Grantor, any receivership or assignment for the benefit of creditors relating to the Company or any other Grantor or any similar case or proceeding relative to the Company or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(b) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to the Company or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(c) any other proceeding of any type or nature (including any composition agreement) in which substantially all claims of creditors of the Company or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

"*Intercreditor Agreement*" means the Lien Subordination and Intercreditor Agreement among the Priority Lien Agent, the Collateral Agent, the Company, the Subsidiary Guarantors and the other parties from time to time party thereto, dated as of the date hereof, as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with this Indenture.

"*Interest Rate Agreement*" means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

"*Investment*" in any Person means any direct or indirect advance (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender), loan or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto shall be deemed to be a new Investment at such time. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value. For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and Section 4.04:

(1) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Company's "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

"*Issue Date*" means the first date on which the Securities are issued, authenticated and delivered under this Indenture.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York, the State of Texas or the place of payment.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Moody's*" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"*Net Available Cash*" from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note

or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other non-cash form), in each case net of:

(1) all legal, title, recording, engineering, environmental, accounting, investment banking, brokerage and relocation expenses, commissions and other fees and expenses Incurred, and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Disposition;

(4) the deduction of appropriate amounts as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition; and

(5) any portion of the purchase price from an Asset Disposition placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Disposition or otherwise in connection with that Asset Disposition; provided, however, that upon the termination of that escrow, Net Available Cash shall be increased by any portion of funds in the escrow that are released to the Company or any Restricted Subsidiary.

"*Net Cash Proceeds*", with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"*Net Working Capital*" of the Company means:

(1) all current assets of the Company and its Restricted Subsidiaries, except current assets from commodity price risk management activities arising in the ordinary course of business; minus

(2) all current liabilities of the Company and its Restricted Subsidiaries, except current liabilities included in Indebtedness (including the Securities), current liabilities from commodity price risk management activities arising in the ordinary course of

business, current liabilities recorded with respect to stock-based compensation and current liabilities that constitute estimated abandonment costs pursuant to FASB ASC 410;

in each case, determined in accordance with GAAP.

"*Non-Recourse Purchase Money Indebtedness*" means Indebtedness (other than Capital Lease Obligations) of the Company or any Restricted Subsidiary Incurred in connection with the acquisition by the Company or such Restricted Subsidiary of assets used in the Oil and Gas Business (including office buildings and other real property used by the Company or such Restricted Subsidiary in conducting its operations) with respect to which:

(1) the holders of such Indebtedness agree that they will look solely to the assets so acquired that secure such Indebtedness, and except for the interest of the Company or such Restricted Subsidiary, neither the Company nor any Restricted Subsidiary (a) is directly or indirectly liable for such Indebtedness or (b) provides credit support, including any undertaking, Guarantee, agreement or instrument that would constitute Indebtedness (other than the grant of a Lien on such acquired assets); and

(2) no default or event of default with respect to such Indebtedness would cause, or permit (after notice or passage of time or otherwise), any holder of any other Indebtedness of the Company or a Restricted Subsidiary to declare a default or event of default on such other Indebtedness or cause the payment, repurchase, redemption, defeasance or other acquisition or retirement for value thereof to be accelerated or payable prior to any scheduled principal payment, scheduled sinking fund payment or maturity.

"*Note Documents*" means this Indenture, the Securities, the Guarantees, the Guaranty Agreements, the Security Documents and the Intercreditor Agreement.

"*NYMEX*" means the New York Mercantile Exchange.

"*Obligations*" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements, and other amounts payable pursuant to the documentation governing such Indebtedness.

"*Officer*" means the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer or the Secretary of the Company.

"*Officers' Certificate*" means a certificate signed by two Officers, which certificate shall be deemed to be, and the Trustee may rely on its being, executed and delivered by the Officers signing it on behalf of the Company.

"*Oil and Gas Business*" means:

(1) the acquisition, exploration, exploitation, development, operation and disposition of interests in oil, natural gas, other Hydrocarbon and mineral properties;

(2) the gathering, marketing, distribution, treating, processing, storage, refining, selling and transporting of any production from such interests or properties and

the marketing of oil, natural gas, other Hydrocarbons and minerals obtained from unrelated Persons;

(3) any business or activity relating to or arising from exploration for or exploitation, development, production, treatment, processing, storage, refining, transportation, gathering or marketing of oil, natural gas, other Hydrocarbons and minerals and products produced in association therewith;

(4) any other related energy business, including power generation and electrical transmission business where fuel required by such business is supplied, directly or indirectly, from oil, natural gas, other Hydrocarbons and minerals produced substantially from properties in which the Company or the Restricted Subsidiaries, directly or indirectly, participate;

(5) any business relating to oil field sales and service; and

(6) any activity necessary, appropriate or incidental to the activities described in the preceding clauses (1) through (5) of this definition.

"*Oil and Gas Hedging Contract*" means any oil and gas hedging agreement and other agreement or arrangement designed to protect the Company or any Restricted Subsidiary against fluctuations in oil and gas prices.

"*Oil and Gas Liens*" means:

(1) Liens on any specific property or any interest therein, construction thereon or improvement thereto to secure all or any part of the costs (other than Indebtedness) Incurred for surveying, exploration, drilling, extraction, development, operation, production, construction, alteration, repair or improvement of, in, under or on such property and the plugging and abandonment of wells located thereon (it being understood that, in the case of oil and gas producing properties, or any interest therein, costs Incurred for "development" shall include costs Incurred for all facilities relating to such properties or to projects, ventures or other arrangements of which such properties form a part or that relate to such properties or interests);

(2) Liens on an oil or gas producing property to secure obligations Incurred or Guarantees of obligations Incurred (in each case, other than Indebtedness) in connection with or necessarily incidental to commitments for the purchase or sale of, or the transportation or distribution of, the products derived from such property;

(3) Liens arising under partnership agreements, oil and gas leases, overriding royalty agreements, net profits agreements, production payment agreements, royalty trust agreements, incentive compensation programs on terms that are reasonably customary in the Oil and Gas Business for geologists, geophysicists and other providers of technical services to the Company or a Restricted Subsidiary, farm-out agreements, farm-in agreements, division orders, contracts for the sale, purchase, exchange, transportation, gathering or processing of oil, gas or other Hydrocarbons, unitizations and pooling designations, declarations, orders and agreements, development agreements, operating

agreements, gas balancing or deferred production agreements, production sharing agreements, area of mutual interests agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, and other agreements that are customary in the Oil and Gas Business; provided, however, that in all instances such Liens are limited to the assets that are the subject of the relevant agreement, program, order or contract;

(4) Liens securing Production Payments and Reserve Sales; provided, however, that such Liens are limited to the property that is subject to such Production Payments and Reserve Sales, and such Production Payments and Reserve Sales either:

(A) were in existence on the Issue Date;

(B) were created in connection with the acquisition of property after the Issue Date and such Lien was Incurred in connection with the financing of, and within 90 days after, the acquisition of the property subject thereto; or

(C) constitute Asset Dispositions made in compliance with Section 4.06; and

(5) Liens on pipelines or pipelines facilities that arise by operation of law.

"*Oil and Gas Properties*" means (a) Hydrocarbon Interests, (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests, (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including, without limitation, all units created under orders, regulations and rules of any governmental authority) which may affect all or any portion of the Hydrocarbon Interests, (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests, (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests and (g) all properties, rights, titles, interests and estates described or referred to above, including any and all property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, gas processing plants and pipeline systems, power and cogeneration facilities and any related infrastructure to any thereof, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together

with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

"*Permitted Business Investments*" means Investments made in the ordinary course of, and of a nature that is or shall have become customary in, the Oil and Gas Business, including through agreements, transactions, interests or arrangements that permit one to share risk or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of the Oil and Gas Business jointly with third parties, including:

(1) ownership of oil, natural gas, other related hydrocarbon and mineral properties or any interest therein or gathering, transportation, processing, storage or related systems; and

(2) the entry into operating agreements, joint ventures, processing agreements, working interests, royalty interests, mineral leases, farm-in agreements, farm-out agreements, development agreements, production sharing agreements, area of mutual interest agreements, contracts for the sale, transportation or exchange of oil and natural gas and related hydrocarbons and minerals, unitization agreements, pooling arrangements, joint bidding agreements, service contracts, partnership agreements (whether general or limited), or other similar or customary agreements (including for limited liability companies), transactions, properties, interests or arrangements, and Investments and expenditures in connection therewith or pursuant thereto, in each case made or entered into in the ordinary course of the Oil and Gas Business, excluding however, Investments in corporations.

"*Permitted Collateral Liens*" means Liens described in clauses (4), (5), (6), (8), (13), and (17) of the definition of "Permitted Liens" that, by operation of law, have priority over the Liens securing the Notes Obligations.

"*Permitted Holders*" means [●].[1]

"*Permitted Investment*" means an Investment by the Company or any Restricted Subsidiary in:

(1) the Company, a Restricted Subsidiary or a Person that shall, upon the making of such Investment, become a Restricted Subsidiary; provided, however, that the primary business of such Person or Restricted Subsidiary is a Related Business;

(2) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets

[1] NTD: To be the MacKay and Corre entities and their affiliates.

to, the Company or a Restricted Subsidiary; provided, however, that such Person's primary business is a Related Business;

(3) cash and Temporary Cash Investments;

(4) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, commissions, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary;

(7) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments;

(8) any Person to the extent such Investment represents the non-cash portion of the consideration received for (A) an Asset Disposition as permitted pursuant to Section 4.06 or (B) a disposition of assets not constituting an Asset Disposition;

(9) any Person where such Investment was acquired by the Company or any of its Restricted Subsidiaries (A) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (B) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(10) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Company or any Restricted Subsidiary;

(11) any Person to the extent such Investments consist of Hedging Obligations otherwise permitted under Section 4.03;

(12) any Person to the extent such Investment exists on the Issue Date, and any extension, modification or renewal of any such Investments existing on the Issue Date, but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the Issue Date);

(13) Guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course in the Oil and Gas Business, including obligations under oil and natural gas exploration, development, joint operating and related agreements and licenses or concessions related to the Oil and Gas Business;

(14) any Person to the extent such Investments are made solely with or in exchange for Capital Stock (other than Disqualified Stock) of the Company;

(15) Permitted Business Investments; and

(16) Persons to the extent such Investments, when taken together with all other Investments made pursuant to this clause (16) and outstanding on the date such Investment is made, do not exceed $10.0 million.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens securing Priority Lien Debt Incurred under Section 4.03(b)(1) and Liens securing Bank Product Obligations constituting Priority Lien Obligations;

(2) Liens securing Refinancing Indebtedness, provided that such Liens extend to or cover only the property or assets then securing the Indebtedness being Refinanced;

(3) Liens securing any renewal, extension, substitution, refinancing or replacement of secured Indebtedness; provided that such Liens extend to or only cover the property or assets then securing the Indebtedness being Refinanced;

(4) pledges or deposits by such Person under worker's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds or bonds of a similar nature to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(5) Liens Incurred in the ordinary course of business (other than in connection with Indebtedness) or imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, Liens to the extent arising by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by the Federal Reserve Board and (B) such deposit account is not intended by the Company or any Restricted Subsidiary to provide collateral to the depository institution;

(6) Liens for taxes, assessments and governmental charges not yet subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings;

(7) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; provided, however, that such letters of credit do not constitute Indebtedness;

(8) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(9) Liens securing Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of such Person; provided, however, that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto), and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(10) Liens to secure Indebtedness and related Obligations permitted under Section 4.03(b)(3)(a);

(11) Liens existing on the Issue Date other than those specified in clauses (1) or (10) above;

(12) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(13) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(14) Liens securing Indebtedness or other obligations of a Subsidiary of such Person owing to such Person or a Restricted Subsidiary of such Person;

(15) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clause (9), (10), (11), (12) or (13); provided, however, that:

(A) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof);

(B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clause (9), (10), (11), (12) or (13) at the time the original Lien became a Permitted Lien and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; and

(C) in the case of Refinancing of Indebtedness secured by Liens referred to in the foregoing clause (10) above, such Liens are pari passu with or junior to the Liens securing the Note Obligations;

(16) Liens securing Hedging Obligations so long as such Hedging Obligations are permitted to be Incurred under this Indenture;

(17) Oil and Gas Liens;

(18) Liens on the capital stock of any Unrestricted Subsidiary to the extent such Lien is securing the Indebtedness of such Unrestricted Subsidiary;

(19) Liens securing Refinancing Indebtedness of the Company or any Subsidiary Guarantor, other than a Refinancing of Indebtedness secured by a Lien referred to in the foregoing clauses (9), (10), (11), (12) or (13); and

(20) Liens securing Indebtedness in an amount which, together with the aggregate outstanding amount of all other Indebtedness secured by Liens Incurred pursuant to this clause (20), does not exceed the greater of (A) $5.0 million and (B) 2.0% of ACNTA.

Notwithstanding the foregoing, "Permitted Liens" shall not include any Lien described in clause (9), (12) or (13) above to the extent such Lien applies to any Additional Assets or capital expenditures acquired directly or indirectly from Net Available Cash pursuant to Section 4.06. For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on, and fees and expenses Incurred in connection with, such Indebtedness.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*PIK Interest*" means interest payable by increasing the principal amount of the Securities or by issuing PIK Notes.

"*PIK Notes*" means additional Securities issued in certificated form in connection with a payment of PIK Interest.

"*PIK Payment*" means, in connection with a payment of PIK Interest, any increase in the outstanding aggregate principal amount of the Securities or any issuance of PIK Notes.

"*Preferred Stock*", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*principal*" of a Security means the principal of the Security plus the premium, if any, payable on the Security which is due or overdue or is to become due at the relevant time.

"*Priority Lien*" means a Lien granted by the Company or any Subsidiary Guarantor in favor of the Priority Lien Agent at any time, upon any property of any Subsidiary Guarantor to secure Priority Lien Obligations.

"*Priority Lien Agent*" means the administrative agent under the Priority Lien Credit Agreement (or other Person designated by the administrative agent under the Priority Lien Credit Agreement), or if the Priority Lien Credit Agreement ceases to exist, the collateral agent or other representative of lenders or holders of Priority Lien Obligations designated pursuant to the terms of the Priority Lien Documents and the Intercreditor Agreement.

"*Priority Lien Credit Agreement*" means the Term Loan Credit Agreement, dated as of the date hereof, among PetroQuest Energy, L.L.C., as borrower, the Company, as a guarantor, the lenders party thereto from time to time and [●] as administrative agent, together with the related documents thereto (including the term loans and revolving loans thereunder, any guarantees and security documents), as amended, extended, renewed, restated, replaced, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement (and related document), including an indenture or any receivables financing (including through the sale of receivables to lenders, purchasers or special purpose entities formed to borrow from (or sell such receivables to) such lenders or other financiers against such receivables) or other document, governing Indebtedness Incurred to Refinance, replace (contemporaneously or otherwise) or supplement, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such Priority Lien Credit Agreement or any successor or alternative Priority Lien Credit Agreement or other debt facilities, including any such agreements which increase the aggregate amount of Indebtedness outstanding or permitted to be outstanding under such Priority Lien Credit Agreement or debt facilities, whether by the same or any other lender or investor, or group of lenders or investors.

"*Priority Lien Debt*" means:

(1) Indebtedness of the Company and the Subsidiary Guarantors under the Priority Lien Credit Agreement (including letters of credit (with outstanding letters of credit being deemed to have a principal amount equal to the stated amount thereof) and reimbursement obligations with respect thereto) that is subject to the Intercreditor Agreement and permitted to be Incurred and secured under each applicable Secured Debt Document; and

(2) additional Indebtedness of the Company and the Subsidiary Guarantors under any other Credit Facility that is secured with the Priority Lien Credit Agreement by a Priority Lien that was permitted to be Incurred and so secured under each applicable Secured Debt Document; provided that, in the case of any Indebtedness referred to in this clause (2), that:

(A) on or before the date on which such Indebtedness is Incurred by the Company and the Subsidiary Guarantors, such Indebtedness is designated by the Company, in an Officers' Certificate delivered to the Priority Lien Agent and the Collateral Agent, as "Priority Lien Debt" for the purposes of the Secured Debt Documents;

(B) the collateral agent or other representative with respect to such Indebtedness, the Priority Lien Agent, the Collateral Agent, the Company and each applicable Subsidiary Guarantor have duly executed and delivered the Intercreditor Agreement (or a joinder to the Intercreditor Agreement or a new Intercreditor Agreement substantially similar to the Intercreditor Agreement, as in effect on the date of this Indenture, and in a form reasonably acceptable to each of the parties thereto); and

(C) all other requirements set forth in the Intercreditor Agreement as to the confirmation, grant or perfection of the Priority Lien Agent's Liens to secure such Indebtedness or Obligations in respect thereof are satisfied.

"*Priority Lien Documents*" means the Priority Lien Credit Agreement, the Priority Lien Security Documents, the other "Loan Documents" (as defined in the Priority Lien Credit Agreement) and all other loan documents, notes, guarantees, instruments and agreements governing or evidencing, or executed or delivered in connection with, any Credit Facility pursuant to which any Priority Lien Debt is Incurred.

"*Priority Lien Obligations*" means the Priority Lien Debt and all other Obligations in respect of Priority Lien Debt, Hedging Obligations and Bank Product Obligations, in each case, that are secured by the Priority Liens.

"*Priority Lien Security Documents*" means the Priority Lien Credit Agreement (insofar as the same grants a Lien on the Collateral), certain agreements listed on the exhibits to the Intercreditor Agreement and any other security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, or grants or transfers for security, now existing or entered into after the date hereof, executed and delivered by any Grantor creating (or purporting to create) a Lien upon Collateral in favor of the Priority Lien Agent (including any such agreements, assignments, mortgages, deeds of trust and other documents or instruments associated with any Credit Facility pursuant to which any Priority Lien Debt is Incurred).

"*Production Payments*" means, collectively, Dollar-Denominated Production Payments and Volumetric Production Payments.

"*Production Payments and Reserve Sales*" means the grant or transfer to any Person of a Dollar-Denominated Production Payment, Volumetric Production Payment, royalty, overriding

royalty, net profits interest, master limited partnership interest or other interest in Oil and Gas Properties, reserves or the right to receive all or a portion of the production or the proceeds from the sale of production attributable to such properties or reserves.

"*Refinance*" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"*Refinancing Indebtedness*" means Indebtedness that Refinances any Indebtedness of the Company or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with this Indenture, including Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(1) (A) if the Stated Maturity of the Indebtedness being Refinanced is equal to or earlier than the Stated Maturity of the Securities, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced and (B) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Securities, the Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the Securities;

(2) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced;

(3) the amount of such Indebtedness that may be deemed Refinancing Indebtedness shall not exceed the aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium (including any premium paid in connection with a tender offer for such Indebtedness) and defeasance costs) under the Indebtedness being Refinanced; and

(4) if the Indebtedness being Refinanced is subordinate in right of payment to the Securities, such Refinancing Indebtedness is subordinate in right of payment to the Securities at least to the same extent as the Indebtedness being Refinanced; provided further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a Subsidiary that Refinances Indebtedness of the Company or (B) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"*Related Business*" means any Oil and Gas Business in which the Company or any of the Restricted Subsidiaries was engaged on the Issue Date and any business related, ancillary or complementary to such business.

"*Reorganization Expenses*" means the sum of the following, without duplication:

(1) costs and expenses of the Company or any of its Subsidiaries that are discharged in the Bankruptcy Proceeding, whether on a fixed or contingent basis;

(2) accounting fees and expenses and non-cash charges of the Company or any of its Subsidiaries incurred in connection with the implementation of fresh start accounting as a result of the Bankruptcy Proceeding;

(3) fees and expenses of financial and legal advisors to the unsecured creditors' committee in the Bankruptcy Proceeding;

(4) fees and expenses of the United States Trustee in the Bankruptcy Proceeding;

(5) severance payments, bonus payments and consulting payments made to officers or employees or former officers or employees of the Company or any of its Subsidiaries outside of the ordinary course of business to the extent approved by the Bankruptcy Court or otherwise contemplated by the Plan of Reorganization (including any payments made pursuant to the Company's 2018 Annual Cash Bonus Plan);

(6) fees and expenses of financial and legal advisors to holders of the Prepetition Second Lien Notes (as defined in the Plan of Reorganization) and Prepetition Second Lien PIK Notes (as defined in the Plan of Reorganization) incurred in connection with negotiations leading up to the Bankruptcy Proceeding and during the Bankruptcy Proceeding prior to the Confirmation Date, including fees and expenses relating to the negotiation, execution and delivery of this Indenture;

(7) fees and expenses of financial and legal advisors to the lenders under the Priority Lien Credit Agreement to the extent incurred prior to the Confirmation Date; and

(8) fees and expenses of legal counsel to the lenders under the Prepetition Term Loan Agreement (as defined in the Plan of Reorganization) incurred in connection with negotiations leading up to the Bankruptcy Proceeding and during the Bankruptcy Proceeding prior to the Confirmation Date.

"*Restricted Payment*" with respect to any Person means:

(1) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in respect of its Capital Stock in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than (A) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock), (B) dividends or distributions payable solely to the Company or a Restricted Subsidiary and (C) pro rata dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));

(2) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Company held by any Person (other than

by a Restricted Subsidiary) or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Company (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Company that is not Disqualified Stock);

(3) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Company or of any Subsidiary Guarantor (other than the purchase, repurchase, redemption, defeasance or other acquisition or retirement of (A) Indebtedness owed to the Company or a Restricted Subsidiary and Incurred pursuant to Section 4.03(b)(2) or (B) Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement); or

(4) the making of any Investment (other than a Permitted Investment) in any Person.

"*Restricted Subsidiary*" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"*Sale/Leaseback Transaction*" means an arrangement relating to property owned by the Company or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or a Restricted Subsidiary leases it from such Person.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Secured Debt*" means Priority Lien Debt and Notes Obligations.

"*Secured Debt Documents*" means the Priority Lien Documents or the Note Documents.

"*Securities*" means 10% Senior Secured PIK Notes due 2024 of the Company issued on the Issue Date, any increase in the aggregate principal amount of the 10% Senior Secured PIK Notes due 2024 of the Company in connection with PIK Payments, and PIK Notes. The 10% Senior Secured PIK Notes due 2024 of the Company issued on the Issue Date, any increase in the aggregate principal amount of the Securities in connection with the PIK Payments and PIK Notes will be treated as a single class under the Indenture and, unless the context otherwise requires, all references to the Securities shall include any increase in the aggregate principal amount of 10% Senior Secured PIK Notes due 2024 of the Company issued on the Issue Date in connection with PIK Payments and PIK Notes.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended.

"*Security Documents*" means all security agreements, pledge agreements, collateral assignments, collateral agency agreements, control agreements or other grants or transfers for security executed and delivered by the Company or any Guarantor creating (or purporting to

create) a Lien upon Collateral in favor of the Collateral Agent, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms.

"*Senior Indebtedness*" means with respect to any Person:

(1) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred, including the Securities; and

(2) all other Obligations of such Person (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of Indebtedness described in clause (1) above unless, in the case of clauses (1) and (2), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such Indebtedness or other obligations are subordinate in right of payment to the Securities or the Subsidiary Guarantee of such Person, as the case may be; provided, however, that Senior Indebtedness shall not include:

(A) any obligation of such Person to the Company or any Subsidiary;

(B) any liability for Federal, state, local or other taxes owed or owing by such Person;

(C) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(D) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(E) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of this Indenture.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"*Specified Holders*" means (1) the Permitted Holders, (2) any controlling stockholder, controlling member, general partner, majority owned Subsidiary, or spouse or immediate family member (in the case of an individual) of any Specified Holder, (3) any estate, trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons holding a controlling interest of which consist solely of one or more Persons referred to in the immediately preceding clauses (1) and (2), (4) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (3) acting solely in such capacity, (5) any investment fund or other entity controlled by, or under common control with, a Specified Holder or the principals that control a Specified Holder, or (6) upon the liquidation of any entity of the type described in the immediately preceding clause (5), the former partners or beneficial owners thereof.

"*Standard & Poor's*" means S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subordinated Obligation*" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Securities or a Subsidiary Guarantee of such Person, as the case may be, pursuant to a written agreement to that effect.

"*Subsidiary*" means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by:

(1) such Person;

(2) such Person and one or more Subsidiaries of such Person; or

(3) one or more Subsidiaries of such Person.

"*Subsidiary Guarantee*" means a Guarantee by a Subsidiary Guarantor of the Company's obligations with respect to the Securities.

"*Subsidiary Guarantor*" means each Restricted Subsidiary of the Company that executes this Indenture as a guarantor on the Issue Date and each other Restricted Subsidiary of the Company that thereafter guarantees the Securities pursuant to the terms of this Indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in direct obligations of the United States of America or any agency thereof or obligations guaranteed by the United States of America or any agency thereof;

(2) investments in demand and time deposit accounts, certificates of deposit and money market deposits maturing within 270 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any State thereof or any foreign country recognized by the United States of America, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50.0 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money-market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (1) above entered into with a bank meeting the qualifications described in clause (2) above;

(4) investments in commercial paper, maturing not more than 180 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to Standard & Poor's;

(5) investments in securities with maturities of nine months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by Standard & Poor's or "A" by Moody's; and

(6) investments in money market funds that invest substantially all their assets in securities of the types described in clauses (1) through (5) above.

"*Treasury Management Arrangement*" means any agreement or other arrangement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"*Trustee*" means Wilmington Trust, National Association, in its capacity as trustee under this Indenture, until a successor replaces it in such capacity and, thereafter, means the successor.

"*Trust Indenture Act*" or "*TIA*" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the Issue Date.

"*Trust Officer*" means, when used with respect to the Trustee:

(1) any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter relating to this Indenture is referred because of such Person's knowledge of and familiarity with the particular subject; and

(2) who shall have direct responsibility for the administration of this Indenture;

and when used with respect to the Collateral Agent, the corresponding officers of the Collateral Agent.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code as in effect from time to time.

"*Unrestricted Subsidiary*" means:

(1) PetroQuest Oil & Gas L.L.C., PQ Holdings, LLC and any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of the Company to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total assets of $1,000 or less or (B) if such Subsidiary has assets greater than $1,000, such designation would be permitted under Section 4.04.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (A) the Company could Incur $1.00 of additional Indebtedness under Section 4.03(a) and (B) no Default shall have occurred and be continuing. Any designation of Restricted Subsidiaries or Unrestricted Subsidiaries by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Government Obligations*" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer's option.

"*U.S. Person*" means a U.S. Person as defined in Rule 902(k) under the Securities Act.

"*Volumetric Production Payments*" means production payment obligations recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"*Wholly Owned Subsidiary*" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or one or more other Wholly Owned Subsidiaries.

SECTION 1.02 Other Definitions.

| Term | Defined in Section |
|---|---|
| "Action" | 12.08(x) |
| "Affiliate Transaction" | 4.07(a) |

| | |
|---|---|
| "Appendix" | 2.01 |
| "Bankruptcy Law" | 6.01 |
| "Change of Control Offer" | 4.08(b) |
| "Company" | Recitals |
| "covenant defeasance option" | 8.01(b) |
| "Custodian" | 6.01 |
| "Event of Default" | 6.01 |
| "Guaranteed Obligations" | 10.01 |
| "legal defeasance option" | 8.01(b) |
| | |
| "Notes Obligations" | 12.01(a) |
| "Offer" | 4.06(b) |
| "Offer Period" | 4.06(d)(2) |
| "Paying Agent" | 2.03 |
| "Plan of Reorganization" | Recitals |
| "Purchase Date" | 4.06(d)(1) |
| "Registrar" | 2.03 |
| "Registration Rights Agreement" | Appendix |
| "Security Document Order" | 12.08(t) |
| "Successor Company" | 5.01(a)(1) |
| "Successor Guarantor" | 5.01(b)(2) |

SECTION 1.03 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"*indenture securities*" means the Securities and the Subsidiary Guarantees;

"*indenture security Holder*" means a Securityholder;

"indenture to be qualified" means this Indenture;

"*indenture trustee*" or "*institutional trustee*" means the Trustee; and

"*obligor*" on the Securities and Subsidiary Guarantees means the Company and the Subsidiary Guarantors, respectively, and any successor obligor upon the Securities and the Subsidiary Guarantees, respectively.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.04 Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(7) the principal amount of any Preferred Stock shall be (A) the maximum liquidation value of such Preferred Stock or (B) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater;

(8) all references to the date the Securities were originally issued shall refer to the Issue Date;

(9) all references to "interest" shall also be deemed to be references to PIK Interest unless the context otherwise requires;

(10) references to "second lien" or "second priority" Liens means Liens that may be junior in priority to the Liens securing Priority Lien Obligations, to the extent permitted to be Incurred or to exist under the Intercreditor Agreement, and to certain Permitted Liens; and

(11) this Indenture shall not treat (A) unsecured Indebtedness as subordinated or junior to Secured Debt merely because it is unsecured or (B) Senior Indebtedness as subordinated or junior to any other Senior Indebtedness merely because it has a junior priority with respect to the same collateral or because it is guaranteed by other obligors.

## ARTICLE 2
## The Securities

SECTION 2.01 Form and Dating. Certain provisions relating to the Securities, any increase in the aggregate principal amount of the Securities in connection with PIK Payments, and any PIK Notes are set forth in the Appendix attached hereto (the "Appendix"), which is hereby incorporated in, and expressly made a part of, the Indenture. The Securities and any related PIK Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A, which is hereby incorporated in, and expressly made a part of, this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). Each Security shall be dated the date of its authentication. The Securities shall be in minimum denominations of $1.00 and integral multiples

of $1.00 thereof. To the extent any provision of any Security conflicts with the express provisions of the Indenture, the provisions of this Indenture shall govern and be controlling.

SECTION 2.02 Execution and Authentication. Two Officers shall sign the Securities for the Company by manual or facsimile signature.

If an Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

A Security shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Security. The manual signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

The Trustee shall, upon the written direction of the Company, authenticate and make available for delivery Securities, including any PIK Notes, as set forth in Section 2.2 of the Appendix.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Securities. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.03 Registrar and Paying Agent. The Company shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Securities may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any Wholly Owned Subsidiary incorporated or organized within The United States of America may act as Paying Agent, Registrar, co-registrar or transfer agent.

The Company initially appoints the Trustee as Registrar and Paying Agent in connection with the Securities and the Trustee accepts such appointment as the initial Registrar and Paying Agent.

The Company may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; provided, however, that no such removal shall become effective until (i) if applicable, acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the

Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Company and the Trustee; provided, however, that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section 7.08.

SECTION 2.04 Paying Agent To Hold Money and PIK Notes in Trust. Prior to each due date of the principal and interest on any Security, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal and cash interest amount and increase the principal amount of the Securities to pay PIK Interest or issue PIK Notes to pay PIK Interest pursuant to an authentication order of the Company delivered to the Trustee specifying the PIK Note amount to be issued or the increase in the amount of principal, as applicable, on the applicable interest payment date, when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Securityholders and the Trustee and the Collateral Agent all money held by the Paying Agent for the payment of principal of or cash interest on the Securities and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee. Upon any Event of Default specified in Section 6.01(7) or (8), the Trustee shall automatically serve as the Paying Agent for the Securities.

SECTION 2.05 Securityholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Securityholders and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders and the Company shall otherwise comply with TIA § 312(a).

SECTION 2.06 Transfer and Exchange. The Securities shall be issued in registered form and shall be transferable only upon the surrender of a Security for registration of transfer in compliance with the Appendix. When a Security is presented to the Registrar or a co-registrar with a request to register a transfer, the Registrar shall register the transfer as requested if the requirements of this Indenture and Section 8-401(a) of the Uniform Commercial Code are met. When Securities are presented to the Registrar or a co-registrar with a request to exchange them for an equal principal amount of Securities of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Securities at the Company's request. The Company may require the Securityholders to make a payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section (other than any such transfer taxes, assessments or similar governmental charge payable upon exchange or transfer pursuant to Sections 3.06, 4.08 and 9.05). The Company shall not be required to make and the Registrar need not register transfers or exchanges of Securities selected for redemption (except, in the case of Securities to be redeemed

in part, the portion thereof not to be redeemed) or any Securities for a period of 15 days before a selection of Securities to be redeemed or 15 days before an interest payment date.

Prior to the due presentation for registration of transfer of any Security, the Company, the Subsidiary Guarantors, the Trustee, the Paying Agent, the Registrar or any co-registrar may deem and treat the person in whose name a Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and none of the Company, the Subsidiary Guarantors, the Trustee, the Paying Agent, the Registrar or any co-registrar shall be affected by notice to the contrary.

SECTION 2.07 Replacement Securities. If a mutilated Security is surrendered to the Registrar or if the Holder of a Security claims that the Security has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee, upon the Company's written instruction, shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met and the Holder satisfies any other reasonable requirements of the Company, the Subsidiary Guarantors and the Trustee. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company to protect the Company, the Subsidiary Guarantors, the Trustee, the Paying Agent, the Registrar and any co-registrar and in the judgment of the Trustee to protect the Trustee, the Paying Agent, the Registrar and any of the Trustee's agents from any loss which any of them may suffer if a Security is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Security.

Every replacement Security is an additional Obligation of the Company.

SECTION 2.08 Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section as not outstanding. A Security does not cease to be outstanding because the Company or an Affiliate of the Company holds the Security.

If a Security is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Security is held by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Securities (or portions thereof) to be redeemed or maturing, as the case may be, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.09 Temporary Securities. In the event that Definitive Securities are to be issued under the terms of this Indenture, until such Definitive Securities are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of Definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate Definitive Securities and make them

available for delivery in exchange for temporary Securities upon surrender of such temporary Securities at the office or agency of the Company, without charge to the Holder. Until such exchange, temporary Securities shall be entitled to the same rights, benefits and privileges as Definitive Securities.

SECTION 2.10 Cancellation. The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and destroy (subject to the record retention requirements of the Exchange Act) all Securities surrendered for registration of transfer, exchange, payment or cancellation in accordance with the Trustee's procedures and, upon written request, deliver a certificate of such destruction to the Company. The Company may not issue new Securities to replace Securities it has redeemed, paid or delivered to the Trustee for cancellation.

SECTION 2.11 Defaulted Interest. If the Company defaults in a payment of interest on the Securities, the Company shall pay defaulted interest at the rate per annum shown on the Security (plus interest on such defaulted interest to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the persons who are Securityholders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date and shall promptly send to each Securityholder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.12 CUSIP Numbers, ISINs, etc. The Company in issuing the Securities may use "CUSIP" numbers and ISINs (in each case if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers and ISINs in notices as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Securities, and any such notice shall not be affected by any defect in or omission of such numbers. The Company shall advise the Trustee in writing of any change in any "CUSIP" numbers or ISINs applicable to the Securities.

SECTION 2.13 Calculation of Specified Percentage of Securities. With respect to any matter requiring consent, waiver, approval or other action of the Holders of a specified percentage of the principal amount of all the Securities (including any outstanding PIK Notes and any increased principal amounts as a result of any payment of PIK Interest), such percentage shall be calculated, on the relevant date of determination, by dividing (a) the principal amount, as of such date of determination, of the Securities (including any outstanding PIK Notes and any increased principal amounts as a result of any payment of PIK Interest), the Holders of which have so consented by (b) the aggregate principal amount, as of such date of determination, of the Securities then outstanding (including any outstanding PIK Notes and any increased principal amounts as a result of any payment of PIK Interest), in each case, as determined in accordance with Section 2.08 and Section 11.06 of this Indenture. Any such calculation made pursuant to this Section 2.13 shall be made by the Company and delivered to the Trustee in an Officers' Certificate.

## ARTICLE 3
## Redemption

SECTION 3.01 Notices to Trustee. If the Company elects to redeem Securities pursuant to paragraph 5 of the Securities, the Company shall notify the Trustee in writing of the redemption date, the principal amount of Securities to be redeemed and the paragraph of the Securities pursuant to which the redemption will occur.

The Company shall give the notice to the Trustee provided for in this Section at least 35 days before the redemption date unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from the Company to the effect that such redemption will comply with the conditions herein.

SECTION 3.02 Selection of Securities To Be Redeemed. If fewer than all the Securities are to be redeemed pursuant to notice sent pursuant to Section 3.03, the Trustee shall select the Securities to be redeemed pro rata to the extent practicable or otherwise in accordance with the procedures of the Depository. The Trustee shall make the selection from outstanding Securities not previously called for redemption. Securities and portions of them the Trustee selects shall be in principal amounts of $1.00 or whole multiples of $1.00. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Company promptly of the Securities or portions of Securities to be redeemed.

SECTION 3.03 Notice of Redemption. At least 30 days but not more than 60 days before a date for redemption of Securities pursuant to paragraph 5 of the Securities, the Company shall mail a notice of redemption by first-class mail or, in the case of global notes, send electronically to each Holder of Securities to be redeemed at such Holder's registered address.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price;

(3) the name and address of the Paying Agent;

(4) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Securities are to be redeemed, the identification and principal amounts of the particular Securities to be redeemed;

(6) that, unless the Company defaults in making such redemption payment or interest on Securities (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the "CUSIP" number, ISIN or "Common Code" number, if any, printed on the Securities being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the "CUSIP" number, ISIN, or "Common Code" number, if any, listed in such notice or printed on the Securities.

In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice of redemption shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the stated redemption date, or by the redemption date as so delayed.

At the Company's request made at least five (5) Business Days prior to the date on which notices of redemption are to be sent (or such shorter period as may be agreed by the Trustee), the Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Trustee with the information required by this Section.

SECTION 3.04 Effect of Notice of Redemption. Once notice of redemption is sent pursuant to Section 3.03, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice (except to the extent such redemption is conditional as set forth in Section 3.03) and from and after such redemption date (unless the Company defaults in the payment of the redemption price and accrued and unpaid interest), such Securities will cease to bear interest. Upon surrender to the Paying Agent, such Securities shall be paid at the redemption price stated in the notice, plus accrued interest to but not including the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date), and such Securities shall be cancelled by the Trustee. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05 Deposit of Redemption Price. Prior to 11:00 A.M. New York time on the redemption date, the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued and unpaid cash interest together with an amount of cash equal to all accrued and unpaid PIK Interest on all Securities to be redeemed on that date (including any PIK Notes or any increased principal amount of Securities in connection with a PIK Payment) other than Securities or portions of Securities called for redemption which have been delivered by the Company to the Trustee for cancellation.

SECTION 3.06 Securities Redeemed in Part. Upon surrender of a Security that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder (at the Company's expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

## ARTICLE 4
## Covenants

SECTION 4.01 Payment of Securities. The Company shall pay the principal of and cash interest and increase the principal amount of the Securities or issue PIK Notes to pay PIK

Interest, on the Securities on the dates and in the manner provided in the Securities and in this Indenture. Principal, cash interest and any increased principal amount of Securities or PIK Notes sufficient to pay PIK Interest shall be considered paid on the date due if on such date (i) the Trustee or the Paying Agent holds in accordance with this Indenture money in immediately available funds sufficient to pay all principal, cash interest then due, and any increased principal amount of the applicable Global Securities and (ii) the Company has delivered to the Trustee a written direction to authenticate any PIK Notes or increase the principal amount of Global Securities, as applicable, sufficient to pay all PIK Interest then due.

The Company shall pay interest on overdue principal at the rate specified therefor in the Securities, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02 SEC Reports. Whether the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall file with the SEC (subject to the next sentence) and furnish to the Trustee and Securityholders with such annual and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. Person subject to such Sections, such reports to be so filed and provided at the times specified for the filings of such reports with respect to a non-accelerated filer under such Sections 13 and 15(d) and containing all the information, audit reports and exhibits required for such reports. If at any time, the Company is not subject to the periodic reporting requirements of the Exchange Act for any reason, the Company shall nevertheless continue filing the reports specified in the preceding sentence with the SEC within the time periods required with respect to a non-accelerated filer unless the SEC shall not accept such a filing. The Company agrees that it shall not take any action for the purpose of causing the SEC not to accept any such filings. If, notwithstanding the foregoing, the SEC shall not accept such filings for any reason, the Company shall post the reports specified in the preceding sentence on the Company's website within the time periods with respect to a non-accelerated filer that would apply if the Company was required to file those reports with the SEC.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries, then, unless the operations, assets, liabilities and cash flows of the Unrestricted Subsidiaries are, in aggregate, immaterial, the quarterly and annual financial information required by the preceding paragraph shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations", of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

The availability of the foregoing materials on the SEC website or the Company's website shall be deemed to satisfy the foregoing obligation to deliver reports to Holders and availability of the foregoing materials on the SEC website shall be deemed to satisfy the foregoing obligation to deliver reports to the Trustee.

Delivery of such materials to the Trustee is for informational purposes only, and the Trustee's receipt of such materials shall not constitute notice or constructive notice to the Trustee

of the contents thereof, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

In addition, at any time when the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and for so long as any Securities remain outstanding, the Company will furnish to the Holders and to prospective investors, in each case upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Securities are not freely transferable under the Securities Act.

Any failure to comply with this Section 4.02 shall be automatically cured when the Company files with the SEC and furnishes to the Trustee and Securityholders all required reports; provided that such cure shall not otherwise affect the rights of the Securityholders under Section 6.01 hereof if the principal of and accrued but unpaid interest on the Securities have been accelerated in accordance with the terms of this Indenture and such acceleration has not been rescinded or cancelled prior to such cure.

SECTION 4.03 Limitation on Indebtedness. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company and the Subsidiary Guarantors shall be entitled to Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio exceeds 2.5 to 1.

(b) Notwithstanding Section 4.03(a), the Company and the Restricted Subsidiaries shall be entitled to Incur any or all of the following Indebtedness:

(1) Indebtedness Incurred by the Company and Subsidiary Guarantors pursuant to any Credit Facility; provided, however, that, immediately after giving effect to any such Incurrence, the aggregate amount of all Indebtedness Incurred under this clause (1) and then outstanding does not exceed the greater of (A) $65.0 million, (B) the Borrowing Base in effect at the time of the Incurrence up to $150.0 million and (C) 35% of ACNTA determined at the time of Incurrence;

(2) Indebtedness owed to and held by the Company or a Restricted Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon, (B) if the Company is the obligor on such Indebtedness and the holder of such Indebtedness is neither the Company nor a Subsidiary Guarantor, such Indebtedness is expressly subordinated in right of payment to all obligations with respect to the Securities, and (C) if a Subsidiary Guarantor is the obligor on such Indebtedness and the holder of such Indebtedness is neither the Company nor a Subsidiary Guarantor, such Indebtedness is expressly subordinated in right of payment to all obligations of such Subsidiary Guarantor with respect to its Subsidiary Guarantee; provided further, however, that nothing in the foregoing clauses (B) or (C) shall prohibit the repayment of such Indebtedness at maturity or otherwise in compliance with the terms of this Indenture;

(3) (a) the Securities issued on the Issue Date, (b) any increase in the principal amount of the Securities and the issuance of PIK Notes, in each case in connection with PIK Payments and Guarantees thereof, and (c) Guarantees of Indebtedness permitted to be Incurred under this clause (3);

(4) Indebtedness outstanding on the Issue Date, other than Indebtedness described in Section 4.03(b)(1), (2) or (3);

(5) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by the Company (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Subsidiary became a Restricted Subsidiary or was acquired by the Company); provided, however, that on the date of such acquisition and after giving pro forma effect thereto and any related financing transactions, either (A) the Company would have been entitled to Incur at least $1.00 of additional Indebtedness pursuant to Section 4.03(a) or (B) the Consolidated Coverage Ratio is equal to or greater than the Consolidated Coverage Ratio immediately before such transaction;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to Section 4.03(a) or pursuant to Section 4.03(b)(3), (4), (5) or this Section 4.03(b)(6); provided, however, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to Section 4.03(b)(5), such Refinancing Indebtedness shall be Incurred only by such Subsidiary, by the Company or by the Company and such Subsidiary;

(7) Hedging Obligations consisting of Interest Rate Agreements directly related to Indebtedness permitted to be Incurred by the Company and the Restricted Subsidiaries pursuant to this Indenture;

(8) Hedging Obligations consisting of Oil and Gas Hedging Contracts and Currency Agreements entered into in the ordinary course of business for the purpose of limiting risks that arise in the ordinary course of business of the Company and its Restricted Subsidiaries;

(9) obligations in respect of completion, performance, bid and surety bonds and completion guarantees, insurance obligations or bonds and other similar bonds and obligations provided by the Company or any Restricted Subsidiary in the ordinary course of business or letters of credit providing support for or issued in lieu of any such bonds, guarantees or obligations;

(10) Capital Lease Obligations and other purchase money Indebtedness in an aggregate principal amount at any time outstanding of not to exceed the greater of (A) $5.0 million and (B) 2.5% of ACNTA;

(11) Non-Recourse Purchase Money Indebtedness;

(12) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished promptly following its Incurrence;

(13) Indebtedness consisting of the Subsidiary Guarantee of a Subsidiary Guarantor and any Guarantee by the Company or a Subsidiary Guarantor of Indebtedness Incurred pursuant to Section 4.03(b)(3), (4), (7), (8), (9) or (10) or pursuant to Section 4.03(b)(6) to the extent the Refinancing Indebtedness Incurred thereunder directly or indirectly Refinances Indebtedness Incurred pursuant to Section 4.03(a) or pursuant to Section 4.03(b)(3) or (4);

(14) In-kind obligations relating to oil and gas balancing obligations arising in the ordinary course of business;

(15) any obligation arising from agreements of the Company or any Subsidiary Guarantor providing for indemnification, guarantee, adjustment of purchase price, holdback, contingency payment obligation based on the performance of acquired or disposed assets or similar obligations, in each case Incurred or assumed in connection with the acquisition or disposition of any business, asset or Capital Stock of a Subsidiary Guarantor; and

(16) Indebtedness of the Company or of any of its Subsidiary Guarantors in an aggregate principal amount which, when taken together with all other Indebtedness of the Company and its Subsidiary Guarantors outstanding on the date of such Incurrence (other than Indebtedness permitted by Section 4.03(b)(1) through (14) above or Section 4.03(a)) does not exceed the greater of (A) $10.0 million and (B) 5.0% of ACNTA.

(c) Notwithstanding Section 4.03(b), neither the Company nor any Subsidiary Guarantor shall Incur any Indebtedness pursuant to Section 4.03(b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Company or any Subsidiary Guarantor unless such Indebtedness shall be subordinated to the Securities or the applicable Subsidiary Guarantee to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this Section 4.03, in the event an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in Section 4.03(a) and Section 4.03(b), the Company, in its sole discretion, shall be permitted to divide and classify such item of Indebtedness on the date of Incurrence, provided, that any Indebtedness outstanding under the Priority Lien Credit Agreement on the Issue Date will be treated as Incurred on the Issue Date under Section 4.03(b)(1) and may not be reclassified.

(e) For purposes of determining compliance with this Section 4.03, a Guarantee by the Company or a Restricted Subsidiary of Indebtedness Incurred by the Company or a Restricted Subsidiary, as applicable, shall not be a separate Incurrence of Indebtedness. For purposes of determining compliance with this Section 4.03, accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of deferred financing costs or original issue discount, the payment of interest in the form of additional Indebtedness with the same terms,

the payment of dividends on Disqualified Stock or Preferred Stock, in the form of additional shares of Disqualified Stock of Preferred Stock, and the accretion or amortization of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies, shall, in each case, not be deemed to be an Incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock.

(f) Other than pursuant to Section 4.03(b)(1), neither the Company nor any Restricted Subsidiary shall incur Indebtedness for borrowed money that is senior in right of payment to the Notes Obligations, secured by a Lien (other than Permitted Liens) that is senior in priority to the Liens securing the Notes Obligations or structurally senior to the Notes Obligations and also junior (whether by payment priority, Lien priority or structural priority) to other Indebtedness Incurred pursuant to Section 4.03(b)(1). For the avoidance of doubt, the forgoing is not intended to restrict the incurrence of Indebtedness that may otherwise be incurred pursuant to Section 4.03(b)(1) though (16).

SECTION 4.04 Limitation on Restricted Payments. (a) The Company shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Company is not entitled to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a); or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from January 1, 2019 to the end of the most recent fiscal quarter for which internal financial statements of the Company are available at the time of determination (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus

(B) 100% of the aggregate Net Cash Proceeds and 100% of the Fair Market Value of securities or other property other than cash (including Capital Stock of Persons engaged in the Oil and Gas Business that become Restricted Subsidiaries or assets used in the Oil and Gas Business) received by the Company or any Restricted Subsidiary subsequent to the Issue Date from the issue or sale of Capital Stock of the Company (other than Disqualified Stock), other than Capital Stock sold to a Subsidiary of the Company and other than an issuance or sale to an Employee Stock Purchase Plan; plus

(C) 100% of the aggregate Net Cash Proceeds received by the Company subsequent to the Issue Date from the issue or sale of any Capital Stock of the Company (other than Disqualified Stock) to an Employee Stock Purchase Plan; provided, however, that if an Employee Stock Purchase Plan Incurs any Indebtedness to finance the purchase of such Capital Stock, such aggregate amount shall be limited to the excess of such Net Cash Proceeds over the amount of such

Indebtedness plus an amount equal to any increase in the Consolidated Net Worth of the Company resulting from principal repayments made by an Employee Stock Purchase Plan with respect to such Indebtedness after the Issue Date; plus

(D) the amount by which Indebtedness is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Issue Date of any Indebtedness convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (plus the amount of any accrued interest then outstanding on such Indebtedness to the extent the obligation to pay such interest is extinguished less the amount of any cash, or the Fair Market Value of any property, distributed by the Company upon such conversion or exchange); provided, however, that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company or any Restricted Subsidiary from the sale of such Indebtedness (excluding Net Cash Proceeds from sales to a Subsidiary of the Company or to an Employee Stock Purchase Plan); plus

(E) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by the Company or any Restricted Subsidiary in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any Restricted Subsidiary, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time such Subsidiary is designated a Restricted Subsidiary; provided, however, that to the extent the foregoing sum exceeds, in the case of any such Person or Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any Restricted Subsidiary in such Person or Subsidiary, such excess shall not be included in this clause (E) unless the amount represented by such excess has not been and shall not be taken into account in one of the foregoing clauses (A)-(D).

(b) Section 4.04(a) shall not prohibit:

(1) the making of any Restricted Payment (including a dividend) within 60 days after the date the Company or Restricted Subsidiary became legally or contractually obligated to make such Restricted Payment (including the declaration of a dividend), if at the date of becoming so legally or contractually bound, such Restricted Payment would have complied with the provisions of this Indenture (and such Restricted Payment shall be deemed to be made on the date of becoming so legally or contractually bound for purposes of any calculation required by this Section 4.04); provided, however, that such Restricted Payments shall be included (without duplication) in the calculation of the amount of Restricted Payments unless otherwise excluded pursuant to Section 4.04(b)(2)-(9);

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any Subordinated Obligation of the Company or any Subsidiary Guarantor or of any Capital Stock of the Company or any Restricted Subsidiary in exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Capital Stock of the Company (other than Disqualified Stock); provided, however, that the amount of any such Net Cash Proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded (A) from Section 4.04(a)(3)(B) and (C) and (B) in the calculation of the amount of Restricted Payments;

(3) the defeasance, redemption, repurchase, retirement or other acquisition of any Subordinated Obligations of the Company or of any Subsidiary Guarantor with the Net Cash Proceeds from an Incurrence of any Subordinated Obligations permitted to be Incurred under Section 4.03; provided, however, that such defeasance, redemption, repurchase, retirement or other acquisition shall be excluded in the calculation of Restricted Payments;

(4) so long as no Default has occurred and is continuing, the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary of the Company held by any employees, former employees, directors or former directors of Company or any of its Restricted Subsidiaries (or heirs, estates or other permitted transferees of such employees or directors) pursuant to any agreements (including employment agreements), management equity subscription agreement or stock option agreements or plans (or amendments thereto), approved by the Board of Directors, under which such individuals purchase or sell or are granted the right to purchase or sell shares of Capital Stock; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock shall not exceed $2.0 million in any calendar year (with any unused amounts in any calendar year being carried over to succeeding calendar years); provided further, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the Company from the sale of Capital Stock (other than Disqualified Stock) of the Company to members of management or directors of the Company and its Restricted Subsidiaries that occurs after the Issue Date (to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of Section 4.04(a)(3)), plus (B) the cash proceeds of key man life insurance policies received by the Company and its Restricted Subsidiaries after the Issue Date, less (C) the amount of any Restricted Payments made after the Issue Date pursuant to clauses (A) and (B) of this Section 4.04(b)(4); provided further, however, that such repurchase, redemption or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(5) repurchases or other acquisitions for value of Capital Stock deemed to occur upon the exercise or exchange of stock options, warrants or other convertible securities or upon the vesting of restricted Capital Stock if such Capital Stock represents a portion of the exercise or exchange price thereof or made in lieu of withholding taxes in connection with any such exercise, exchange or vesting; provided, however, that such repurchases or

other acquisitions for value shall be excluded in the calculation of the amount of Restricted Payments;

(6) so long as no Default has occurred and is continuing, upon the occurrence of a Change of Control or an Asset Disposition and within 60 days after the completion of the offer to repurchase the Securities under Section 4.08 or Section 4.06 (including the purchase of all Securities tendered), any purchase, repurchase, redemption, defeasance, acquisition or other retirement for value of Subordinated Obligations required under the terms thereof as a result of such Change of Control or Asset Disposition at a purchase or redemption price not to exceed 101% of the outstanding principal amount thereof, plus accrued and unpaid interest thereon, if any; provided, however, that such purchase, repurchase, redemption, defeasance, acquisition or other retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(7) so long as no Default has occurred and is continuing, the purchase by the Company of fractional shares arising out of stock dividends, splits or business combinations; provided, however, that such purchases shall be excluded in the calculation of the amount of Restricted Payments;

(8) payments to dissenting stockholders (i) pursuant to applicable law or (ii) in connection with the settlement or satisfaction of legal claims made pursuant to or in connection with consolidation, merger or transfer of assets in connection with a transaction that is not permitted by this Indenture;

(9) the declaration and payments of dividends on Disqualified Stock issued pursuant to Section 4.03; provided, however, that at the time of declaration of such dividend, no Default shall have occurred and be continuing (or result therefrom); provided further, however, that such dividends shall be excluded in the calculation of the amount of Restricted Payments; or

(10) Restricted Payments in an amount not to exceed $10.0 million in the aggregate at any time outstanding; provided, however, that the amount of such Restricted Payments shall be included in the calculation of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment is made or deemed made.

For purposes of determining compliance with this Section 4.04, if a Restricted Payment meets the criteria of more than one of the types of Restricted Payments described in Section 4.04(b)(1)-(10), the Company, in its sole discretion, shall be entitled to divide, order and classify such Restricted Payment in any manner in compliance with this Section 4.04 and shall be entitled to later redivide, reorder and reclassify such Restricted Payment in any manner that then complies with this Section 4.04.

In computing Consolidated Net Income under Section 4.04(a)(3)(A) above, (1) the Company shall use audited financial statements for the portions of the relevant period for which

audited financial statements are available on the date of determination and unaudited financial statements and other current financial data based on the books and records of the Company for the remaining portion of such period and (2) the Company shall be permitted to rely in good faith on the financial statements and other financial data derived from the books and records of the Company that are available on the date of determination.

If any Person in which an Investment is made, which Investment constitutes a Restricted Payment when made, thereafter becomes a Restricted Subsidiary in accordance with this Indenture, all such Investments previously made in such Person shall be Permitted Investments, and for the avoidance of doubt all such Investments shall no longer be counted as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments pursuant Section 4.04(a)(3), in each case to the extent such Investments would otherwise be so counted.

SECTION 4.05 Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Company shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on its Capital Stock to the Company or a Restricted Subsidiary or pay any Indebtedness owed to the Company (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Capital Stock shall not be deemed a restriction on the ability to make distributions on Capital Stock), (b) make any loans or advances to the Company or any Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances) or (c) transfer any of its property or assets to the Company or any Restricted Subsidiary, except:

(1) with respect to clauses (a), (b) and (c),

(A) any encumbrance or restriction pursuant to an agreement (including the Priority Lien Credit Agreement) in effect at or entered into on the Issue Date;

(B) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Company) and outstanding on such date;

(C) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (A), (B) or (I) of clause (1) of this Section 4.05 or this clause (C) or contained in any amendment to an agreement referred to in clause (A), (B) or (I) of clause (1) of this Section 4.05 or this clause (C); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained

in any such refinancing agreement or amendment are not materially less favorable, taken as a whole, to the Securityholders than encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements;

(D) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(E) any encumbrance or restriction on the disposition or distribution of assets or property, including cash or other deposits, under agreements entered into in the ordinary course of the Oil and Gas Business of the types described in clause (2) of the definition of Permitted Business Investments;

(F) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of, or from the ability of the Company and the Restricted Subsidiaries to realize the value of, property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(G) customary provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity or the equity interests therein) entered in the ordinary course of business;

(H) restrictions on cash, cash equivalents, Temporary Cash Investments or other deposits or net worth imposed under contracts entered into the ordinary course of business, including such restrictions imposed by customers or insurance, surety or bonding companies; and

(I) encumbrances or restrictions contained in agreements governing Indebtedness of the Company or any Restricted Subsidiary permitted to be Incurred pursuant to an agreement entered into subsequent to the Issue Date in accordance with Section 4.03; provided that the provisions relating to such encumbrance or restriction contained in such Indebtedness are not materially less favorable to the Company taken as a whole, as determined by the Board of Directors of the Company in good faith, than the provisions contained in the Priority Lien Credit Agreement or in this Indenture as in effect on the Issue Date.

(2) with respect to clause (c) only,

(A) any encumbrance or restriction consisting of customary subletting, nonassignment or transfer provisions in leases, licenses, similar agreements, operating agreements or other agreements customary in the Oil and Gas Business to the extent such provisions restrict the transfer of the lease, license or similar agreement or the property subject thereto;

(B) any encumbrance or restriction contained in security agreements or mortgages securing Indebtedness to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages;

(C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary; and

(D) provisions with respect to the disposition or distribution of assets or property in operating agreements, joint venture agreements, development agreements, area of mutual interest agreements and other agreements that are customary in the Oil and Gas Business and entered into in the ordinary course of business.

SECTION 4.06 Limitation on Sales of Assets and Subsidiary Stock. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value of the shares and assets subject to such Asset Disposition;

(2) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be)

(A) first, (i) if the Asset Disposition is a Collateral Disposition, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem, defease or purchase Priority Lien Debt and other outstanding Priority Lien Obligations within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, or (ii) if the Asset Disposition is not a Collateral Disposition, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem, defease or purchase Indebtedness of the Company or any Subsidiary Guarantor that is not Subordinated Indebtedness (but excluding intercompany Indebtedness of the Company or any Subsidiary Guarantor to the Company or any of its Affiliates) within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

(B) second, to the extent of the balance of such Net Available Cash after application in accordance with clause (A), to the extent the Company elects, to acquire Additional Assets or to make capital expenditures in the Oil and Gas Business within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; and

(C) third, to the extent of the balance of such Net Available Cash after application in accordance with Section 4.06(a)(3)(A) and (B), to make an offer to the holders of the Securities to purchase Securities pursuant to and subject to the conditions contained in this Indenture; provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to Section 4.06(a)(3)(A) or this Section 4.06(a)(3)(C), the Company or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased.

Notwithstanding the foregoing provisions of this Section, the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash in accordance with this Section except to the extent that the aggregate Net Available Cash from all Asset Dispositions which is not applied in accordance with this Section exceeds $5.0 million. Pending application of Net Available Cash pursuant to this Section, the Company and the Restricted Subsidiaries shall be entitled to temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Indenture.

For the purposes of this Section, the following are deemed to be cash or cash equivalents:

(1) the assumption or discharge of Priority Lien Debt or Senior Indebtedness of the Company or of a Subsidiary Guarantor (other than obligations in respect of Disqualified Stock of the Company) or any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor (other than obligations in respect of Disqualified Stock of such Restricted Subsidiary) and the release of the Company, such Subsidiary Guarantor or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition; and

(2) securities received by the Company or any Restricted Subsidiary from the transferee that are promptly converted by the Company or such Restricted Subsidiary into cash, to the extent of cash received in that conversion.

(b) In the event of an Asset Disposition that requires the purchase of Securities pursuant to Section 4.06(a)(3)(C), the Company shall purchase Securities tendered pursuant to an offer by the Company for the Securities (the "Offer") at a purchase price of 100% of their principal amount without premium, plus accrued but unpaid interest in accordance with the procedures (including prorating in the event of oversubscription) set forth in Section 4.06(d). If the aggregate purchase price of the Securities tendered exceeds the Net Available Cash allotted to their purchase, the Company shall select the Securities to be purchased on a pro rata basis or otherwise required by the procedures of the Depository, rounded up to the nearest dollar. The Company shall not be required to make such an offer to purchase Securities pursuant to this Section if the Net Available Cash available therefor (and for the purchase of such other Senior Indebtedness) is less than $5.0 million (which lesser amount shall be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). Upon completion of such an offer to purchase, Net Available Cash shall be deemed to be reduced by the aggregate amount of such offer.

(c) The requirement of Section 4.06(a)(3)(B) shall be deemed to be satisfied if an agreement (including a lease, whether a capital lease or an operating lease) committing to make the acquisitions or expenditures referred to therein is entered into by the Company or its Restricted Subsidiary within the specified time period and such Net Available Cash is subsequently applied in accordance with such agreement within six months following such agreement.

(d) (1) Promptly, and in any event within 10 days after the Company becomes obligated to make an Offer, the Company shall deliver to the Trustee and send, by first-class mail, or in the case of Global Securities, electronically, to each Holder, a written notice stating that the Holder may elect to have his Securities purchased by the Company either in whole or in part (subject to prorating as described in Section 4.06(b) in the event the Offer is oversubscribed) in integral multiples of $1.00 of principal amount, at the applicable purchase price. The notice shall specify a purchase date not less than 30 days nor more than 60 days after the date of such notice (the "Purchase Date") and shall contain such information concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed decision and all instructions and materials necessary to tender Securities pursuant to the Offer, together with the information contained in clause (3).

(2) At least one day prior to the Purchase Date, the Company shall irrevocably deposit with the Trustee or with a Paying Agent (or, if the Company is acting as Paying Agent, segregate and hold in trust) in Temporary Cash Investments, maturing on or before the last day prior to the Purchase Date or on the Purchase Date if funds are immediately available by open of business, an amount equal to the Net Available Cash allotted to purchase of Securities which shall be held for payment in accordance with the provisions of this Section. Upon the expiration of the period for which the Offer remains open (the "Offer Period"), the Company shall deliver to the Trustee for cancellation the Securities or portions thereof which have been properly tendered to and are to be accepted by the Company. The Trustee shall, on the Purchase Date, deliver payment (or cause the delivery of payment) to each tendering Holder in the amount of the purchase price.

(3) Holders electing to have a Security purchased shall be required to surrender the Security, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the Purchase Date. Holders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Purchase Date, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security which was delivered for purchase by the Holder and a statement that such Holder is withdrawing his election to have such Security purchased. Holders whose Securities are purchased only in part shall be issued new Securities equal in principal amount to the unpurchased portion of the Securities surrendered.

(e) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue of its compliance with such securities laws or regulations.

SECTION 4.07 Limitation on Affiliate Transactions. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (an "Affiliate Transaction") unless:

(1) the terms of the Affiliate Transaction are not materially less favorable to the Company or such Restricted Subsidiary than those that could reasonably be expected to be obtained at the time of the Affiliate Transaction in arm's-length dealings with a Person who is not an Affiliate;

(2) if such Affiliate Transaction involves an amount in excess of $10.0 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the directors of the Company disinterested with respect to such Affiliate Transaction have determined in good faith that the criteria set forth in clause (1) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors; and

(3) if such Affiliate Transaction involves an amount in excess of $20.0 million, the Board of Directors shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or is not materially less favorable to the Company and its Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm's-length transaction with a Person who was not an Affiliate.

(b) The provisions of Section 4.07(a) shall not prohibit:

(1) any Investment (other than a Permitted Investment) or other Restricted Payment, in each case permitted to be made pursuant to Section 4.04(a);

(2) any employment agreement or other employee compensation plan or arrangement in existence on the Issue Date or entered into thereafter in the ordinary course of business including any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors;

(3) loans or advances to employees in the ordinary course of business in accordance with the past practices of the Company or its Restricted Subsidiaries, but in any event not to exceed $1.0 million in the aggregate outstanding at any one time;

(4) advances to or reimbursements of employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures, in each case in the ordinary course of business of the Company or any of its Restricted Subsidiaries;

(5) the payment of reasonable compensation and fees to directors of the Company and its Restricted Subsidiaries who are not employees of the Company or its Restricted Subsidiaries;

(6) any transaction with the Company, a Restricted Subsidiary or joint venture or similar entity (excluding an Unrestricted Subsidiary) which would not constitute an Affiliate Transaction but for the Company's or a Restricted Subsidiary's ownership of an equity interest in or control of such Restricted Subsidiary, joint venture or similar entity;

(7) indemnities of officers, directors and employees of the Company or any Restricted Subsidiary consistent with applicable charter, by-law or statutory provisions;

(8) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Company or the receipt by the Company of a cash capital contribution from its stockholders;

(9) any transaction with an Unrestricted Subsidiary to the extent such transaction is in the ordinary course of business of the Company and its Restricted Subsidiaries and of such Unrestricted Subsidiary;

(10) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture, provided that in the reasonable determination of the Board of Directors or the senior management of the Company, such transactions are on terms not materially less favorable to the Company or the relevant Restricted Subsidiary than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Company;

(11) transactions between the Company or any Restricted Subsidiary and any Person, a director of which is also a director of the Company or any director or indirect parent company of the Company, and such director is the sole cause for such Person to be deemed an Affiliate of the Company or any Restricted Subsidiary; provided, however, that such director shall abstain from voting as a director of the Company or such direct or indirect parent company, as the case may be, on any matter involving such other Person; and

(12) any transaction with Affiliates pursuant to arrangements in existence on the Issue Date pursuant to which those Affiliates own, or are entitled to acquire, working, overriding royalty or other similar interests in particular properties operated by the Company or any Restricted Subsidiary or in which any of the Company or one or more Restricted Subsidiaries also own an interest.

SECTION 4.08 Change of Control. (a) Upon the occurrence of a Change of Control, each Holder shall have the right to require that the Company purchase such Holder's Securities at a purchase price payable in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date), in accordance with the terms contemplated in Section 4.08(b).

(b) Within 30 days following any Change of Control, unless the Company has previously or concurrently exercised its right to redeem all of the Securities as described in

Article 3 and paragraph 5 of the Securities, the Company shall mail a notice to each Holder with a copy to the Trustee (the "Change of Control Offer") stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Company to purchase such Holder's Securities at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) a description of the transaction or transactions giving rise to such Change of Control;

(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions, as determined by the Company, consistent with this Section, that a Holder must follow in order to have its Securities purchased.

(c) Holders electing to have a Security purchased will be required to surrender the Security, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the purchase date. Holders will be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the purchase date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security which was delivered for purchase by the Holder and a statement that such Holder is withdrawing his election to have such Security purchased.

(d) On the purchase date, all Securities purchased by the Company under this Section shall be delivered by the Company to the Trustee for cancellation, together with an Officers' Certificate confirming the purchase and directing the Trustee to cancel such Securities, and the Company shall pay the purchase price plus accrued and unpaid interest to the Holders entitled thereto.

(e) Notwithstanding the foregoing provisions of this Section, the Company shall not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section applicable to a Change of Control Offer made by the Company and purchases all Securities validly tendered and not withdrawn under such Change of Control Offer.

(f) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of a Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

(g) If Holders of not less than 90% in aggregate principal amount of the outstanding Securities validly tender and do not withdraw such Securities in a Change of Control Offer and the Company, or any third party making a Change of Control Offer in lieu of the Company as described in Section 4.08(e), purchases all of the Securities validly tendered and not

withdrawn by such Holders, the Company will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Securities that remain outstanding following such purchase at a redemption price in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest to the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(h) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue of its compliance with such securities laws or regulations.

SECTION 4.09 Limitation on Liens. The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever on any of its properties (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, securing any Indebtedness, other than Permitted Liens.

SECTION 4.10 Limitation on Sale/Leaseback Transactions. The Company shall not, and shall not permit any Restricted Subsidiary to, enter into any Sale/ Leaseback Transaction with respect to any property unless:

(1) the Company or such Restricted Subsidiary would be entitled to (A) Incur Indebtedness in an amount equal to the Attributable Debt with respect to such Sale/Leaseback Transaction pursuant to Section 4.03 and (B) create a Lien on such property securing such Attributable Debt pursuant to Section 4.09;

(2) the net proceeds received by the Company or any Restricted Subsidiary in connection with such Sale/Leaseback Transaction are at least equal to the Fair Market Value of such property; and

(3) the Company applies the proceeds of such transaction in compliance with Section 4.06.

SECTION 4.11 Future Guarantors. The Company shall cause each direct domestic Restricted Subsidiary that is not already a Subsidiary Guarantor that is a borrower under or guarantees the Priority Lien Credit Agreement to, at the same time, execute and deliver to the Trustee and the Collateral Agent, if applicable, a Guaranty Agreement pursuant to which such Restricted Subsidiary shall Guarantee payment of the Securities on the same terms and conditions as those set forth in this Indenture.

SECTION 4.12 Compliance Certificate. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company an Officers' Certificate stating that in the course of the performance by the signers of their duties as Officers of the Company they would normally have knowledge of any Default and whether the signers know of any Default that

occurred during such fiscal year. If they do, the certificate shall describe the Default, its status and what action the Company is taking or proposes to take with respect thereto. The Company also shall comply with TIA § 314(a)(4) and deliver the certificate referred to in such section of the TIA, which certificate shall be delivered to the Trustee within 120 days after the end of each fiscal year of the Company. For purposes of this Section 4.12, the "fiscal year" of the Company means a calendar year ending December 31.

SECTION 4.13 Further Instruments and Acts. Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.14 Insurance. The Company will, and will cause each of the Company's Restricted Subsidiaries to, maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. Subject to the Security Documents and the Intercreditor Agreement, the loss payable clauses or provisions in said insurance policy or policies insuring any of the Collateral shall be endorsed in favor of the Collateral Agent as its interests in the Collateral may appear and such policies shall name the Collateral Agent as "additional insureds" and provide that the insurer will endeavor to give at least thirty (30) days prior notice of any cancellation to the Collateral Agent, it being understood that the Company shall be afforded a period of sixty (60) days following the Issue Date to comply with this Section.

## ARTICLE 5
## Successor Company

SECTION 5.01 Merger and Consolidation. (a) The Company shall not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee and Collateral Agent, as applicable, in form satisfactory to the Trustee and Collateral Agent, as applicable, all the obligations of the Company under the Securities and the Note Documents;

(2) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by such Successor Company or such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(3) immediately after giving pro forma effect to such transaction and any related financing transactions, either (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a) or (B) the Consolidated

Coverage Ratio of the Successor Company is equal to or greater than the Consolidated Coverage Ratio of the Company immediately before such transaction;

(4) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such sale, disposition, consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture; and

(5) the Successor Company shall take such action (or agree to take such action) as may be reasonably necessary to cause any property or assets that constitute Collateral owned by or transferred to the Successor Company to be subject to the Liens securing the Notes Obligations in the manner and to the extent required under the Note Documents;

provided, however, that clause (3) shall not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Company or (B) the Company merging with an Affiliate of the Company solely for the purpose and with the sole effect of reincorporating the Company in another jurisdiction in the United States.

For purposes of this Section 5.01, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Company shall be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture and the other Note Documents, and the predecessor Company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the Securities.

(b) Except in a transaction resulting in the release of a Subsidiary Guarantee of a Subsidiary Guarantor, the Company shall not permit any Subsidiary Guarantor to sell or otherwise dispose of all or substantially all of its assets, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another Person (other than the Company or another Subsidiary Guarantor) unless:

(1) immediately after giving effect to such transaction or transactions, on a pro forma basis (and treating any Indebtedness which becomes an Obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction) no Default shall have occurred and be continuing;

(2) the Person acquiring the assets in such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) (the "Successor Guarantor") (A) shall be a Person organized and existing under the laws of the jurisdiction under which the Subsidiary was organized or under the laws of the United States of America, or any state thereof or the District of Columbia and (B) assumes all obligations of the Subsidiary Guarantor under its Subsidiary Guarantee (by a Guaranty Agreement), this Indenture and all Note Documents to which it is a party pursuant to agreements or instruments satisfactory in form to the Trustee;

(3) the Successor Guarantor, if applicable, shall take such action (or agree to take such action) as may be reasonably necessary to cause any property or assets that constitute Collateral owned by or transferred to the Successor Guarantor to be subject to the Liens securing the Notes Obligations in the manner and to the extent required under the Note Documents and shall deliver an Opinion of Counsel as to the enforceability of any amendments, supplements or other instruments with respect to the Note Documents to be executed, delivered, filed and recorded, as applicable, and such other matters as the Trustee or Collateral Agent, as applicable, may reasonably request;

(4) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger and Subsidiary Guarantee of the Successor Guarantor complies with this Indenture; and

(5) the Company provides a certificate from an authorized officer of the Company to the Trustee to the effect that the Company will comply with the obligations under Section 4.06 with respect to such transaction.

## ARTICLE 6
## Defaults and Remedies

SECTION 6.01 Events of Default. An "Event of Default" occurs if:

(1) the Company defaults in any payment of interest on any Security when the same becomes due and payable, and such default continues for a period of 30 days;

(2) the Company (A) defaults in the payment of the principal of any Security when the same becomes due and payable at its Stated Maturity, upon optional redemption, upon declaration of acceleration or otherwise, or (B) fails to purchase Securities when required pursuant to this Indenture or the Securities;

(3) the Company fails to comply with Section 5.01;

(4) the Company fails to comply with Section 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10 or 4.11 (other than a failure to purchase Securities when required under Section 4.06 or 4.08) and such failure continues for 30 days after the notice specified below;

(5) the Company or any Subsidiary Guarantor fails to comply with any of its agreements contained in the Securities or this Indenture (other than those referred to in clause (1), (2), (3) or (4) above) and such failure continues for 60 days (or 120 days in the case of a failure to comply with the reporting obligations under Section 4.02) after the notice specified below;

(6) Indebtedness of the Company, any Subsidiary Guarantor or any Significant Subsidiary is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $10.0 million, or its foreign currency equivalent at the time;

(7) the Company, any Subsidiary Guarantor or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(D) makes a general assignment for the benefit of its creditors; or takes any comparable action under any foreign laws relating to insolvency;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company, any Subsidiary Guarantor or any Significant Subsidiary in an involuntary case;

(B) appoints a Custodian of the Company, any Subsidiary Guarantor or any Significant Subsidiary or for any substantial part of its property; or

(C) orders the winding up or liquidation of the Company, any Subsidiary Guarantor or any Significant Subsidiary;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days;

(9) any judgment or decree for the payment of money in excess of $10.0 million or its foreign currency equivalent at the time such judgment or decree is entered against the Company, any Subsidiary Guarantor or any Significant Subsidiary, remains outstanding for a period of 60 consecutive days following the entry of such judgment or decree and is not discharged, waived or the execution thereof stayed;

(10) any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee) or any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee (other than in accordance with the terms of such Subsidiary Guarantee); or

(11) the occurrence of the following:

(A) except as permitted by the Note Documents, any Note Document establishing the Liens securing the Notes Obligations ceases for any reason to be enforceable; provided that it will not be an Event of Default under this Section 6.01(11)(A) if the sole result of the failure of one or more Note Documents to be fully enforceable is that any Lien purported to be granted under such Note Documents on Collateral, individually or in the aggregate, having a fair market

value of not more than $15.0 million, ceases to be an enforceable and perfected Lien; provided further, that if such failure is susceptible to cure, no Event of Default shall arise with respect thereto until 45 days after any Officer of the Company or any Restricted Subsidiary becomes aware of such failure, which failure has not been cured during such time period;

(B) except as permitted by the Note Documents, any Lien purported to be granted under any Note Document on Collateral, individually or in the aggregate, having a fair market value in excess of $15.0 million, ceases to be an enforceable and perfected second priority Lien, subject to the Intercreditor Agreement and Permitted Liens provided that if such failure is susceptible to cure, no Event of Default shall arise with respect thereto until 45 days after any Officer of the Company or any Restricted Subsidiary becomes aware of such failure, which failure has not been cured during such time period; and

(C) the Company or any other Grantor, or any Person acting on behalf of any of them, denies or disaffirms, in writing, any obligation of the Company or any other Grantor set forth in or arising under any Note Document establishing Liens securing the Notes Obligations.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clauses (4) or (5) is not an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Securities notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any Event of Default under clauses (1), (2), (3), (6), (10) or (11) and any event which with the giving of notice or the lapse of time would become an Event of Default under clauses (4), (5) or (9), its status and what action the Company is taking or proposes to take with respect thereto.

SECTION 6.02 Acceleration. (a) If an Event of Default (other than an Event of Default specified in Section 6.01(7) or (8) with respect to the Company) occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the Securities by notice to the Company and the Trustee, may declare the principal of and accrued but unpaid interest on all the Securities to be due and payable. Upon such a declaration, such principal, interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(7)

or (8) with respect to the Company occurs, the principal of and interest on all the Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Securityholders. The Holders of a majority in principal amount of the Securities by notice to the Trustee and the Company may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

(b) Notwithstanding the foregoing, if an Event of Default under Section 6.01(6) has occurred and is continuing, such Event of Default and any consequential acceleration (to the extent not in violation of any applicable law or in conflict with any judgment or decree of a court of competent jurisdiction) shall be automatically rescinded if (i) the Indebtedness that is the subject of such Event of Default under Section 6.01(6) has been repaid or (ii) if the default relating to such Indebtedness is waived by the holders of such Indebtedness or cured, and if such Indebtedness has been accelerated, then the holders thereof have rescinded their declaration of acceleration with respect thereto, and (iii) any other existing Events of Default, except nonpayment of principal, premium or interest on the Securities that became due solely because of the acceleration of the Securities, have been cured and waived.

SECTION 6.03 Other Remedies. Subject to the Intercreditor Agreement, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04 Waiver of Past Defaults. The Holders of a majority in principal amount of the Securities by notice to the Trustee may waive an existing Default and its consequences except (a) a Default in the payment of the principal of or interest on a Security, (b) a Default arising from the failure to redeem or purchase any Security when required pursuant to this Indenture or (c) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Securityholder affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05 Control by Majority. The Holders of a majority in principal amount of the Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification

satisfactory to it in its sole discretion against all losses, liabilities and expenses caused by taking or not taking such action.

SECTION 6.06 Limitation on Suits. Except to enforce the right to receive payment of principal, premium or interest when due, no Securityholder may pursue any remedy with respect to this Indenture or the Securities unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Holders of at least 25% in principal amount of the Securities make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the Securities do not give the Trustee a direction inconsistent with the request during such 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of another Securityholder or to obtain a preference or priority over another Securityholder. In the event that the Definitive Securities are not issued to any beneficial owner promptly after the Registrar has received a request from the Holder of a Global Security (as defined in the Appendix) to issue such Definitive Securities to such beneficial owner of its nominee, the Company expressly agrees and acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to this Indenture, the right of such beneficial holder of Securities to pursue such remedy with respect to the portion of the Global Security that represents such beneficial holder's Securities as if such Definitive Securities had been issued.

SECTION 6.07 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the Securities held by such Holder, on or after the respective due dates expressed in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08 Collection Suit by Trustee. Subject to the Intercreditor Agreement, if an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee, the Collateral Agent and the Securityholders allowed in any judicial proceedings relative to the Company, its creditors or its property and, unless prohibited by law or

applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent and each of their agents and counsel, and any other amounts due the Trustee or Collateral Agent, as applicable, under Section 7.07.

No provision of this Indenture shall be deemed to authorize the Trustee or Collateral Agent to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, compromise, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee or Collateral Agent to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10 Priorities. Subject to the Intercreditor Agreement, if the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Trustee, the Collateral Agent and their agents for amounts due under Section 7.07;

SECOND: to Securityholders for amounts due and unpaid on the Securities for principal and interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal and interest, respectively; and

THIRD: to the Company as provided in a written direction from the Company.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section. At least 15 days before such record date, the Company shall mail to each Securityholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in aggregate principal amount of the Securities.

SECTION 6.12 Waiver of Stay or Extension Laws. The Company (to the extent it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted

to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

## ARTICLE 7
## Trustee

SECTION 7.01 Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise Incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02 Rights of Trustee.

(a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

(e) The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be deemed to have notice of any Default or Event of Default, except a Default under Sections 6.01(1) or 6.01(2) (but only if the Trustee is also the Paying Agent), unless written notice of any event which is in fact such a Default or Event of Default is received by a Trust Officer at its office described in Section 11.02 herein from the Company or the Holders of 25% in aggregate principal amount of the outstanding Securities, and such notice references the specific Default or Event of Default, the Securities and this Indenture and, in the absence of any such notice, the Trustee may conclusively assume that no such Default or Event of Default exists.

(g) In no event shall the Trustee be liable to any Person for special, punitive, indirect, consequential or incidental loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(h) The Trustee may conclusively rely on and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document (whether in its original, electronic or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be

enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder, including as Collateral Agent.

(j) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or the other Note Documents at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered, and if requested, provided, to the Trustee security or indemnity satisfactory to the Trustee against the losses, liabilities and expenses which may be incurred therein or thereby.

(k) The Trustee shall not be deemed to have knowledge of any fact or matter unless such fact or matter is actually known to a Trust Officer of the Trustee or unless written notice of such fact or matter is received by the Trustee at the corporate trust office of the Trustee specified in Section 11.02.

(l) Whenever in the administration of this Indenture or the other Note Documents the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder or thereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith or willful misconduct on its part, conclusively rely upon an Officers' Certificate.

(m) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(n) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(o) The Trustee may request that the Company delivers an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture or the other Note Documents.

(p) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by one Officer of the Company.

(q) The permissive rights of the Trustee enumerated hereunder shall not be construed as duties.

SECTION 7.03 Individual Rights of Trustee. The Trustee in its individual or any other capacity (including in its capacity as the Collateral Agent) may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee or Collateral Agent. Any Paying Agent, Registrar, co-registrar or co-paying agent may do the same with like rights. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee (if this Indenture has been qualified under the TIA) or resign. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

SECTION 7.04 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Securities or any other Note Documents, it shall not be accountable for the Company's use of its proceeds from the Securities, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee's certificate of authentication.

SECTION 7.05 Notice of Defaults. If a Default occurs, is continuing and is actually known to a Trust Officer of the Trustee, the Trustee shall send to each Securityholder notice of the Default within 90 days after it occurs. Notwithstanding the immediately preceding sentence, except in the case of a Default involving the payment of principal of or interest on any Security (including payments pursuant to the mandatory redemption provisions of such Security, if any), the Trustee may withhold the notice if and so long as the Trustee in good faith determines that withholding the notice is not opposed to the interests of the Securityholders.

SECTION 7.06 TIA and Listings. As promptly as practicable after each [●] 15 beginning with [●], the Trustee shall mail to each Securityholder a brief report dated as of [●]15 that complies with TIA § 313(a) (but if no event described in TIA § 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). During the same time period specified above, the Trustee also shall comply with TIA § 313(b), which section relates to the release or substitution of certain property from the Lien of this Indenture and advances made by the Trustee. The Trustee will also transmit by mail all reports as required by TIA § 313(c).

If this Indenture has been qualified under the TIA, a copy of each report at the time of its mailing to Securityholders shall be filed with the SEC and each stock exchange (if any) on which the Securities are listed in accordance with TIA § 313(d). The Company agrees to notify promptly the Trustee whenever the Securities become listed on any stock exchange and of any delisting thereof.

SECTION 7.07 Compensation and Indemnity. The Company shall pay to the Trustee from time to time reasonable compensation for its services. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses Incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Company shall indemnify the Trustee and its respective officers, directors, employees and agents against any and all loss, liability or expense (including attorneys' fees) Incurred by any of them in connection with the administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee may have separate counsel and the Company shall pay the fees and expenses of such counsel. The Company need not reimburse any expense or indemnify against any loss, liability or expense Incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

To secure the Company's payment obligations in this Section, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Securities.

The Company's payment obligations pursuant to this Section shall survive the discharge of this Indenture and the resignation and removal of the Trustee hereunder. When the Trustee Incurs expenses after the occurrence of a Default specified in Section 6.01(7) or (8) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

The Trustee will comply with the provisions of TIA § 313(b)(2) to the extent applicable.

SECTION 7.08 Replacement of Trustee. The Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the Securities may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount of the Securities and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Securityholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Securityholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10 Eligibility; Disqualification. There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100.0 million as set forth in its most recent published annual report of condition.

This Indenture will always have a Trustee who satisfies the requirements of TIA § 310(a)(1), (2) and (5). The Trustee is subject to TIA § 310(b).

SECTION 7.11 Preferential Collection of Claims Against Company. The Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated.

## ARTICLE 8
## Discharge of Indenture; Defeasance

SECTION 8.01 Discharge of Liability on Securities; Defeasance. (a) When (1) the Company delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.07) for cancellation, (2) all outstanding Securities have become due and payable, whether at maturity or on a redemption date as a result of the mailing of a notice of redemption pursuant to Article 3 hereof or (3) all outstanding Securities not theretofore delivered for cancellation will become due and payable within one year at Stated Maturity or as the result of the giving of a notice of redemption and, in the case of clause (2) or (3), the Company irrevocably deposits with the Trustee cash in U.S. dollars or non-callable U.S. Government Obligation or a combination thereof, in amounts sufficient to pay at maturity or upon redemption all outstanding Securities, including interest thereon to maturity or such redemption date (other than Securities replaced pursuant to Section 2.07), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture and the other Note Documents (insofar as related

to this Indenture and the Securities) shall, subject to Section 8.01(c), cease to be of further effect. The Trustee and Collateral Agent shall acknowledge satisfaction and discharge of this Indenture and other Note Documents (insofar as related to this Indenture and the Securities) on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Sections 8.01(c) and 8.02, the Company at any time may terminate (1) all its obligations under the Securities and this Indenture ("legal defeasance option") or (2) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10 and 4.11 and the operation of Sections 6.01(4), 6.01(5) (but only with respect to the Company's reporting obligations under Section 4.02), 6.01(6), 6.01(7), 6.01(8), 6.01(9), 6.01(10) and 6.01(11) (but, in the case of Sections 6.01(7) and (8), with respect only to Significant Subsidiaries and Subsidiary Guarantors) and the limitations contained in Section 5.01(a)(3) ("covenant defeasance option"). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Company exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default with respect thereto. If the Company exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in Sections 6.01(4), 6.01(5) (but only with respect to the Company's reporting obligations under Section 4.02), 6.01(6), 6.01(7), 6.01(8), 6.01(9), 6.01(10) and 6.01(11) (but, in the case of Sections 6.01(7) and (8), with respect only to Significant Subsidiaries and Subsidiary Guarantors) or because of the failure of the Company to comply with Section 5.01(a)(3). If the Company exercises its legal defeasance option or its covenant defeasance option, each Subsidiary Guarantor, if any, shall be released from all its obligations with respect to its Subsidiary Guarantee, except to the extent necessary to guarantee any of the Company's continuing obligations pursuant to Section 8.01(c) hereof.

Upon satisfaction of the conditions set forth herein, and satisfaction of the other covenants or obligations under the other Note Documents (insofar as related to the Securities and this Indenture), and upon request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates and the Collateral shall be released.

(c) Notwithstanding clauses (a) and (b) above, the Company's obligations in Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 7.07 and 7.08 and in this Article 8 shall survive until the Securities have been paid in full. Thereafter, the Company's obligations in Sections 7.07, 8.04 and 8.05 shall survive.

SECTION 8.02 Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Company irrevocably deposits with the Trustee cash in U.S. dollars or U.S. Government Obligations or a combination thereof for the payment of principal of and interest on the Securities to maturity or redemption, as the case may be;

(2) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of

principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Securities to maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123-day period no Default specified in Sections 6.01(7) or (8) with respect to the Company occurs which is continuing at the end of the period;

(4) the deposit does not constitute a default under any other agreement binding on the Company;

(5) the Company delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(6) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that since the Issue Date (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (B) there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Securityholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(7) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Securityholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(8) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities as contemplated by this Article 8 have been complied with.

Before or after a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date in accordance with Article 3.

SECTION 8.03 Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Securities.

SECTION 8.04 Repayment to the Company. The Trustee and the Paying Agent shall promptly turn over to the Company upon written request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Securityholders entitled to the money must look to the Company for payment as general creditors.

SECTION 8.05 Indemnity for Government Obligations. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06 Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and each Subsidiary Guarantor's obligations under this Indenture, the Securities and other Note Documents (insofar as related to this Indenture and the Securities) shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; provided, however, that, if the Company has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

## ARTICLE 9
## Amendments

SECTION 9.01 Without Consent of Holders. The Company, the Subsidiary Guarantors and the Trustee and the Collateral Agent, if applicable, may amend any of this Indenture, the Securities or the other Note Documents without notice to or consent of any Securityholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Article 5;

(3) to provide for uncertificated Securities in addition to or in place of certificated Securities; provided, however, that the uncertificated Securities are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Securities are described in Section 163(f)(2)(B) of the Code;

(4) to add or release Guarantees with respect to the Securities**,** including any Subsidiary Guarantees, in each case in compliance with the Note Documents;

(5) to add to the covenants of the Company or any Subsidiary Guarantor for the benefit of the Holders or to surrender any right or power herein conferred upon the Company or any Subsidiary Guarantor;

(6) to comply with any requirements of the SEC in connection with qualifying this Indenture under the TIA;

(7) to make any amendment to the provisions of this Indenture relating to the transfer and legending of Securities; provided, however, that (a) compliance with this Indenture as so amended would not result in Securities being transferred in violation of the Securities Act or any other applicable securities law and (b) such amendment does not materially and adversely affect the rights of Holders to transfer Securities;

(8) to make, complete or confirm any grant of Collateral permitted or required by any of the Note Documents;

(9) to release or subordinate Liens on Collateral in accordance with the Note Documents;

(10) to comply with the requirements of any securities depository with respect to the Securities;

(11) with respect to the Note Documents, as provided in the Intercreditor Agreement;

(12) to evidence and provide for the acceptance and appointment (x) under this Indenture of a successor Trustee or Collateral Agent hereunder pursuant to the requirements hereof or (y) under the Note Documents of a successor Trustee or Collateral Agent thereunder pursuant to the requirements thereof;

(13) to make any change that does not adversely affect the rights of any Holder; or

(14) to provide for the issuance of PIK Notes or the increase of the principal amount of the Securities to pay PIK Interest in accordance with the terms of this Indenture.

In addition, the Intercreditor Agreement may be amended in accordance with its terms and without the consent of any Holder or the Trustee with the consent of the parties thereto or otherwise in accordance with its terms, including to add additional Indebtedness as Priority Lien Debt and add other parties (or any authorized agent thereof or trustee therefor) holding such Indebtedness thereto and to establish that the Liens on any Collateral securing such Indebtedness shall rank equally with the Liens on such Collateral securing the other Priority Lien Debt then outstanding, in each case to the extent permitted by the Security Documents. The Intercreditor Agreement will also provide that in certain circumstances the Security Documents may be amended automatically without the consent of the Holders or the Trustee, or the Collateral Agent in connection with any amendments to corresponding security documents creating Priority Liens.

After an amendment under this Section becomes effective, the Company shall mail to Securityholders a notice briefly describing such amendment. The failure to give such notice to all Securityholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.02 With Consent of Holders. The Company, the Subsidiary Guarantors, the Trustee and the Collateral Agent, if applicable, may amend this Indenture, the Securities or the other Note Documents with the written consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including consents obtained in connection with a tender offer or exchange for the Securities), and any past default or compliance with any provisions may also be waived with the consent of the Holders of at least a majority in principal amount of the Securities then outstanding. However, without the consent of each Securityholder affected thereby, an amendment or waiver may not:

(1) reduce the amount of Securities whose Holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Security;

(3) reduce the principal of or extend the Stated Maturity of any Security;

(4) reduce the amount payable upon the redemption of the Securities or change the time at which any Security may be redeemed as described in Article 3 hereto and paragraph 5 of the Securities;

(5) make any Security payable in money other than that stated in the Security;

(6) impair the right of any Holder to receive payment of principal of and interest on such Holder's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Securities;

(7) expressly subordinate the Securities or any Guarantee or otherwise modify the ranking thereof to any other Indebtedness of the Company or the Subsidiary Guarantors;

(8) make any change in the provisions of the Intercreditor Agreement or this Indenture dealing with the application of proceeds of the Collateral that would adversely affect the Securityholders;

(9) make any change in Section 6.04 or 6.07 or the second sentence of this Section; or

(10) make any change in, or release other than in accordance with the provisions of this Indenture, any Subsidiary Guarantee that would adversely affect the Securityholders.

It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment or waiver under this Indenture by any Holder of Securities given in connection with a tender of such Holder's Securities shall not be rendered invalid by such tender.

In addition, any amendment to, or waiver of, the provisions of the Note Documents that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Securities or subordinating Liens securing the Securities (except as permitted by the terms of the Note Documents) will require the consent of the Holders of at least 66-2/3% in principal amount of the Securities then outstanding.

Upon the request of the Company accompanied by a resolution of the Board of Directors authorizing the execution of any supplemental indenture entered into to effect any such amendment, supplement or waiver permitted under the terms of this Section, and upon receipt by the Trustee (and the Collateral Agent to the extent applicable) of the documents described in Section 9.06, the Trustee (and the Collateral Agent to the extent applicable) shall join with the Company in the execution of such supplemental indenture or supplement or amendment to the Note Documents and Intercreditor Agreement. After an amendment under this Section becomes effective, the Company shall send to Securityholders a notice briefly describing such amendment. The failure to give such notice to all Securityholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.03 Compliance with Trust Indenture Act. Subject to Section 11.06, every amendment or supplement to this Indenture or the Securities shall comply with the TIA as then in effect.

SECTION 9.04 Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Securityholder. An amendment or waiver becomes effective upon the execution of such amendment or waiver by the Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Securityholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Securityholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date unless consent from the Holders of the principal amount of Securities required hereunder for such amendment or waiver to be effective also shall have been given and not revoked within such 120-day period.

SECTION 9.05 Notation on or Exchange of Securities. If an amendment changes the terms of a Security, the Trustee may require the Securityholder to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects

the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

SECTION 9.06 Trustee To Sign Amendments. The Trustee and Collateral Agent shall sign any amendment authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the Collateral Agent as applicable. If an amendment adversely affects the rights, duties, liabilities or immunities of the Trustee or Collateral Agent, the Trustee or the Collateral Agent, as applicable, may but need not sign it. In signing any amendment each of the Trustee and the Collateral Agent shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture and the other Note Documents.

SECTION 9.07 Payment for Consent. Neither the Company nor any Affiliate of the Company shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement; provided that if such consents, waivers or amendments are sought in connection with a tender offer or an exchange offer where participation in such tender offer or exchange offer is limited to Holders who are "qualified institutional buyers" as defined in Rule 144A under the Securities Act, or non-U.S. persons, within the meaning given to such term in Regulation S under the Securities Act, then such consideration need only be offered to all Holders to whom the tender offer or exchange offer is made and to be paid to all such Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

## ARTICLE 10
## Subsidiary Guarantees

SECTION 10.01 Guarantees. Each Subsidiary Guarantor hereby unconditionally and irrevocably guarantees, jointly and severally, to each Holder, the Trustee and the Collateral Agent and its successors and assigns (a) the full and punctual payment of principal of and interest on the Securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Company under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Subsidiary Guarantor and that such Subsidiary Guarantor will remain bound under this Article 10 notwithstanding any extension or renewal of any Obligation.

Each Subsidiary Guarantor waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Subsidiary Guarantor waives notice of any default under the Securities or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be

affected by (1) the failure of any Holder or the Trustee or the Collateral Agent to assert any claim or demand or to enforce any right or remedy against the Company or any other Person (including any Subsidiary Guarantor) under any of the Note Documents or any other agreement or otherwise; (2) any extension or renewal of any Note Document; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of the Note Documents or any other agreement; (4) the release of any security held by any Holder, the Trustee or the Collateral Agent for the Guaranteed Obligations or any of them; (5) the failure of any Holder, or the Trustee and Collateral Agent to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) except, as set forth in Section 10.06, any change in the ownership of such Subsidiary Guarantor.

Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

Except as expressly set forth in Sections 8.01(b), 10.02 or 10.06, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Subsidiary Guarantor or would otherwise operate as a discharge of such Subsidiary Guarantor as a matter of law or equity.

Each Subsidiary Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Obligation, each Subsidiary Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders, the Trustee or the Collateral Agent, as applicable, an amount equal to the sum of (A) the unpaid amount of such Guaranteed Obligations, (B) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (C) all other monetary Guaranteed Obligations of the Company to the Holders, the Trustee or the Collateral Agent.

Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders, the Trustee and the Collateral Agent, on the other hand, (i) the maturity of the Guaranteed Obligations hereby may be accelerated as provided in Article 6 for the purposes of such Subsidiary Guarantor's Subsidiary Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of this Section.

Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) Incurred by the Trustee, the Collateral Agent or any Holder in enforcing any rights under this Section.

SECTION 10.02 Limitation on Liability. Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

SECTION 10.03 Successors and Assigns. This Article 10 shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall enure to the benefit of the successors and assigns of the Trustee, the Collateral Agent and the Holders and, in the event of any transfer or assignment of rights by any Holder, the Trustee or the Collateral Agent, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 10.04 No Waiver. Neither a failure nor a delay on the part of either the Trustee, the Collateral Agent or the Holders in exercising any right, power or privilege under this Article 10 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee, the Collateral Agent and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 10 at law, in equity, by statute or otherwise.

SECTION 10.05 Modification. No modification, amendment or waiver of any provision of this Article 10, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 10.06 Release of Subsidiary Guarantor. A Subsidiary Guarantor will be automatically and unconditionally released from its obligations under this Article 10 (other than any obligation that may have arisen under Section 10.07):

(1) in connection with any sale or other disposition of the Capital Stock of a Subsidiary Guarantor (including by way of merger or consolidation) other than to the Company or a Restricted Subsidiary of the Company, if such transaction at the time of such disposition complies with Section 4.06 hereof and the Subsidiary Guarantor ceases to be a Restricted Subsidiary of the Company as a result of such transaction;

(2) if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the provisions of this Indenture;

(3) if the Company effects either its legal defeasance option or its covenant defeasance option in accordance with Section 8.01(b) hereof or if it satisfies and discharges this Indenture in accord with Section 8.01(a) hereof; or

(4) unless a Default or Event of Default has occurred and is continuing, at such time as such Subsidiary Guarantor ceases to guarantee any other Indebtedness of the Company or any other Subsidiary Guarantor under a Credit Facility.

At the request of the Company, the Trustee and the Collateral Agent, as applicable shall execute and deliver such instrument reasonably requested by the Company or such Subsidiary Guarantor evidencing such release.

SECTION 10.07 Contribution. Each Subsidiary Guarantor that makes a payment under its Subsidiary Guarantee shall be entitled upon payment in full of all Guaranteed Obligations under this Indenture to a contribution from each other Subsidiary Guarantor in an amount equal to such other Subsidiary Guarantor's pro rata portion of such payment based on the respective net assets of all the Subsidiary Guarantors at the time of such payment determined in accordance with GAAP.

## ARTICLE 11
## Miscellaneous

SECTION 11.01 Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA §318(c), the imposed duties will control.

SECTION 11.02 Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Company or any Subsidiary Guarantor:

[PetroQuest Energy, Inc.]
400 E. Kaliste Saloom Road, Suite 6000
Lafayette, Louisiana 70508
Attention of Chief Financial Officer

if to the Trustee or Collateral Agent:

Wilmington Trust, National Association
Global Capital Markets
15950 N. Dallas Parkway, Suite 550
Dallas, TX 75248
Attention: PetroQuest Energy Secured Notes Administrator

The Company, any Subsidiary Guarantor, the Trustee or the Collateral Agent by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Securityholder shall be mailed to the Securityholder at the Securityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed. Any notice or communication will also be so mailed to any Person described in TIA § 313(c), to the extent required by the TIA. Notwithstanding any provision of this Indenture to the contrary, so long as the Securities are evidenced by Global Securities, any notice to the Securityholders shall be sufficient if given in accordance with the applicable procedures of the Depository within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Any notice or communication to the Company or any Subsidiary Guarantor shall be deemed given or made as of the date so delivered if personally delivered or if delivered electronically, in pdf format; when receipt is acknowledged, if telecopied; and seven calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee). Any notice or communication to the Trustee or Collateral Agent shall only be deemed delivered upon receipt.

If a notice or communication is sent in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee or Collateral Agent shall be effective only upon receipt.

Notwithstanding any other provision of this Indenture or the Securities, where this Indenture or any Security provides for notice of any event (including any notice of redemption or purchase) to a Securityholder of a global note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depository.

SECTION 11.03 Communication by Holders with Other Holders. Securityholders may communicate pursuant to TIA § 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Company, any Subsidiary Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

SECTION 11.04 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 11.05 Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than a certificate provided pursuant to TIA § 314(a)(4)) must comply with the provisions of TIA § 314(e) and shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 11.06 When Securities Disregarded. Notwithstanding anything to the contrary in this Indenture or any other Notes Document, Section 316(a) of the TIA (including the last sentence thereof) is hereby expressly excluded from this Indenture and the other Notes Documents for all purposes. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver, consent or approval or other action of Holders, Securities owned by the Company, any Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Guarantor shall be disregarded and deemed not to be outstanding, except that (i) Securities owned by Specified Holders shall not be so disregarded and (ii) for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver, consent approval or other action of Holders, only Securities which the Trustee knows are so owned shall be so disregarded. Securities so owned that have been pledged in good faith shall not be so disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver, consent, approval or other action of Holders with respect to the Securities and that the pledgee is not the Company any Guarantor or any other Subsidiary of the Company. Also, subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

SECTION 11.07 Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Securityholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 11.08 Legal Holidays. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 11.09 Governing Law. This Indenture and the Securities shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 11.10 Force Majeure. Neither the Trustee nor the Collateral Agent shall Incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility); it being understood that the Trustee and the Collateral Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 11.11 Waiver of Jury Trial. EACH OF THE COMPANY, THE SUBSIDIARY GUARANTORS, THE TRUSTEE AND THE COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES, THE GUARANTEES, THE GUARANTY AGREEMENTS, THE OTHER NOTE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 11.12 No Recourse Against Others. A director, officer, employee, incorporator or stockholder, as such, of the Company or any Subsidiary Guarantor shall not have any liability for any obligations of the Company under the Securities or this Indenture or of such Subsidiary Guarantor under its Subsidiary Guarantee, this Indenture or any other Note Document or for any claim based on, in respect of, or by reason of such obligations or their creation. By accepting a Security, each Securityholder shall waive and release all such claims and liability. The waiver and release shall be part of the consideration for the issue of the Securities.

SECTION 11.13 Successors. All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 11.14 Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective

execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes.

SECTION 11.15 Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 11.16 Severability. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

## ARTICLE 12
## Collateral and Security

SECTION 12.01 Security Interest.

(a) The due and punctual payment of the Obligations on the Securities and the Obligations of the Subsidiary Guarantors under the Subsidiary Guarantees, when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise and interest on the overdue principal of, premium, if any and interest (to the extent permitted by law), on the Securities, the Subsidiary Guarantees and performance and payment of all other obligations of the Company and the Subsidiary Guarantors to the Holders or the Trustee and/or the Collateral Agent under the Note Documents, according to the terms hereunder or thereunder (collectively, the "Notes Obligations"), are secured as provided in the Security Documents. The Company and the Subsidiary Guarantors consent and agree to be bound by the terms of the Security Documents to which they are parties, as the same may be in effect from time to time, and agree to perform their obligations thereunder in accordance therewith. The Company and the Subsidiary Guarantors hereby agree that the Collateral Agent shall hold the Collateral on behalf of and for the benefit of all of the Holders pursuant to the terms hereof and the Security Documents, and subject to the terms of the Intercreditor Agreement.

(b) Each Holder of Securities, by its acceptance thereof and of the Guarantees and Guaranty Agreements, consents and agrees to the terms of the Security Documents (including, without limitation, the provisions providing for possession, use, foreclosure and release of Collateral and amendments to the Security Documents) as the same may be in effect or may be amended from time to time in accordance with their terms, and authorizes and appoints Wilmington Trust, National Association as the Collateral Agent. Each Holder of Securities, by accepting the Securities and the Subsidiary Guarantees of the Subsidiary Guarantors, hereby authorizes and directs the Collateral Agent to enter into the Security Documents and to perform its obligations and exercise its rights thereunder in accordance therewith, subject to the terms and conditions thereof. The Collateral Agent hereby accepts such designation and appointment as the Collateral Agent under the Indenture and agrees to act as the Collateral Agent on the conditions contained in this Indenture. Each Holder agrees that any action taken by the Collateral Agent in accordance with the provisions of this Indenture, the Security Documents and the Intercreditor Agreement, and the exercise by the Collateral Agent of any rights or remedies as are expressly set forth herein and therein, shall be binding upon the Holders.

SECTION 12.02 [Reserved].

SECTION 12.03 Further Assurances; Liens on Additional Property. (a) The Company and the Subsidiary Guarantors shall do or cause to be done all acts and things that may be required, or that the Collateral Agent from time to time may reasonably request, to assure and confirm that the Collateral Agent holds, for the benefit of the Holders of Securities, duly created and enforceable and perfected Liens upon the Collateral (including any property or assets constituting Collateral (subject to the Intercreditor Agreement and Permitted Collateral Liens) that are acquired or otherwise become, Collateral after the Issue Date), in each case, as contemplated by, and, with the Lien priority required under, the Security Documents, and in connection with any merger, consolidation or sale of assets of the Company, the property and assets of the Person which is consolidated or merged with or into the Company, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Company shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the Liens securing the Notes Obligations, in the manner and to the extent required under the Security Documents.

(b) Upon the reasonable request of the Collateral Agent (it being understood that the Collateral Agent shall have no duty to make such request) at any time and from time to time, each of the Company and the Subsidiary Guarantors shall promptly execute, acknowledge and deliver such Security Documents, instruments, certificates, notices and other documents, and take such other actions as shall be reasonably required, or that the Collateral Agent may reasonably request, to create, perfect, protect, assure or enforce the Liens and benefits intended to be conferred, in each case as contemplated by the Notes Documents for the benefit of the Holders of Securities; provided, that no such Security Document, instrument or other document shall be materially more burdensome upon the Company and the Subsidiary Guarantors than the Notes Documents executed and delivered (or required to be executed and delivered promptly after the Issue Date) by the Company and the Subsidiary Guarantors in connection with the issuance of the Securities on or about the Issue Date.

(c) Notwithstanding anything to the contrary in this Indenture or the Security Documents, and subject to the Intercreditor Agreement, the Company and the Subsidiary Guarantors shall not be required to take any action to perfect a security interest in any Collateral other than (i) to file financing or continuation statements under the Uniform Commercial Code (or similar laws) in effect in any jurisdiction with respect to the security interests created under the Security Documents, and (ii) transferring Collateral to the Collateral Agent's (or the Priority Lien Agent's, as set forth in the Intercreditor Agreement) possession (if the security interest in such Collateral can only be perfected by possession).

(d) In addition, from and after the Issue Date, if the Company acquires equity interests in any Subsidiary that is required to become a Guarantor pursuant to Section 4.11, the Company shall promptly (but not in any event later than the date that is 20 Business Days after the acquisition of such equity interests), to the extent permitted by applicable law, execute and deliver to the Collateral Agent appropriate security documents (or amendments thereto) in such form as shall be necessary to grant the Collateral Agent a valid and enforceable perfected second-priority Lien (subject to the Intercreditor Agreement and to Permitted Collateral Liens) on the capital stock of such Subsidiary or take such other actions in favor of the Collateral Agent, for the benefit of the

Securityholders, as shall be reasonably necessary to grant the Collateral Agent a valid and enforceable perfected second-priority Lien on such Collateral to the Collateral Agent for the benefit of the Holders, subject to the terms of this Indenture, the Intercreditor Agreement and the other Note Documents.

SECTION 12.04 Intercreditor Agreement. This Article 12 and the provisions of each Security Document are subject to the terms, conditions and benefits set forth in the Intercreditor Agreement. The Company and each Subsidiary Guarantor consents to, and agrees to be bound by, the terms of the Intercreditor Agreement, as the same may be in effect from time to time, and to perform its obligations thereunder in accordance with the terms thereof. Each Holder of Securities, by its acceptance of the Securities (a) consents to the subordination of Liens provided for in the Intercreditor Agreement, (b) agrees that it will be bound by, and will take no actions contrary to, the provisions of the Intercreditor Agreement and (c) authorizes and instructs the Collateral Agent on behalf of each Holder to enter into the Intercreditor Agreement as a Second Priority Agent (as defined in the Intercreditor Agreement) on behalf of such Holders and binding such Holders to the terms thereof as Second Priority Secured Parties (as defined in the Intercreditor Agreement). In addition, each Holder authorizes and instructs the Collateral Agent to enter into any amendments or joinders to the Intercreditor Agreement, without the consent of any Holder, to add additional Indebtedness as Priority Lien Debt or other Indebtedness that is secured by a Lien on the Collateral that is permitted under this Indenture to be pari passu with or junior to the Liens securing the Notes Obligations and add other parties (or any authorized agent or trustee therefor) holding such Indebtedness thereto and to establish that the Lien on any Collateral securing such Indebtedness ranks equally with the Liens on such Collateral securing the other Priority Lien Debt then outstanding, in each case, where the Incurrence of such secured Indebtedness is permitted by this Indenture. The foregoing provisions are intended as an inducement to the lenders under the Priority Lien Credit Agreement to extend credit to the Company and certain of the Subsidiaries, and such lenders are intended third party beneficiaries of such provisions and the provisions of the Intercreditor Agreement.

SECTION 12.05 Release of Liens in Respect of Securities. The Collateral Agent's Liens upon the Collateral will no longer secure the Securities outstanding under this Indenture or any other Notes Obligations, and the right of the Holders to the benefits and proceeds of the Collateral Agent's Liens on the Collateral will terminate and be discharged:

(a) upon satisfaction and discharge of this Indenture in accordance with Section 8.01(a) hereof;

(b) upon legal defeasance or covenant defeasance in accordance with Section 8.01(b) hereof;

(c) upon payment in full in cash and discharge of all Securities outstanding under this Indenture and all other Notes Obligations that are outstanding, due and payable under this Indenture and the other Note Documents at the time the Securities are paid in full in cash and discharged;

(d) as to any Collateral that is sold, transferred or otherwise disposed of by the Company to a Person that is not (either before or after such sale, transfer or disposition) the

Company or a Restricted Subsidiary of the Company in a transaction or other circumstance that complies with Section 4.06 (other than the obligation to apply Net Available Cash as provided in such section) and is permitted by all of the other Note Documents, at the time of such sale, transfer or other disposition or to the extent of the interest sold, transferred or otherwise disposed of; provided that the Collateral Agent's Liens upon the Collateral will not be released if the sale or disposition is subject to Section 5.01;

(e) in whole or in part, with the consent of the Holders of the requisite percentage of aggregate principal amount of Securities in accordance with Section 9.02 hereof; or

(f) if and to the extent required by Section 5.1 of the Intercreditor Agreement.

With respect to any release of Collateral, upon receipt of an Officers' Certificate and Opinion of Counsel each stating that all conditions precedent under this Indenture and the Security Documents and the Intercreditor Agreement to such release have been satisfied and any necessary or proper instruments of termination, satisfaction or release with respect to such Collateral prepared by the Company, the Collateral Agent shall execute, deliver or acknowledge (at the Company's expense) such instruments to evidence the release or discharge of any Collateral permitted to be released pursuant to this Indenture, the Security Documents or the Intercreditor Agreement. The Collateral Agent shall not be liable for any such release undertaken in reliance upon any such Officers' Certificate or Opinion of Counsel.

The release of any Collateral from the terms of the Security Documents shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to this Indenture and the Security Documents. To the extent permitted under the TIA and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, the fair value of Collateral released from the Liens and security interest created by this Indenture and the Security Documents pursuant to the terms of the Security Documents shall not be considered in determining whether the aggregate fair value of the Collateral released from the Liens and security interest created by this Indenture and the Security Documents in any calendar year exceeds the 10% threshold specified in TIA § 314(d)(1). Notwithstanding anything to the contrary in this paragraph, the Company will not be required to comply with all or any portion of TIA §314(d) if under the terms of TIA §314(d) and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or any portion of TIA §314(d) is inapplicable to one or a series of released Collateral.

SECTION 12.06 Collateral Agent. (a) The Collateral Agent will hold (directly or through co-trustees or agents) and, subject to the terms of the Intercreditor Agreement, will be entitled to enforce all Liens on the Collateral created by the Security Documents.

(b) The Collateral Agent will not be obligated:

(1) to act upon directions purported to be delivered to it by any Person;

(2) to foreclose upon or otherwise enforce any Lien; or

(3) to take any other action whatsoever with regard to any or all of the Security Documents, the Liens created thereby or the Collateral.

(c) By accepting a Security, each Holder is deemed to authorize the Collateral Agent to release or subordinate any Collateral that is permitted to be sold, reclassified or released or be subject to a Priority Lien pursuant to the terms of this Indenture and the Security Documents. By accepting a Security, each Holder is deemed to authorize the Collateral Agent to execute and deliver to the Company, at the Company's sole cost and expense, any and all releases of Liens, termination statements, assignments or other documents reasonably requested by the Company in connection with any sale, reclassification or other disposition of Collateral to the extent such sale, reclassification or other disposition, and such release of Liens, is permitted by the terms of this Indenture and the Security Documents.

(d) Neither the Trustee nor the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents shall be responsible for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or Lien granted under the Security Documents or any agreement or instrument contemplated hereby or thereby, (ii) the filing, re-filing, recording, re-recording or continuing of any document, financing statement, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iii) providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to the Collateral. The actions described in clauses (i) through (iii) shall be the sole responsibility of the Company and the Subsidiary Guarantors. The Collateral Agent hereby disclaims any representation or warranty to each current and future Holder of the Securities and Note Obligations concerning the perfection of the security interests granted to it or in the value of any Collateral.

(e) Neither the Trustee nor the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any Collateral, for the legality, enforceability, effectiveness, or sufficiency of the Collateral Documents, for the creation, perfection, priority, sufficiency or protection of any Lien, including without limitation not being responsible for payment of any Taxes, charges or assessments upon the Collateral or otherwise as to the maintenance of the Collateral, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Collateral Documents or any delay in doing so. Neither the Trustee nor the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for making any filings or recordings to perfect or maintain the perfection of the Collateral Agent's Lien in the Collateral, including without limitation, the filing of any UCC financing statements, continuation statements or any other filings.

(f) The Company shall furnish to the Trustee, at such time as required by the TIA, such Opinions of Counsel and certificates or opinions of engineers, appraisers or other experts as may be required by Section 314(b) or 314(d) of the TIA and shall take such other action as may be necessary to cause TIA Section 314(d) relating to the release of Collateral from the security interests created by this Indenture and the Security Documents to be complied with. Any certificate or opinion required by TIA Section 314(d) may be made by an Officer of the Company, except in cases where TIA Section 314(d) requires that such certificate or opinion be made by an

independent Person, which Person shall be an independent engineer, appraiser or other expert selected or approved by the Trustee in the exercise of reasonable care. A Person is "independent" if such Person (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in the Company or in any Affiliate of the Company and (c) is not an officer, employee, promoter, underwriter, trustee, partner or director or person performing similar functions to any of the foregoing for the Company. The Trustee and the Collateral Agent shall be entitled to receive and rely upon a certificate provided by any such Person confirming that such Person is independent within the foregoing definition.

(g) In acting under this Indenture and, whether or not expressly stated therein, under each other Notes Document, the Collateral Agent shall be entitled to all of the rights, privileges, immunities and indemnities granted to the Trustee in Article 7 hereof, including without limitation, the right to compensation and indemnity set forth in Section 7.07, as if the references to Trustee in such applicable provisions of Article 7 were references to Collateral Agent.

(h) The Collateral Agent will not be responsible or liable for any action taken or omitted to be taken by it hereunder or under any other Security Document, except for its own gross negligence or willful misconduct as determined by a non-appealable final order or judgment of a court of competent jurisdiction. No implied covenants, functions, responsibilities, duties, obligations or liabilities, whether arising under statute, common law or otherwise shall be read into this Indenture, Security Documents or the Intercreditor Agreement, or otherwise exist against the Collateral Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Indenture with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Collateral Agent will not be required to take any action that is contrary to applicable law or any provision of this Indenture, the Security Documents or the Intercreditor Agreement and will not have any duty to take any discretionary action or exercise any discretionary powers. Prior to taking any action, the Collateral Agent will be entitled to seek direction from the Trustee or the Holders of a majority in aggregate principal amount of the Securities outstanding.

(i) No provision of this Indenture, the Security Documents or the Intercreditor Agreement will require the Collateral Agent to advance or expend any of its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its powers or rights hereunder or thereunder (or any omission to perform or take any action at the request or direction of the Holders) unless it has been provided with security or indemnity satisfactory to the Collateral Agent against any and all loss, liability or expense which may be incurred by it by reason of taking or continuing to take or omitting to take such action relating thereto. Notwithstanding anything to the contrary contained in this Indenture, the Security Documents or the Intercreditor Agreement, in the event the Collateral Agent is entitled or required to commence an action to foreclose or otherwise exercise its remedies to acquire control or possession of the Collateral, the Collateral Agent shall not be required to commence any such action or exercise any remedy or to inspect or conduct any studies of any property under the mortgages or take any such other action if the Collateral Agent has determined that the Collateral Agent may incur personal liability as a result of the presence at, or release on or from, the Collateral or such property, of any hazardous substances unless the Collateral Agent has received security or indemnity from the Holders in an

amount and in a form all satisfactory to the Collateral Agent in its sole discretion, protecting the Collateral Agent from all such liability. The Collateral Agent shall at any time be entitled to cease taking any action described in this paragraph (i) if it no longer reasonably deems any indemnity, security or undertaking from the Company or the Holders to be sufficient.

(j) Beyond the exercise of reasonable care in the custody of Collateral in its possession or control, the Collateral Agent will have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto.

(k) The Collateral Agent may resign or be removed and a successor collateral agent be appointed, all in accordance with the provisions of Section 7.08 and 7.09 hereof, as if references to Trustee therein were references to Collateral Agent.

SECTION 12.07 Limitations on Pledged Equity Interests. To the extent that Rule 3-16 of Regulation S-X under the Securities Act requires or is amended, modified or interpreted by the SEC to require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, that would require) the filing with the SEC (or any other governmental agency) of separate financial statements of any Restricted Subsidiary due to the fact that such Restricted Subsidiary's equity interests secure the Securities, then the equity interests of such Restricted Subsidiary shall automatically be deemed not to be part of the Collateral. In such event, the Note Documents may be amended or modified, without the consent of any Holder and notwithstanding anything to the contrary in Article 9, to the extent necessary to release the Liens for the benefit of the Securities on the equity interests that are so deemed to no longer constitute part of the Collateral, all at the written request and certification by the Company, upon which the Trustee may conclusively rely. In the event that Rule 3-16 of Regulation S-X under the Securities Act is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would permit) such Restricted Subsidiary's equity interests to secure the Securities and the Guarantees in excess of the amount then pledged without the filing with the SEC (or any other governmental agency) of separate financial statements of such Restricted Subsidiary, then the equity interests of such Restricted Subsidiary shall automatically be deemed to be a part of the Collateral (but only to the extent such Restricted Subsidiary would not be subject to any such financial statement requirement). In such event, the Note Documents may be amended or modified, without the consent of any Holder, to the extent necessary to subject such equity interests to the Liens under the Note Documents.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

[PETROQUEST ENERGY, INC.]

By: _____
Name: J. Bond Clement
Title: Executive Vice President, Chief Financial Officer and Treasurer

**SUBSIDIARY GUARANTOR:**

PETROQUEST ENERGY, L.L.C.,

By: _____
Name: J. Bond Clement
Title: Executive Vice President, Chief Financial Officer and Treasurer

**TRUSTEE AND COLLATERAL AGENT:**

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee and Collateral Agent

By: _____
Name:
Title:

**APPENDIX**

# PROVISIONS RELATING TO SECURITIES

## 1. Definitions

### 1.1 Definitions

Capitalized terms used in this Appendix and not otherwise defined shall have the meanings provided in the Indenture. For the purposes of this Appendix and the Indenture as a whole, the following terms shall have the meanings indicated below:

"Definitive Security" means a certificated Security that does not include the Global Securities Legend.

"Depository" means The Depository Trust Company, its nominees and their respective successors.

"Global Securities" has the meaning set forth in Section 2.1 hereof.

"Global Securities Legend" means the legend set forth under that caption in Exhibit A to the Indenture.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the Issue Date, among the Company, the Subsidiary Guarantors and the other parties named therein, as such agreement may be amended, modified or supplemented from time to time.

"Securities Custodian" means the custodian with respect to a Global Security (as appointed by the Depository) or any successor Person thereto and shall initially be the Trustee.

### 1.2 Other Definitions

| Term: | Defined in Section: |
|---|---|
| "Agent Members" | 2.1(c) |
| "Global Security" | 2.1(b) |

## 2. The Securities

### 2.1 Form and Dating

The Securities shall be issued in the form of one or more global notes (a "Global Security" and are collectively referred to herein as "Global Securities"). The aggregate principal amount of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depository or its nominee and on the schedules thereto as hereinafter provided.

The Company shall execute and the Trustee shall, pursuant to an order of the Company signed by two Officers, authenticate and deliver initially one or more Global Securities that (i) shall be registered in the name of the Depository for such Global Security or Global Securities or the

nominee of such Depository and (ii) shall be delivered by the Trustee to such Depository or pursuant to such Depository's instructions or held by the Trustee as Securities Custodian.

Members of, or participants in, the Depository ("Agent Members") shall have no rights under the Indenture with respect to any Global Security held on their behalf by the Depository or by the Trustee as Securities Custodian or under such Global Security, and the Company, the Trustee and any agent of the Company or the Trustee shall be entitled to treat the Depository as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices of such Depository governing the exercise of the rights of a holder of a beneficial interest in any Global Security.

Except as provided in Section 2.3 or 2.4, owners of beneficial interests in Global Securities shall not be entitled to receive physical delivery of certificated Securities.

**2.2** Authentication. The Trustee shall authenticate and deliver (a) on the Issue Date, an aggregate principal amount of $80,000,000 of 10% Senior Secured PIK Notes due 2024, and (b) subject to the terms of the Indenture, any PIK Notes in an aggregate principal amount specified in the written order of the Company pursuant to Section 2.02 of the Indenture, in each case upon a written order of the Company signed by two Officers or by an Officer and either an Assistant Treasurer or an Assistant Secretary of the Company. Such order shall specify the amount of the Securities to be authenticated and the date on which the original issue of Securities is to be authenticated.

**2.3** Transfer and Exchange.

(a) Transfer and Exchange of Definitive Securities. When Definitive Securities are presented to the Registrar with a request:

(i) to register the transfer of such Definitive Securities; or

(ii) to exchange such Definitive Securities for an equal principal amount of Definitive Securities of other authorized denominations,

the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; provided, however, that the Definitive Securities surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, duly executed by the Holder thereof or its attorney duly authorized in writing.

(b) Restrictions on Transfer of a Definitive Security for a Beneficial Interest in a Global Security. A Definitive Security may not be exchanged for a beneficial interest in a Global Security except upon satisfaction of the requirements set forth below. Upon receipt by the Registrar of a Definitive Security, duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, together with written instructions directing the Trustee to make, or to

direct the Securities Custodian to make, an adjustment on its books and records with respect to such Global Security to reflect an increase in the aggregate principal amount of the Securities represented by the Global Security, such instructions to contain information regarding the Depository account to be credited with such increase, then the Trustee shall cancel such Definitive Security and cause, or direct the Securities Custodian to cause, in accordance with the standing instructions and procedures existing between the Depository and the Securities Custodian, the aggregate principal amount of Securities represented by the Global Security to be increased by the aggregate principal amount of the Definitive Security to be exchanged and shall credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Global Security equal to the principal amount of the Definitive Security so cancelled. If no Global Securities are then outstanding and the Global Security has not been previously exchanged for certificated Securities pursuant to Section 2.4, the Company shall issue and the Trustee shall authenticate, upon written order of the Company in the form of an Officers' Certificate, a new Global Security in the appropriate principal amount.

(c) Transfer and Exchange of Global Securities. (i) The transfer and exchange of Global Securities or beneficial interests therein shall be effected through the Depository, in accordance with the Indenture (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depository therefor. A transferor of a beneficial interest in a Global Security shall deliver to the Registrar a written order given in accordance with the Depository's procedures containing information regarding the participant account of the Depository to be credited with a beneficial interest in such Global Security. The Registrar shall in accordance with such instructions instruct the Depository to credit to the account of the Person specified in such instructions a beneficial interest in the applicable Global Security and to debit the account of the Person making the transfer the beneficial interest in the Global Security being transferred.

(i) If the proposed transfer is a transfer of a beneficial interest in one Global Security to a beneficial interest in another Global Security, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Security to which such interest is being transferred in an amount equal to the principal amount of the interest to be so transferred, and the Registrar shall reflect on its books and records the date and a corresponding decrease in the principal amount of the Global Security from which such interest is being transferred.

(ii) Notwithstanding any other provisions of this Appendix (other than the provisions set forth in Section 2.4), a Global Security may not be transferred as a whole except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(d) Cancellation or Adjustment of Global Security. At such time as all beneficial interests in a Global Security have either been exchanged for Definitive Securities, redeemed, purchased or cancelled, such Global Security shall be returned to the Depository for cancellation or retained and cancelled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for Definitive Securities, transferred in exchange for an interest in another Global Security, redeemed, purchased or cancelled, the principal amount of Securities represented by such Global Security shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Securities Custodian for such Global Security) with respect to such Global Security, by the Trustee or the Securities Custodian, to reflect such reduction, and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security, such other Global Security will be increased accordingly and an endorsement shall be made on such Global Security by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(e) Obligations with Respect to Transfers and Exchanges of Securities

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate, Definitive Securities and Global Securities at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchanges pursuant to Sections 2.07, 3.06, 4.06, 4.08 and 9.05 of the Indenture).

(iii) Prior to the due presentation for registration of transfer of any Security, the Company, the Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and none of the Company, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Securities issued upon any transfer or exchange pursuant to the terms of the Indenture shall evidence the same debt and shall be entitled to the same benefits under the Indenture as the Securities surrendered upon such transfer or exchange.

(f) No Obligation of the Trustee

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Security, a member of, or a participant in the Depository or any other Person with respect to the accuracy of the records of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Securities or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depository) of any notice (including any notice of redemption) or the payment of any amount, under or with respect to such Securities. All notices and communications to be given to the Holders and all payments to be made to Holders under the Securities shall be given or made only to or upon the order of the registered Holders (which shall be the Depository or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through the Depository subject to the applicable rules and procedures of the Depository. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depository participants, members or beneficial owners in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of the Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

**2.4** Definitive Securities. (a) A Global Security deposited with the Depository or with the Trustee as Securities Custodian for the Depository pursuant to Section 2.1 shall be transferred to the beneficial owners thereof in the form of Definitive Securities in an aggregate principal amount equal to the principal amount of such Global Security, in exchange for such Global Security, only if such transfer complies with Section 2.3 hereof and (i) the Depository notifies the Company that it is unwilling or unable to continue as Depository for such Global Security and the Depository fails to appoint a successor depository or if at any time such Depository ceases to be a "clearing agency" registered under the Exchange Act, and, in either case, a successor depository is not appointed by the Company within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing or (iii) the Company, in its sole discretion, notifies the Trustee in writing that it elects to cause the issuance of certificated Securities under the Indenture.

(b) Any Global Security that is transferable to the beneficial owners thereof pursuant to this Section 2.4 shall be surrendered by the Depository to the Trustee located at its principal corporate trust office to be so transferred, in whole or from time to time in part, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Security, an equal aggregate principal amount of Definitive Securities of authorized denominations. Any portion of a Global Security transferred pursuant to this Section 2.4 shall be executed, authenticated and delivered only in minimum denominations of $1.00 principal amount and any integral multiple thereof and registered in such names as the Depository shall direct.

(c) Subject to the provisions of Section 2.4(b) hereof, the registered Holder of a Global Security shall be entitled to grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under the Indenture or the Securities.

(d) In the event of the occurrence of any of the events specified in Section 2.4(a)(i), (ii) or (iii) hereof, the Company shall promptly make available to the Trustee a reasonable supply of Definitive Securities in definitive, fully registered form without interest coupons. In the event that such Definitive Securities are not issued, the Company expressly acknowledges, with respect to the right of any Holder to pursue a remedy pursuant to Section 6.06 or 6.07 of the Indenture, the right of any beneficial owner of Securities to pursue such remedy with respect to the portion of the Global Security that represents such beneficial owner's Securities as if such Definitive Securities had been issued.

EXHIBIT A

[FORM OF FACE OF SECURITY]

[Global Securities Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

No. $
CUSIP No.
ISIN

10% Senior Secured PIK Notes Due 2024

[PetroQuest Energy, Inc.], a Delaware corporation, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Dollars [as may be increased or decreased as set forth on the attached Schedule of Increases or Decreases in Global Security] on [•], 2024.

Interest Payment Dates: [●] 15 and [●] 15.

Record Dates: [●] 1 and [●] 1.

Additional provisions of this Security are set forth on the other side of this Security.

Dated:

**[PETROQUEST ENERGY, INC.]**

By:_____
Name:
Title:

By:_____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

**WILMINGTON TRUST, NATIONAL ASSOCIATION**
as Trustee, certifies that this is one of the Securities referred to in the Indenture.

By:_____
Authorized Signature

[FORM OF REVERSE SIDE OF SECURITY]

10% Senior Secured PIK Notes Due 2024

**1. Interest**

[PetroQuest Energy, Inc.], a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company") promises to pay interest on the principal amount of this Security (including any PIK Notes and increases in principal amount as a result of the payment of PIK Interest) at the rate per annum shown above. The Company shall pay interest semiannually in arrears on [●] 15 and [●] 15 of each year, commencing [●] 15, 2019. Interest on the Securities shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from [●], 2019. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay interest on overdue principal at the rate borne by this Security plus 1.0% per annum, and it will pay interest on overdue installments of Cash Interest or PIK Interest at the same rate to the extent lawful.

Interest on the Securities will accrue at the annual rate set forth above and will be payable by increasing the principal amount of the outstanding Securities represented by one or more book entry Securities or Global Securities (the "PIK Interest") or, with respect to Securities represented by individual certificates, if any, by issuing additional "PIK Notes" in certificated form, in each case by rounding up to the nearest $1.00. At the election of the Board of Directors, so long as the Company has provided notice to the Securityholders with a copy to the Trustee of such election at least 30 days prior to any applicable interest payment date, however, interest on the Securities for any interest period may instead be payable at the annual rate first set forth above (i) solely in cash (the "Cash Interest") or (ii) partially as Cash Interest and partially as PIK Interest as set forth in such notice to the Securityholders and the Trustee, in each case. Interest payable at Stated Maturity, upon redemption or repurchase of the Securities shall be payable as Cash Interest.

Any PIK Notes issued in certificated form will be dated as of the applicable interest payment date and will bear interest from and after such date. Following an increase in the principal amount of the outstanding Securities as a result of a PIK Payment, the Securities will accrue interest on such increased principal amount from and after the related interest payment date of such PIK Payment. References herein and in the Indenture to the "principal amount" of the Securities include any increases in the principal amount of the outstanding Securities as a result of a PIK Payment.

**2. Method of Payment**

The Company shall pay interest on the Securities (except defaulted interest) to the Persons who are registered holders of Securities at the close of business on the [●] 1 or [●] 1 (whether or not a Legal Holiday) next preceding the interest payment date even if Securities are cancelled after the record date and on or before the interest payment date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Company will pay principal, interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. Payments of

Cash Interest in respect of the Securities represented by a Global Security (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. The Company will make all payments in respect of a certificated Security (including principal, premium and Cash Interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on a certificated Security will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

At all times, PIK Interest on Securities will be payable, without the consent of the Holders: (i) with respect to book entry Securities or Securities represented by one or more Global Securities registered in the name of, or held by, DTC (or any successor depositary) or its nominee on the relevant record date, by increasing the principal amount of the outstanding book entry Securities or Global Securities, effective as of the applicable interest payment date, by an amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1.00) ("PIK Payment") and the Trustee shall, at the request and direction of the Company set forth in an authentication order, authenticate or increase the principal amount of the book entry Security or Global Securities by the amount of the PIK Payment and (ii) with respect to Securities represented by individual certificates, if any, by issuing PIK Notes in certificated form, dated as of the applicable interest payment date, in an aggregate principal amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1.00), and the Trustee shall, at the request and direction of the Company set forth in an authentication order, authenticate and deliver such PIK Notes in certificated form for original issuance to the Holders on the relevant record date, as shown by the records of the register of holders.

**3. Paying Agent and Registrar**

Initially, Wilmington Trust, National Association, a national banking association (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

**4. Indenture**

The Company originally issued the Securities under the Indenture dated as of [•], 2019 (the "Indenture"), among the Company, the Subsidiary Guarantors named therein and the Trustee and Collateral Agent. The terms of the Securities include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. To the extent any provision of any Security conflicts with the express provisions of the Indenture, the provisions of this Indenture shall govern and be controlling. The Securities are subject to all such terms, and Securityholders are referred to the Indenture. The Securities are entitled to the benefits of the Security Documents, subject to the terms of the Note Documents, including the Intercreditor Agreement.

The Securities issued on the Issue Date, any increase in the aggregate principal amount of the Securities in connection with PIK Payments and PIK Notes will be treated as a single class for all purposes under the Indenture.

The Indenture contains covenants that limit the ability of the Company and its subsidiaries to Incur additional indebtedness; pay dividends or distributions on, or redeem or repurchase capital stock; make investments; issue or sell capital stock of subsidiaries; engage in transactions with affiliates; create liens on assets; transfer or sell assets; guarantee indebtedness; restrict dividends or other payments of subsidiaries; consolidate, merge or transfer all or substantially all of its assets and the assets of its subsidiaries; and engage in sale/leaseback transactions. These covenants are subject to important exceptions and qualifications.

**5. Redemption**

Except as set forth below, the Company shall not be entitled to redeem the Securities at its option.

The Company shall be entitled at its option to redeem all or a portion of the Securities upon not less than 30 nor more than 60 days' notice, at the redemption prices set forth below (expressed in percentages of principal amount on the redemption date), plus accrued and unpaid Cash Interest together with an amount of cash equal to all accrued and unpaid PIK Interest on the Securities to be redeemed to but not including the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the periods set forth below:

| **Period** | **Redemption Price** |
|---|---|
| February [•], 2019 to February [•], 2020 | 102.000% |
| February [•], 2020 to February [•], 2021 | 101.000% |
| February [•], 2021 and thereafter | 100.000% |

**6. Notice of Redemption**

Notice of redemption pursuant to paragraph 5(a) will be sent at least 30 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at such Holder's registered address. If money sufficient to pay the redemption price of and accrued interest on all Securities (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Securities (or such portions thereof) called for redemption.

**7. Put Provisions**

Upon a Change of Control, any Holder of Securities will have the right to cause the Company to repurchase all or any part of the Securities of such Holder at a repurchase price payable in cash equal to 101% of the principal amount of the Securities to be repurchased (including any PIK Notes or any increase in the principal amount of Securities in connection with

PIK Payments) plus accrued interest to the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the related interest payment date) as provided in, and subject to the terms of, the Indenture.

**8. Guarantees**

The payment by the Company of the principal of, and premium and interest on, the Securities is fully and unconditionally guaranteed on a joint and several senior basis by each of the Subsidiary Guarantors to the extent set forth in the Indenture.

**9. Denominations; Transfer; Exchange**

The Securities are in registered form without coupons in minimum denominations of $1.00 principal amount and integral multiples of $1.00. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or any Securities for a period of 15 days before a selection of Securities to be redeemed or 15 days before an interest payment date.

**10. Security Documents; Intercreditor Agreement**

Each Securityholder, by accepting a Security, shall be deemed to have agreed to and accepted the terms and conditions of the Security Documents and the Intercreditor Agreement and the performance by the Trustee and the Collateral Agent of their respective obligations and the exercise of their respective rights thereunder and in connection therewith.

**11. Persons Deemed Owners**

The registered Holder of this Security may be treated as the owner of it for all purposes.

**12. Unclaimed Money**

If money for the payment of principal or interest (including accrued and unpaid PIK Interest), if any, remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

**13. Discharge and Defeasance**

Subject to certain conditions, the Company at any time shall be entitled to terminate some or all of its obligations under the Securities and the Indenture and to the release of liens on the Collateral if the Company deposits with the Trustee cash in U.S. dollars, U.S. Government Obligations or a combination thereof for the payment of principal and interest on the Securities (including accrued and unpaid PIK Interest) to redemption or maturity, as the case may be.

**14. Amendment; Waiver**

The provisions governing amendment, supplementation and waiver of any provision of the Indenture are included in the Indenture. Subject to certain exceptions set forth in the Indenture, the Company, the Subsidiary Guarantors, the Trustee and the Collateral Agent, if applicable, may amend the Indenture, the Securities or the other Note Documents with the written consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including consents obtained in connection with a tender offer or exchange for the Securities) and any past default or compliance with any provisions may also be waived with the consent of the Holders of at least a majority in principal amount of the Securities then outstanding.

Subject to certain exceptions set forth in the Indenture, the Company, the Subsidiary Guarantors, the Trustee and the Collateral Agent, if applicable, may amend any of the Indenture, the Securities or the other Note Documents without notice to or consent of any Securityholder to, among other things, (a) cure any ambiguity, omission, defect or inconsistency, (b) to add or release Guarantees with respect to the Securities, including any Subsidiary Guarantees, in each case in compliance with the Note Documents, (c) comply with any requirements of the SEC in connection with qualifying the Indenture under the TIA, (d) make, complete or confirm any grant of Collateral permitted or required by any of the Note Documents, (e) to release or subordinate Liens on Collateral in accordance with the Note Documents, and (f) to provide for the issuance of PIK Notes or the increase in the principal amount of the Securities to pay PIK Interest in accordance with the terms of the Indenture.

In addition, the Intercreditor Agreement may be amended in accordance with their terms and without the consent of any Securityholder or the Trustee with the consent of the parties thereto or otherwise in accordance with their terms to, among other things, add additional Indebtedness as Priority Lien Debt and add other parties (or any authorized agent thereof or trustee therefor) holding such Indebtedness thereto and to establish that the Liens on any Collateral securing such Indebtedness shall rank equally with the Liens on such Collateral securing the other Priority Lien Debt then outstanding, in each case to the extent permitted by the Security Documents. The Intercreditor Agreement also provides that in certain circumstances the Security Documents may be amended automatically without the consent of the Securityholders or the Trustee in connection with any amendments to corresponding security documents creating Priority Liens.

Section 316(a) of the Trust Indenture Act is expressly excluded from the Indenture and the other Notes Documents for all purposes. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver, consent, approval or other action of Holders, Securities owned by the Company, any Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Guarantor shall be disregarded and deemed not to be outstanding, except that Securities owned by Specified Holders (as defined in the Indenture) shall not be so disregarded.

**15. Defaults and Remedies**

The Events of Default relating to the Securities are set forth in the Indenture. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Securities may declare all the Securities to be due and payable immediately. Certain events

of bankruptcy or insolvency are Events of Default which will result in the Securities being due and payable immediately upon the occurrence of such Events of Default.

Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default (except a Default in payment of principal or interest) if it determines that withholding notice is in the interest of the Holders.

**16. Trustee Dealings with the Company**

Subject to certain limitations imposed by the TIA, each of the Trustee and the Collateral Agent under the Indenture, in its individual or any other capacity (including its capacity as Collateral Agent under the Indenture), may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee or Collateral Agent, as the case may be.

**17. No Recourse Against Others**

A director, officer, employee, incorporator or stockholder, as such, of the Company or any Subsidiary Guarantor shall not have any liability for any obligations of the Company under the Securities, the Subsidiary Guarantees, the Indenture or any other Note Document or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder waives and releases all such claims and liability. The waiver and release are part of the consideration for the issue of the Securities.

**18. Authentication**

This Security shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Security.

**19. Abbreviations**

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

**20. CUSIP Numbers**

The Company has caused CUSIP and ISIN numbers to be printed on the Securities and has directed the Trustee to use such numbers in notices of redemption as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on

the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

**21. Governing Law**

**THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

The Company will furnish to any Securityholder upon written request and without charge to the Securityholder a copy of the Indenture which has in it the text of this Security in larger type. Requests may be made to:

[PetroQuest Energy, Inc.]
400 E. Kaliste Saloom Road
Suite 6000
Lafayette, Louisiana 70508
Attention: Corporate Secretary

**22. Holders' Compliance with Registration Rights Agreement**

Each Holder of this Security, by acceptance hereof, acknowledges and agrees to the provisions of the Registration Rights Agreement, including the obligations of the Holders with respect to a registration and the indemnification of the Company to the extent provided therein.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date:_____ Your Signature:_____

Sign exactly as your name appears on the other side of this Security.

Signature

Signature Guarantee:

Signature must be guaranteed

Signature

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Security have been made:

| Date of Exchange | Amount of decrease in Principal amount of this Global Security | Amount of increase in Principal amount of this Global Security | Principal amount of this Global Security following such decrease or increase | Signature of authorized officer of Trustee or Securities Custodian |
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OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 4.06 or 4.08 of the Indenture, check the box: ☐

If you want to elect to have only part of this Security purchased by the Company pursuant to Section 4.06 or 4.08 of the Indenture, state the amount in principal amount (integral multiples of $1.00): $

Dated: Your Signature:_____
(Sign exactly as your name appears on the other side of this Security.)

Signature Guarantee: _____
(Signature must be guaranteed)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

FORM OF GUARANTY AGREEMENT

[ ] SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of [•], 2019, among [Name of Future Subsidiary Guarantor(s)] (the "*New Guarantor*"), a subsidiary of [PetroQuest Energy, Inc.], a Delaware corporation [or its permitted successor] (the "*Company*"), the existing Subsidiary Guarantors (as defined in the Indenture referred to herein), the Company and Wilmington Trust, National Association, as trustee under the Indenture referred to herein (in such capacity, together with its successors and assigns, the "*Trustee*") and the collateral agent under the Indenture referred to herein (in such capacity, together with its successors and assigns, the "Collateral Agent"). The New Guarantor and the existing Subsidiary Guarantors are sometimes referred to collectively herein as the "*Subsidiary Guarantors*," or individually as a "*Subsidiary Guarantor*."

W I T N E S E T H

WHEREAS, the Company and the existing Subsidiary Guarantors have heretofore executed and delivered to the Trustee and the Collateral Agent an indenture (the "*Indenture*"), dated as of [•], 2019, relating to the 10% Senior Secured PIK Notes due 2024 (the "*Securities*") of the Company;

WHEREAS, Section 4.11 of the Indenture in certain circumstances requires the Company to cause a newly acquired or created Restricted Subsidiary (i) to become a Subsidiary Guarantor by executing a supplemental indenture and (ii) to deliver an Opinion of Counsel to the Trustee as provided in such Section; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Company, the Subsidiary Guarantors, the Trustee and the Collateral Agent are authorized to execute and deliver this Supplemental Indenture to amend or supplement the Indenture without the consent of any Holder;

NOW THEREFORE, to comply with the provisions of the Indenture and in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the other Subsidiary Guarantors, the Company and the Trustee and the Collateral Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

**1. CAPITALIZED TERMS**. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

**2. AGREEMENT TO GUARANTEE**. The New Guarantor hereby agrees, jointly and severally, with all other Subsidiary Guarantors, to unconditionally Guarantee to each Holder and to the Trustee and the Collateral Agent the Notes Obligations, to the extent set forth in the Indenture and subject to the provisions in the Indenture. The obligations of the Subsidiary Guarantors to the Holders of Securities and to the Trustee and the Collateral Agent pursuant to the Subsidiary

Guarantees and the Indenture are expressly set forth in Article X of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantees.

**3. EXECUTION AND DELIVERY**. The New Guarantor agrees that its Subsidiary Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation of such Subsidiary Guarantee.

**4. NEW YORK LAW TO GOVERN**. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE AND ENFORCE THIS SUPPLEMENTAL INDENTURE.

**5. COUNTERPARTS**. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. This Supplemental Indenture may be executed in multiple counterparts which, when taken together, shall constitute one instrument. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile, PDF or other electronic transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes.

**6. EFFECT OF HEADINGS**. The Section headings herein are for convenience only and shall not affect the construction hereof.

**7. THE TRUSTEE AND THE COLLATERAL AGENT.** Except as otherwise expressly provided herein, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee or Collateral Agent by reason of this Supplemental Indenture. This Supplemental Indenture is executed and accepted by the Trustee and the Collateral Agent subject to all the terms and conditions set forth in the Indenture with the same force and effect as if those terms and conditions were repeated at length herein and made applicable to the Trustee and the Collateral Agent with respect hereto. Neither the Trustee nor the Collateral Agent make any representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

**8. RATIFICATION OF INDENTURE; SUPPLEMENTAL INDENTURES PART OF INDENTURE**. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: _____, 20___.

**[NEW GUARANTORS]**

By:_____
Name:
Title:

**[OTHER SUBSIDIARY GUARANTOR]**

By:_____
Name:
Title:

**[PETROQUEST ENERGY, INC.]**

By:_____
Name:
Title:

**WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee and Collateral Agent**

By:_____
Name:
Title:

# EXHIBIT C

## Exit Facility and Exit Facility Documents
## (Exit Facility and Lien Subordination and Intercreditor Agreement)

This Exhibit C includes the Exit Facility and the Lien Subordination and Intercreditor Agreement, but does not include any additional ancillary loan documents, which will be finalized on or prior to the Effective Date. On the Effective Date, the Combined Consenting Second Lien Noteholders shall provide the Exit Facility in accordance with the terms of the Exit Facility Documents, which terms and conditions shall be acceptable to the Debtors and the Requisite Creditors. The Reorganized Debtors shall use the proceeds of the Exit Facility to pay the outstanding amount of the First Lien Claims and for any other purpose permitted by the Exit Facility Documents. The Debtors reserve all rights to amend, revise, or supplement the Exit Facility and the Exit Facility Documents at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Court, subject to the consent and approval rights provided in the Plan and/or the Restructuring Support Agreement.

# TERM LOAN AGREEMENT

dated as of [●], 2019,

among

PETROQUEST ENERGY, L.L.C.,
as Borrower,

PETROQUEST ENERGY, INC.

the Lenders party hereto from time to time

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

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EXHIBITS

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| Exhibit B | - | Form of Notice of Borrowing |
| Exhibit C | - | Form of Notice of Prepayment |
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| Exhibit E | - | Form of Assignment and Assumption |
| Exhibit F-1 | - | Form of U.S. Tax Compliance Certificate (Non-Partnership Foreign Lenders) |
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# TERM LOAN AGREEMENT

This Term Loan Agreement, dated as of [●], 2019 (this "Agreement"), is among PetroQuest Energy, L.L.C., a Louisiana limited liability company (the "Borrower"), PetroQuest Energy, Inc., a Delaware corporation (the "Parent"), the Lenders (as defined below) party hereto from time to time, and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent" and, together with the Borrower, the Parent and the Lenders, the "Parties" and each, a "Party").

## PRELIMINARY STATEMENT:

The Borrower and certain of its Affiliates commenced voluntary cases under the Bankruptcy Code in the Bankruptcy Court for the Southern District of Texas (the "Chapter 11 Cases").

The Plan of Reorganization (as defined below) of the Debtors (as defined below) has been confirmed pursuant to the Confirmation Order (as defined below), and concurrently with the deemed making of the Term Loans hereunder, the effective date with respect to such Plan of Reorganization has occurred.

The Borrower has requested, and subject to the terms and conditions set forth in this Agreement, the Lenders have agreed to extend, a term loan to the Borrower.

## AGREEMENT:

In consideration of the foregoing and the mutual agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

## SECTION 1. INTERPRETATION:

This Agreement is to be interpreted in accordance with the rules of construction set forth on Annex A. Capitalized terms used in this Agreement and not otherwise defined have the meanings set forth for such terms on Annex A. All annexes, schedules and exhibits to this Agreement are deemed to be a part of this Agreement.

## SECTION 2. TERM LOAN FACILITY:

2.1 Term Loans. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations set forth in this Agreement and the other Loan Documents, each Lender shall severally make a Term Loan to the Borrower on the Closing Date in an original principal amount equal to such Lender's Term Loan Commitment. Each Lender's Term Loan Commitment permanently reduces on a dollar for dollar basis by the principal amount of the Term Loan made by such Lender and as provided in Section 2.5(E). Subject to Section 4.1, the entire principal amount of Term Loans shall be available for borrowing on the Closing Date.

2.2 Procedure for Advance.

(A) The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing prior to 11:00 a.m. at least two Business Days prior to the Closing Date, specifying (i) the Person or Persons to whom the proceeds of such borrowing are to be disbursed (the "Proceeds Recipients"), (ii) wire instructions of the accounts(s) to which funds are to be disbursed, (iii) the requested date of the borrowing, which shall be a Business Day, (iv) the Type of Term Loans to be borrowed and (v) if applicable, the duration of the Interest Period with respect thereto. A Notice of Borrowing received after 11:00 a.m. is deemed received on the next Business Day. Not later than 1:00 p.m. on the Closing Date, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent in funds immediately available to the Administrative Agent, such Lender's Commitment Percentage of the Term Loans to be made on the Closing Date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Term Loans received by the Administrative Agent in immediately available funds by wire transfer to such Persons as may be designated by the Borrower in writing. The Administrative Agent is not obligated to disburse the portion of the proceeds of any Term Loan requested pursuant to this Section 2 to the extent that any Lender has not made available to the Administrative Agent its Commitment Percentage of such Term Loan. If a Lender does not make available to the Administrative Agent its Commitment Percentage of any requested Term Loan, then the Administrative Agent shall return the funds it received from the other Lenders with respect to such requested Term Loan.

(B) The Borrower shall have the option to continue or convert, on any Business Day, all or a portion equal to at least $1,000,000 of the outstanding principal amount of Term Loans made pursuant to one or more borrowings of one or more Types of Term Loans into a borrowing of another Type of Term Loan; provided that, (i) except as otherwise provided in Section 3.6 or unless the Borrower complies with the provisions of Section 3.12, LIBOR Loans may be converted into Base Rate Loans only on the last day of an Interest Period applicable to the Term Loans being converted and no such partial conversion of LIBOR Loans shall reduce the outstanding principal amount of such LIBOR Loans made pursuant to a single borrowing to less than $1,000,000, and (ii) unless the Required Lenders otherwise agree, Base Rate Loans may only be converted into LIBOR Loans if no Default or Event of Default is in existence on the date of the conversion. Each such continuation or conversion shall be effected by Borrower giving the Administrative Agent prior to 11:00 a.m. (New York City time) at least (x) in the case of conversions of Base Rate Loans into LIBOR Loans or continuations of LIBOR Loans, three (3) Business Days' prior written notice and (y) in the case of conversions of LIBOR Loans into Base Rate Loans, one (1) Business Day's prior written notice (each, a "Notice of Conversion/Continuation"), in each case in the form of Exhibit G, appropriately completed to specify the Term Loans to be so converted or continued, the borrowing or borrowings pursuant to which such Term Loans were incurred and, if to be converted into LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give

each Lender prompt notice of any such proposed conversion affecting any of its Term Loans. If the Borrower fails to specify a Type of Term Loan in a Notice of Borrowing or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the Term Loans shall be made as, or converted or continued to, Base Rate Loans.

2.3 Repayment. The Borrower shall repay the aggregate outstanding principal amount of the Term Loans in full, together with accrued interest thereon, on the Maturity Date.

2.4 Optional Prepayments.

(A) Prepayments. The Borrower may from time to time, without premium or penalty, prepay the Term Loans, including, at its option, pursuant to Section 7.1(B), in whole or in part, upon delivery to the Administrative Agent of a Notice of Prepayment not later than 11:00 a.m. at least three Business Days before its intention to prepay specifying the date, which must be a Business Day, and amount of prepayment. Each optional prepayment of the Term Loans hereunder must be in an aggregate principal amount of at least $1,000,000 or any whole multiple of $1,000,000 in excess thereof. A Notice of Prepayment received after 11:00 a.m. is deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Prepayment. Any prepayment of Term Loans shall be accompanied by all accrued interest thereon. Notwithstanding the foregoing, any Notice of Prepayment delivered in connection with any refinancing of all of the Term Loans with the proceeds of such refinancing or of any other incurrence of Debt may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence and may be revoked by the Borrower in the event such refinancing or incurrence is not consummated.

(B) Commitment Termination. The Term Loan Commitments of each Lender to fund the Term Loans shall expire upon the funding by the Lenders of the Term Loans on the Closing Date.

2.5 Mandatory Prepayments.

(A) Debt Issuances. The Borrower shall make mandatory principal prepayments of the Term Loans in an amount equal to the aggregate Net Cash Proceeds from any Debt Issuance not otherwise permitted pursuant to Section 7.2. The Borrower shall make such prepayment within three Business Days after the date of receipt of the Net Cash Proceeds of any such Debt Issuance.

(B) Equity Issuances. The Borrower shall make mandatory principal prepayments of the Term Loans in an amount equal to the aggregate Net Cash Proceeds from any Equity Issuance other than (i) the exercise price on stock options issued as part of employee or management compensation and (ii) so long as no Default or Event of Default exists, 50% of the aggregate Net Cash Proceeds from an Equity Issuance the proceeds of which are used to acquire or develop Oil and Gas Properties to the

extent permitted by this Agreement and the other Loan Documents. The Borrower shall make, or cause to be made, such prepayment within three Business Days after the date of receipt of the Net Cash Proceeds of any such Equity Issuance.

(C) Asset Dispositions and Insurance and Condemnation Events. Except as provided in Section 2.5(D), the Borrower shall make mandatory principal prepayments of the Term Loans in amounts equal to the aggregate Net Cash Proceeds from (i) other than transactions described in clause (iv) below, any Asset Disposition or sale, assignment, monetization, transfer, cancellation, termination, unwinding or other disposal of any Swap Agreement in respect of commodities described in Section 7.12(D) (other than Asset Dispositions consisting of ventures (as described in Section 7.5(H)) or any interest therein) if the aggregate fair market value of such Asset Dispositions together with the fair market value of such Swap Agreements sold, assigned, monetized, transferred, cancelled, terminated, unwound or otherwise disposed of under Section 7.12(D), in each case, in any period of twelve consecutive months, is in excess of 5% of the total value of the Proved Reserves attributable to the Oil and Gas Properties and such Swap Agreements evaluated by the most recently delivered Reserve Report, individually or in the aggregate, (ii) any Asset Disposition not otherwise permitted pursuant to Section 7.12, (iii) any Insurance and Condemnation Event to the extent that the aggregate amount of such Net Cash Proceeds (in the case of this clause (iii)) exceed $1,000,000 during any calendar year and (iv) the sale or assignment of any interests in the Oil and Gas Properties in respect of the Louisiana Austin Chalk Properties and Cotton Valley Properties, respectively or any interests in the Louisiana Austin Chalk Properties, including any Credit Proceeds in respect thereof. The Borrower shall make, or cause to be made, such prepayments within three Business Days after the date of receipt of the Net Cash Proceeds.

(D) Reinvestment Option. With respect to any Net Cash Proceeds realized or received with respect to any Asset Disposition or any Insurance and Condemnation Event by any Loan Party or any Subsidiary thereof (in each case, to the extent not excluded pursuant to Section 2.5(C)), the Loan Parties may, at the Borrower's option, reinvest all or any portion of such Net Cash Proceeds in assets used or useful for the business of the Loan Parties and their Subsidiaries within 270 days of receipt of such Net Cash Proceeds, so long as any Net Cash Proceeds (i) relating to Collateral are reinvested in assets constituting Collateral, and (ii) the Net Cash Proceeds from any transaction described in Section 2.5(C)(iv) are reinvested directly for the purpose of development of oil, gas and other hydrocarbons in respect of the Louisiana Austin Chalk Properties or Cotton Valley Properties. No prepayment with respect of Net Cash Proceeds to be reinvested is required under Section 2.5(C) if the Borrower gives the Administrative Agent written notice of its intent to reinvest in accordance with this Section 2.5(D) on or prior to the date such prepayment is required. If any Net Cash Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, the Borrower shall make

mandatory principal prepayments of the Term Loans in amounts equal to such Net Cash Proceeds within three Business Days after the applicable Loan Party reasonably determines that such Net Cash Proceeds are no longer intended to be or cannot be so reinvested. Pending the final application of any Net Cash Proceeds to be reinvested, the applicable Loan Party may invest an amount equal to such Net Cash Proceeds in any manner that is not prohibited by this Agreement.

(E) Notice of Prepayment. Upon the occurrence of any event triggering the prepayment requirement under this Section 2.5, the Borrower shall promptly deliver a Notice of Prepayment to the Administrative Agent and upon receipt of such notice, the Administrative Agent shall promptly so notify the Lenders.

(F) Accrued Interest. Any prepayment of Term Loans pursuant to this Section 2.5 shall be accompanied by all accrued interest thereon

2.6 No Reborrowings. The Borrower may not reborrow any amounts repaid or prepaid under the Term Loans.

SECTION 3. GENERAL LOAN PROVISIONS:

3.1 Interest.

(A) Interest Rate Options. Subject to the provisions of this Section 3.1, (i) each LIBOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate *per annum* equal to the LIBOR Rate for such Interest Period *plus* the Applicable Rate and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the date of the borrowing or conversion of such Base Rate Loan at a rate *per annum* equal to the Base Rate *plus* the Applicable Rate.

(B) Default Rate. Subject to Section 8.4, (i) immediately upon the occurrence and during the continuance of an Event of Default under Section 8.1(A), 8.1(B), 8.1(I) or 8.1(J) or (ii) at the election of the Required Lenders upon the occurrence and during the continuance of any other Event of Default, the Borrower shall pay interest on the aggregate outstanding principal amount of the Term Loans and any other Obligations at the Default Rate, such interest being due and payable on demand. Interest continues to accrue on the Obligations after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law.

(C) Interest Payment and Computation. The Borrower shall pay interest in arrears on each Interest Payment Date. All computations of interest are made on the basis of a 360-day year and actual days elapsed except that interest computed by reference to the Base Rate at times when the Base Rate is based on the Prime Lending Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year).

(D) Maximum Rate. In no contingency or event whatsoever will the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to

the terms of this Agreement exceed the highest rate permissible under any Applicable Law that a court of competent jurisdiction, in a final determination, deems applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder automatically is reduced to the maximum rate permitted by Applicable Law and the Lenders shall apply such excess to the principal balance of the Obligations. It is the intent hereof that the Borrower not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrower under Applicable Law.

(E) Upon each Interest Determination Date, the Administrative Agent shall determine the LIBOR Rate for each Interest Period applicable to the respective LIBOR Loans and shall promptly notify the Borrower and the Lenders of such LIBOR Loans thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

3.2 Fees. The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times separately agreed upon in writing. The Borrower shall pay to the Lenders such fees as have been separately agreed upon in writing in the amounts and at the times so specified.

3.3 Manner of Payment. The Borrower shall make each payment on account of the principal of or interest on the Term Loans or of any fee, commission or other amounts payable to the Lenders under this Agreement not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Lenders entitled to such payment in Dollars, in immediately available funds and without any set off, counterclaim or deduction whatsoever. Any payment received after 1:00 p.m. is deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each Lender its Commitment Percentage (or other applicable share as provided herein) of such payment and shall provide notice of the amount of such credit to each Lender. The Borrower shall pay each payment to the Administrative Agent of Administrative Agent's fees, expenses or other amounts payable to the Administrative Agent for the account of the Administrative Agent and shall pay any amount payable to any Lender under Sections 3.6, 3.7 or 10.2 to the Administrative Agent for the account of the applicable Lender. If any payment under this Agreement is specified to be made upon a day that is not a Business Day, it shall be made on the next succeeding day that is a Business Day and such extension of time is included in computing any interest if payable along with such payment. Notwithstanding the foregoing, each payment by the Borrower to a Defaulting Lender is applied in accordance with Section 3.9(A)(ii).

3.4 Evidence of Indebtedness. The Term Loans made by each Lender will be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business and by the Administrative Agent in accordance with this Agreement. The accounts or records maintained by the Administrative Agent and each Lender are conclusive absent

manifest error of the amount of the Term Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so do not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Term Loan Note which will evidence such Lender's Term Loans in addition to such accounts or records. Each Lender may attach schedules to its Term Loan Note and endorse thereon the date, amount and maturity of its Term Loan and payments with respect thereto. If any Term Loan Notes are executed and delivered hereunder, surrender of such Term Loan Notes is not required in connection with any payments on the Term Loans, including any final payment. The Administrative Agent shall not have any duty or responsibility with respect to any Term Loan Note.

3.5 Sharing of Payments by Lenders. If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains payment in respect of any principal of or interest on any of its Term Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Term Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact and (b) purchase (for cash at face value) participations in the Term Loans and such other obligations of the other Lenders, or make such other adjustments as are equitable, so that the benefit of all such payments are shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Term Loans and other amounts owing them; provided:

(A) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations are rescinded and the purchase price restored to the extent of such recovery, without interest; and

(B) the provisions of this Section 3.5 may not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Term Loans to any assignee or participant.

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

3.6 Increased Costs.

(A) In the event that any Lender shall have determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto but, with respect to clause (a) below, may be made only by the Required Lenders):

(a) on any Interest Determination Date that, by reason of any changes in any Applicable Law arising after the date of this Agreement affecting the London interbank market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate; or

(b) any Change in Law shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(c) reductions in the amounts received or receivable hereunder with respect to any LIBOR Loan because of (x) any change since the date of this Agreement in any Applicable Law or governmental rule, regulation, order, guideline or request (whether or not having the force of law) or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, order, guideline or request, such as, but not limited to, a change in official reserve requirements, but, in all events, excluding reserves required under Regulation D to the extent included in the computation of the LIBOR Rate and/or (y) other circumstances arising since the date of this Agreement affecting such Lender, the London interbank market or the position of such Lender in such market (including that the LIBOR Rate with respect to such LIBOR Loan does not adequately and fairly reflect the cost to such Lender of funding such LIBOR Loan); or

(d) at any time, that the making or continuance of any LIBOR Loan has been made (x) unlawful by any law or governmental rule, regulation or order, (y) impossible by compliance by any Lender in good faith with any governmental request (whether or not having force of law) or (z) impracticable as a result of a contingency occurring after the date of this Agreement which materially and adversely affects the London interbank market;

then, and in any such event, such Lender (or the Required Lenders, in the case of clause (a) above) shall promptly give written notice to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (a) above, LIBOR Loans shall no longer be available until such time as the Required Lenders notify the Borrower and the Administrative Agent that the circumstances giving rise to such notice no longer exist, and any Notice of Borrowing or Notice of Conversion/Continuation given by the Borrower with respect to LIBOR Loans which have not yet been incurred (including by way of conversion) shall be deemed rescinded by the Borrower, (y) in the case of clause (b) above, the Borrower agrees to pay to

such Lender, upon such Lender's written request therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender shall determine after consultation with the Borrower) as shall be required to compensate such Lender for such increased costs or reductions in amounts received or receivable hereunder (a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent manifest error, be final and conclusive and binding on all the parties hereto) and (z) in the case of clause (c) above, the Borrower shall take one of the actions specified in Section 3.6(B) as promptly as possible and, in any event, within the time period required by law.

(B) At any time that any LIBOR Loan is affected by the circumstances described in Section 3.6(A)(b), the Borrower may, and in the case of a LIBOR Loan affected by the circumstances described in Section 3.6(A)(c), the Borrower shall, either (x) if the affected LIBOR Loan is then being made initially or pursuant to a conversion, cancel such Borrowing by giving the Administrative Agent written notice on the same date that the Borrower was notified by the affected Lender pursuant to Section 3.6(A)(b) or (c) or (y) if the affected LIBOR Loan is then outstanding, upon at least three (3) Business Days' written notice to the Administrative Agent, require the affected Lender to convert such LIBOR Loan into a Base Rate Loan; provided that, if more than one Lender is affected at any time, then all affected Lenders must be treated the same pursuant to this Section 3.6(B).

(C) If any Lender determines that after the date of this Agreement the introduction of or any change in any Applicable Law or governmental rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy, or any change in interpretation or administration thereof by the NAIC or any Governmental Authority, central bank or comparable agency, will have the effect of increasing the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender based on the existence of such Lender's Term Loan Commitments hereunder or its obligations hereunder, then the Borrower agrees to pay to such Lender, upon its written demand therefor, such additional amounts as shall be required to compensate such Lender or such other corporation for the increased cost to such Lender or such other corporation or the reduction in the rate of return to such Lender or such other corporation as a result of such increase of capital. In determining such additional amounts, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable; provided that such Lender's determination of compensation owing under this Section 3.6(C) shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts, will be payable pursuant to this Section 3.6(C), will give prompt written notice thereof to the Borrower, which notice shall show in reasonable detail the basis for calculation of such additional amounts, although the failure to give any such notice shall not release or diminish a Borrower's obligations to pay additional

amounts pursuant to this Section 3.6(C) upon the subsequent receipt of such notice.

(D) Notwithstanding anything in this Agreement to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a change after the date of this Agreement in a requirement of law or government rule, regulation or order, regardless of the date enacted, adopted, issued or implemented (including for purposes of this Section 3.6).

3.7 Taxes.

(A) Defined Terms. For purposes of this Section 3.7, the term "applicable law" includes FATCA.

(B) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent is entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party is increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.7) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(C) Payment of Other Taxes by the Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(D) Indemnification by the Borrower. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, and shall indemnify the

Administrative Agent, as Withholding Agent, in connection with any tax withholdings. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, is conclusive absent manifest error.

(E) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.4(D) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent is conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 3.7(E).

(F) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 3.7, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Required Lenders.

(G) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.7(G)(ii)(a), 3.7(G)(ii)(b) and 3.7(G)(ii)(d)) is not required if in the

Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower:

(a) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (A) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (B) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (A) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (B) executed copies of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, or other certification documents from each beneficial owner, as applicable; provided if the

Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.7(G)(ii)(d), "FATCA" includes any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

Wells Fargo Bank, National Association, both in its individual capacity and in its capacity as the Administrative Agent, has no liability to the Borrower, the Lenders or any other Person in connection with any tax withholding amounts paid or withheld from any payment pursuant to Applicable Law or arising from the Borrower's or a Lender's failure, as applicable, to timely provide an accurate, correct and complete IRS Form W-9, an appropriate IRS Form W-8 or such other documentation contemplated under this Agreement.

(H) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.7 (including by the payment of

additional amounts pursuant to this Section 3.7), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.7 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.7(H) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.7(H), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.7(H) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 3.7(H) may not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(I) Survival. Each Party's obligations under this Section 3.7 survives the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Term Loan Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(J) Tax Reporting. The Lenders and any transferees or assignees after the Closing Date will be required to provide to Administrative Agent or its agents all information, documentation or certifications reasonably requested by Administrative Agent to permit Administrative Agent to comply with its tax reporting obligations under Applicable Laws, including any applicable cost basis reporting obligations.

(K) Not less than four (4) Business Days (or such shorter period as may be agreed to by Administrative Agent) prior to any payment, distribution or transfer of funds by Administrative Agent to any Person under the Loan Documents, the payee shall provide to Administrative Agent such documentation and information as may be requested by Administrative Agent (unless such Person has previously provided the documentation or information, and so long as such documentation or information remain accurate and true). Administrative Agent shall have no duty, obligation or liability to make any payment to any Person unless it has timely received such documentation and information with respect to such Person, which documentation and information shall be reasonably satisfactory to Administrative Agent.

3.8 Mitigation Obligations; Replacement of Lenders.

(A) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.6, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.7, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Term Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.6 or 3.7, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(B) Replacement of Lenders. If any Lender requests compensation under Section 3.6, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.7 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.8(A), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.4), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.6 or 3.7) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that assumes such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided:

(i) the Borrower has paid to the Administrative Agent the assignment fee (if any) specified in Section 10.4;

(ii) such Lender has received payment of an amount equal to the outstanding principal of its Term Loans, accrued interest thereon and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.6 or payments required to be made pursuant to Section 3.7, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee has consented to the applicable amendment, waiver or consent.

A Lender is not required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

3.9 Defaulting Lenders.

(A) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement is restricted as set forth in the definition of Required Lenders.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.3 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Term Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to its Term Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (a) such payment is a payment of the principal amount of any Term Loans in respect of which such Defaulting Lender has not fully funded its appropriate share and (b) such Term Loans were made at a time when the conditions set forth in Section 4.1 were satisfied or waived, such payment is applied solely to pay the Term Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Term Loans of such Defaulting Lender until such time as all Term Loans are held by the Lenders pro rata in accordance with the Term Loan Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender

pursuant to this Section 3.9(A)(ii) are deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(B) Defaulting Lender Cure. If the Borrower and the Required Lenders agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent shall so notify the Parties, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender shall, to the extent applicable, purchase at par that portion of outstanding Term Loans of the other Lenders or take such other actions as may be necessary to cause the Term Loans to be held pro rata by the Lenders in accordance with the Term Loan Commitments, whereupon such Lender will cease to be a Defaulting Lender. Except to the extent otherwise expressly agreed by the affected Parties, no change hereunder from Defaulting Lender to Lender constitutes a waiver or release of any claim of any Party arising from that Lender's having been a Defaulting Lender.

3.10 Inability to Determine Rates. If the Required Lenders determine after the Closing Date that for any reason adequate and reasonable means do not exist for determining the applicable LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Loan, or that the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such LIBOR Loan, or that Dollar deposits are not being offered to banks in the London interbank eurodollar, or other applicable, market for the applicable amount and the Interest Period of such LIBOR Loan, the Required Lenders will promptly so notify the Borrower and the Administrative Agent. Thereafter, (x) the obligation of the Lenders to make or maintain LIBOR Loans shall be suspended and (y) in the event a determination described in the preceding sentence with respect to the LIBOR Rate component of the Base Rate, the utilization of the LIBOR Rate component in determining the Base Rate shall be suspended, in each case until the Required Lenders revoke such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of such LIBOR Loans or, failing that, will be deemed to have converted such request, if applicable, into a request for a Borrowing of Base Rate Loans in the amount specified therein.

3.11 Compensation.

(A) The Borrower agrees to compensate each Lender, upon its written request (which request shall set forth in reasonable detail the basis for requesting such compensation), for all actual losses, reasonable and documented out-of-pocket expenses and liabilities (including, without limitation, any actual loss, reasonable and documented out-of-pocket expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its LIBOR Loans but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of, or conversion from or into, LIBOR Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 3.6); (ii) if any prepayment or repayment (including any prepayment or repayment made pursuant to Section 2.4, Section

2.5 or as a result of an acceleration of the Term Loans pursuant to Article VIII) or conversion of any of its LIBOR Loans occurs on a date which is not the last day of an Interest Period with respect thereto (other than as a result of any required conversion pursuant to Section 3.6); (iii) if any prepayment of any of its LIBOR Loans is not made on any date specified in a notice of prepayment given by the Borrower; or (iv) as a consequence of (x) any other default by the Borrower to repay LIBOR Loans when required by the terms of this Agreement or any Term Loam Note held by such Lender or (y) any election made pursuant to Section 3.6.

(B) With respect to any Lender's claim for compensation under Sections 3.2 or 3.6, the Borrower shall not be required to compensate such Lender for any amount incurred more than two hundred seventy (270) days prior to the date that such Lender notifies the Borrower of the event that gives rise to such claim; provided that, if the circumstance giving rise to such claim is retroactive, then such 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(C) The Borrower shall make such compensation under Sections 3.2 or 3.6 within thirty (30) days after receipt of written request therefor.

3.12 Funding Losses. Promptly following written demand of any Lender (with a copy to the Administrative Agent) from time to time, which demand shall set forth in reasonable detail the basis for requesting such amount, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense (excluding loss of anticipated profits) actually incurred by it as a result of:

(A) any continuation, conversion, payment or prepayment of any LIBOR Loan of the Borrower on a day other than the last day of the Interest Period for such Loan; or

(B) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to pay, prepay, borrow, continue or convert any LIBOR Loan of the Borrower on the date or in the amount notified by the Borrower;

(C) any loss or expense (excluding loss of anticipated profits) arising from the liquidation or reemployment of funds obtained by it to maintain such Term Loan or from fees payable to terminate the deposits from which such funds were obtained.

3.13 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each Party acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(A) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Party that is an EEA Financial Institution; and

(B) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

3.14 Survival.

All of the Borrower's obligations under this Article III shall survive repayment of all other Obligations hereunder, subject to the limitations contained in this Article III.

SECTION 4. CONDITIONS OF CLOSING AND BORROWING:

4.1 Conditions to Closing and Term Loans. The obligation of the Lenders to close this Agreement and to make the Term Loans is subject to the satisfaction of each of the following conditions:

(A) Executed Loan Documents. Each agreement, instrument or other document set forth on Annex D has been duly authorized, executed and delivered to the Administrative Agent by the parties thereto and is in full force and effect.

(B) Payoff and Lien Release. The Borrower's existing credit facility under the Prior Credit Agreement has been terminated and all liens granted in connection therewith have been released.

(C) Filings and Recordings. The Lenders have received all filings and recordations that are necessary to perfect the security interests of the Administrative Agent, on behalf of the Secured Parties, in the Collateral and the Administrative Agent has received evidence reasonably satisfactory to the Lenders that upon such filings and recordations such security interests constitute valid and perfected first priority Liens thereon (subject to Liens permitted hereunder).

(D) Governmental and Third Party Approvals. The Loan Parties have received all material governmental, shareholder (if applicable) and third party consents and approvals necessary (or any other material consents as determined in the

reasonable discretion of the Lenders) in connection with the transactions contemplated by this Agreement and the other Loan Documents and all applicable waiting periods have expired without any action being taken by any Person that could reasonably be expected to restrain, prevent or impose any material adverse conditions on any of the Loan Parties or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation is applicable which in the reasonable judgment of the Lenders could reasonably be expected to have such effect.

(E) No Injunction. No action, proceeding or investigation has been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby, or which, in the Lenders' sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby.

(F) Due Diligence. The Lenders have completed, to their satisfaction, all legal, tax, environmental, business and other due diligence with respect to the business, assets, liabilities, operations and condition (financial or otherwise) of the Parent and its Subsidiaries in scope and determination satisfactory to it in its sole discretion.

(G) PATRIOT Act. The Parent, the Borrower and each of the Subsidiary Guarantors have provided to the Administrative Agent and the Lenders, at least five Business Days prior to the Closing Date, the documentation and other information requested to comply with requirements of the PATRIOT Act, applicable "know your customer" and anti-money laundering rules and regulations.

(H) Payment at Closing. The Borrower has paid or made arrangements to pay contemporaneously with closing (i) to the Administrative Agent the fees set forth or referenced in Section 3.2 and any other accrued and unpaid fees or commissions due hereunder, (ii) all fees, charges and disbursements of counsel to the Administrative Agent and the Lenders (directly to such counsel if requested by the Administrative Agent) to the extent accrued and unpaid and submitted to the Borrower prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate does not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent and the Lenders) and (iii) to any other Person such amount as may be due thereto in connection with the transactions contemplated hereby, including all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of any of the Loan Documents.

(I) The Administrative Agent shall have received a Notice of Borrowing from the Borrower in accordance with Section 2.2.

(J) The representations contained in this Agreement and the other Loan Documents are true and correct in all material respects, on and as of the Closing Date with the same effect as if made on and as of such date (except for any such representation that by its terms is made only as of an earlier date, which representation remains true and correct in all material respects as of such earlier date).

(K) No Default or Event of Default exists on the Closing Date with respect to such Term Loans or after giving effect to the Term Loans to be made on such date.

(L) (x) No event, development or circumstance has occurred or exists that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect and (y) there has not been any fact, event, change, effect, development, circumstance or occurrence that, individually or together with any other fact, event, change, effect, development, circumstance or occurrence, has had or could would reasonably be expected to have a material and adverse effect on the ability of the Loan Parties taken as a whole to perform their respective obligations under, or to consummate the transactions contemplated by, the Restructuring Support Agreement (as defined in the Plan of Reorganization) and the Plan of Reorganization.

(M) The Confirmation Order shall have been entered in form and substance reasonably acceptable to the Required Lenders and shall not have been vacated, reversed, modified, amended or stayed.

(N) All conditions precedent to the "Effective Date" under and as defined in the Plan of Reorganization (other than the occurrence of the Closing Date hereunder) shall have been satisfied or duly waived.

(O) The Lenders shall have received evidence reasonably satisfactory to the Required Lenders demonstrating the satisfaction of any transaction contemplated by the Plan of Reorganization to occur on the effective date of the Plan of Reorganization.

Without limiting the generality of the provisions of Section 9.3, for purposes of determining compliance with the conditions specified in this Section 4.1, each Lender that has signed this Agreement is deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent has received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

## SECTION 5. REPRESENTATIONS:

To induce the Administrative Agent and Lenders to enter into this Agreement and to induce the Lenders to make the Term Loans, the Loan Parties represent to the Administrative Agent and the Lenders both before and after giving effect to the transactions contemplated

hereunder, which representations and warranties are deemed made on the Closing Date, immediately after giving effect to the consummation of the Plan of Reorganization, that:

5.1 Organization; Powers. It and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority, and has all material governmental licenses, authorizations, consents and approvals necessary, to own its assets and to carry on its business as now conducted, and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where failure to have such power, authority, licenses, authorizations, consents, approvals and qualifications could not reasonably be expected to have a Material Adverse Effect.

5.2 Authority; Enforceability. The Transactions are within the Borrower's and each Guarantor's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action (including any action required to be taken by any class of directors of the Parent, the Borrower or any other Person, whether interested or disinterested, in order to ensure the due authorization of the Transactions). Each Loan Document to which the Borrower and each Guarantor is a party has been duly executed and delivered by the Borrower and such Guarantor and constitutes a legal, valid and binding obligation of the Borrower and such Guarantor, as applicable, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.3 Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person (including shareholders or any class of directors, whether interested or disinterested, of the Parent, the Borrower or any other Person), nor is any such consent, approval, registration, filing or other action necessary for the validity or enforceability of any Loan Document or the consummation of the transactions contemplated thereby, except such as have been obtained or made and are in full force and effect other than (i) the recording and filing of the Security Documents as required by this Agreement and (ii) those third party approvals or consents which, if not made or obtained, would not cause a Default hereunder, could not reasonably be expected to have a Material Adverse Effect or do not have an adverse effect on the enforceability of the Loan Documents, (b) will not violate any Applicable Law or regulation or the charter, by-laws or other organizational documents of it or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon it or any of its Subsidiaries or its Properties, or give rise to a right thereunder to require any payment to be made by it or such Subsidiary and (d) will not result in the creation or imposition of any Lien on any Property of it or any of its Subsidiaries (other than the Liens created by the Loan Documents).

5.4 Financial Condition; No Material Adverse Change.

(A) The Parent has furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2017, reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the fiscal quarter and the

portion of the fiscal year ended September 30, 2018, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the unaudited quarterly financial statements.

(B) Since the Petition Date, (i) there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect and (ii) the business of the Parent and its Subsidiaries has been conducted only in the ordinary course consistent with past business practices, in each case except for the filing, commencement and continuation of the Chapter 11 Cases and the events that customarily result from the filing, commencement and continuation of the Chapter 11 Cases.

(C) Neither the Parent nor any of its Subsidiaries has on the date hereof any material Debt (including Disqualified Capital Stock) or any contingent liabilities, off-balance sheet liabilities or partnerships, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except for amounts that could be requested after the Closing Date in connection with the Borrower's bonding obligations or as referred to or reflected or provided for in the financial statements described in Section 5.4(A) or as set forth on Schedule 7.2.

5.5 Litigation.

(A) There are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Parent, threatened against or affecting the Parent or any of the Parent's Subsidiaries (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve any Loan Document or the Transactions (other than those solely involving a mortgage or deed of trust (and no other Loan Documents) and which relate to a claim regarding the title of the Borrower or any Subsidiary to any Oil and Gas Property; provided (a) the mortgage and title requirements under Sections 6.13 and 6.14 would remain satisfied if such Oil and Gas Property was deemed to be not mortgaged or deemed to be a property for which satisfactory evidence of title was not delivered for purposes of such calculations and (b) the aggregate value attributed to such Oil and Gas Properties in the most recently delivered Reserve Report which are subject to such actions, suits, investigations, proceedings or arbitrations does not exceed $2,000,000 at the time).

(B) Since the Closing Date, there has been no change in the status of the matters disclosed in Schedule 5.5 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

5.6 Environmental Matters. Except for such matters that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(A) the Borrower and the Borrower's Subsidiaries and each of their respective Properties and operations thereon are, and within all applicable statute of limitation periods have been, in compliance with all applicable Environmental Laws;

(B) the Borrower and the Borrower's Subsidiaries have obtained all Environmental Permits required for their respective operations and each of their Properties, with all such Environmental Permits being currently in full force and effect, and none of the Borrower or the Borrower's Subsidiaries has received any written notice or otherwise has knowledge that any such existing Environmental Permit will be revoked or that any application for any new Environmental Permit or renewal of any existing Environmental Permit will be protested or denied;

(C) there are no claims, demands, suits, orders, inquiries, or proceedings concerning any violation of, or any liability (including as a potentially responsible party) under, any applicable Environmental Laws that is pending or, to its knowledge, threatened against the Borrower or any of the Borrower's Subsidiaries or any of their respective Properties or as a result of any operations at such Properties;

(D) none of the Properties of the Borrower or any of the Borrower's Subsidiaries contain or have contained any: (i) underground storage tanks; (ii) asbestos-containing materials; (iii) landfills or dumps; (iv) hazardous waste management units as defined pursuant to RCRA or any comparable state law; or (v) sites on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law;

(E) there has been no Release or, to the Borrower's knowledge, threatened Release, of Hazardous Materials at, on, under or from Borrower or any of the Borrower's Subsidiaries' Properties, there are no investigations, remediations, abatements, removals, or monitorings of Hazardous Materials required under applicable Environmental Laws at such Properties and, to the knowledge of the Borrower, none of such Properties are adversely affected by any Release or threatened Release of a Hazardous Material originating or emanating from any other real property;

(F) neither the Borrower nor any of the Borrower's Subsidiaries has received any written notice asserting an alleged liability or obligation under any applicable Environmental Laws with respect to the investigation, remediation, abatement, removal, or monitoring of any Hazardous Materials at, under, or Released or threatened to be Released from any real properties offsite the Borrower or any of the Borrower's Subsidiaries' Properties and, to the Borrower's knowledge, there are no conditions or circumstances that could reasonably be expected to result in the receipt of such written notice;

(G) there has been no exposure of any Person or Property to any Hazardous Materials as a result of or in connection with the operations and businesses of the Borrower's or any of the Borrower's Subsidiaries' Properties that could reasonably be expected to form the basis for a claim for damages or compensation; and

(H) the Borrower and the Borrower's Subsidiaries have provided to the Lenders complete and correct copies of all environmental site assessment reports, investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in any of the Borrower's or the Borrower's Subsidiaries' possession or control and relating to their respective Properties or operations thereon.

5.7 Compliance with the Laws and Agreements; No Defaults.

(A) It and each of its Subsidiaries is in compliance with all Applicable Laws applicable to it or its Property and all agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(B) Neither it nor any of its Subsidiaries is in default nor has any event or circumstance occurred which, but for the expiration of any applicable grace period or the giving of notice, or both, would constitute a default or would require it or any of its Subsidiaries to Redeem or make any offer to Redeem under any indenture, note, credit agreement or instrument pursuant to which any Material Indebtedness is outstanding or by which it or any of its Subsidiaries or any of their Properties is bound.

(C) No Default has occurred and is continuing.

5.8 Investment Company Act. Neither the Borrower nor any of the Borrower's Subsidiaries is an "investment company" or a company "controlled" by an "investment company," within the meaning of, or subject to regulation under, the Investment Company Act of 1940, as amended.

5.9 Taxes. It and its Subsidiaries each has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which it or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The charges, accruals and reserves on the books of it and its Subsidiaries in respect of Taxes and other governmental charges are, in the reasonable opinion of it, adequate. No Tax Lien has been filed and, to the

knowledge of it, no claim is being asserted with respect to any such Tax or other such governmental charge.

5.10 ERISA.

(A) The Borrower, each of the Borrower's Subsidiaries and each ERISA Affiliate have complied in all material respects with ERISA and, where applicable, the Code regarding each Plan.

(B) Each Plan is, and has been, established and maintained in substantial compliance with its terms, ERISA and, where applicable, the Code.

(C) No act, omission or transaction has occurred which could result in imposition on the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate (whether directly or indirectly) of (i) either a civil penalty assessed pursuant to subsections (c), (i), (l) or (m) of section 502 of ERISA or a tax imposed pursuant to Chapter 43 of Subtitle D of the Code or (ii) breach of fiduciary duty liability damages under section 409 of ERISA.

(D) Full payment when due has been made of all amounts which the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate is required under the terms of each Plan or Applicable Law to have paid as contributions to such Plan as of the date hereof.

(E) None of the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate sponsors, maintains, or contributes to an employee welfare benefit plan, as defined in section 3(1) of ERISA, including any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate in the Borrower's sole discretion at any time without any material liability.

(F) None of the Borrower, any of the Borrower's Subsidiaries or any ERISA Affiliate sponsors, maintains or contributes to, or has at any time in the six-year period preceding the date hereof sponsored, maintained or contributed to, any employee pension benefit plan, as defined in section 3(2) of ERISA, that is subject to Title IV of ERISA, section 302 of ERISA or section 412 of the Code.

5.11 Disclosure; No Material Misstatements. It has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of it or any of its Subsidiaries to the Administrative Agent or any Lender or any of their Affiliates in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under

which they were made, not misleading; provided, with respect to projected financial information, it represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. There is no fact peculiar to it or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or in the future is reasonably likely to have a Material Adverse Effect and which has not been set forth in this Agreement or the Loan Documents or the other documents, certificates and statements furnished to the Administrative Agent or the Lenders by or on behalf of it or any of its Subsidiaries prior to, or on, the date hereof in connection with the transactions contemplated hereby. There are no statements or conclusions in any Reserve Report which are based upon or include misleading information or fail to take into account material information regarding the matters reported therein, it being understood that projections concerning volumes attributable to the Oil and Gas Properties of it and its Subsidiaries and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that it and its Subsidiaries do not warrant that such opinions, estimates and projections will ultimately prove to have been accurate.

5.12 Insurance. The Borrower has, and has caused all of the Borrower's Subsidiaries to have, (a) all insurance policies sufficient for the compliance by each of them with all material Applicable Laws and all material agreements and (b) insurance coverage in at least amounts and against such risk (including public liability) that are usually insured against by companies similarly situated and engaged in the same or a similar business for the assets and operations of the Borrower and the Borrower's Subsidiaries. The Administrative Agent and the Lenders have been named as additional insureds in respect of such insurance policies insuring against physical damage to equipment and facilities owned by the Borrower and the Administrative Agent has been named as loss payee with respect to Property loss insurance.

5.13 Restriction on Liens. Neither the Parent nor any of the Parent's Subsidiaries is a party to any material agreement or arrangement (other than Capital Leases creating Liens permitted by Section 7.3(C), but then only on the Property subject of such Capital Lease), or subject to any order, judgment, writ or decree, which either restricts or purports to restrict its ability to grant Liens to the Administrative Agent for the benefit of the Secured Parties on or in respect of their Properties to secure the Obligations.

5.14 Subsidiaries. Except as set forth on Schedule 5.14 or as disclosed in writing to the Administrative Agent pursuant to Section 7.15, (a) it has no Subsidiaries, (b) each of its Subsidiaries is a Wholly-Owned Subsidiary and (c) it has no Foreign Subsidiaries. As of the Closing Date, all Excluded Subsidiaries are listed on Schedule 5.14.

5.15 Location of Business and Offices. The (a) jurisdiction of organization, (b) name as listed in the public records of its jurisdiction of organization, (c) type, identity or organizational structure, (d) the location of its principal place of business and chief executive office, (e) organizational identification number in its jurisdiction of organization and (f) federal taxpayer identification number, in each case for each Loan Party, is stated on Schedule 5.15 (or as set forth in a notice delivered pursuant to Section 6.1(M)).

5.16 Properties; Titles.

(A) The Borrower and the Borrower's Subsidiaries each has good and defensible title to the Oil and Gas Properties evaluated in the most recently delivered Reserve Report and good title to all its personal Properties, in each case, free and clear of all Liens except Liens permitted by Section 7.3. After giving full effect to the Excepted Liens, the Borrower or any of the Borrower's Subsidiaries specified as the owner owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such Properties does not in any material respect obligate the Borrower or such Subsidiary to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of each Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase the Borrower's or such Subsidiary's net revenue interest in such Property.

(B) All material leases and agreements necessary for the conduct of the business of the Borrower and the Borrower's Subsidiaries are valid and subsisting, in full force and effect, and there exists no default or event or circumstance which with the giving of notice or the passage of time or both would give rise to a default under any such lease or leases, which could reasonably be expected to have a Material Adverse Effect.

(C) The rights and Properties presently owned, leased or licensed by the Borrower and the Borrower's Subsidiaries including all easements and rights of way, include all rights and Properties necessary to permit the Borrower and the Borrower's Subsidiaries to conduct their business in all material respects in the same manner as the Borrower's business has been conducted prior to the Closing Date.

(D) All of the Properties of the Borrower and the Borrower's Subsidiaries which are reasonably necessary for the operation of their businesses are in good working condition and are maintained in accordance with prudent business standards.

(E) The Borrower and each of the Borrower's Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property material to the Borrower's business, and the use thereof by the Borrower and such Subsidiary does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower and the Borrower's Subsidiaries either own or have valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used in their businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons, with

such exceptions as could not reasonably be expected to have a Material Adverse Effect.

5.17 Maintenance of Properties. Except for such acts or failures to act as could not be reasonably expected to have a Material Adverse Effect, the Oil and Gas Properties (and Properties unitized therewith) of the Borrower and the Borrower's Subsidiaries have been maintained, operated and developed in a good and workmanlike manner and in conformity with all Applicable Laws and in conformity with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests and other contracts and agreements forming a part of the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries. Specifically in connection with the foregoing, except for those as could not be reasonably expected to have a Material Adverse Effect, (a) no Oil and Gas Property of the Borrower or any of the Borrower's Subsidiaries is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (b) none of the wells comprising a part of the Oil and Gas Properties (or Properties unitized therewith) of the Borrower or any of the Borrower's Subsidiaries is deviated from the vertical more than the maximum permitted by Applicable Law, and such wells are, in fact, bottomed under and are producing from, and the well bores are wholly within, the Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties) of the Borrower or such Subsidiary. All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by the Borrower or any of the Borrower's Subsidiaries that are necessary to conduct normal operations are being maintained in a state adequate to conduct normal operations, and with respect to such of the foregoing which are operated by the Borrower or any of the Borrower's Subsidiaries, in a manner consistent with the Borrower's or the Borrower's Subsidiaries' past practices (other than those the failure of which to maintain in accordance with this Section 5.17 could not reasonably be expected to have a Material Adverse Effect).

5.18 Gas Imbalances, Prepayments. Except as set forth on the most recent certificate delivered pursuant to Section 6.12(B), on a net basis there are no gas imbalances, take or pay or other prepayments which would require the Borrower or any of the Borrower's Subsidiaries to deliver Hydrocarbons produced from their Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor exceeding one-half bcf of gas (on an mcf equivalent basis) in the aggregate.

5.19 Marketing of Production. Except for contracts in effect after the Closing Date and either disclosed in writing to the Administrative Agent or included in the most recently delivered Reserve Report (with respect to all of which contracts the Borrower represents or that the Borrower or the Borrower's Subsidiaries are receiving a price for all production sold thereunder which is computed substantially in accordance with the terms of the relevant contract and are not having deliveries curtailed substantially below the subject Property's delivery capacity), no material agreements exist which are not cancelable on 60 days notice or less without penalty or detriment for the sale of production from the Borrower or the Borrower's Subsidiaries' Hydrocarbons (including calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (a) pertain to the sale of production at a fixed price and (b) have a maturity or expiry date of longer than six months from the Closing Date.

5.20 Swap Agreements. Schedule 5.20, as of the Closing Date, and after the Closing Date, each report required to be delivered by it pursuant to Section 6.1(D), sets forth, a true and complete list of all Swap Agreements of the Parent and each of its Subsidiaries, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark to market value thereof, all credit support agreements relating thereto (including any margin required or supplied) and the counterparty to each such agreement.

5.21 Use of Proceeds. It has used the proceeds of the Term Loans solely as permitted in Section 6.18. It and its Subsidiaries are not engaged principally, or as one of its or their important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation T, U or X of the Board).

5.22 Anti-Corruption Laws and Sanctions.

(A) None of (i) the Parent, the Borrower, any Subsidiary or, to the knowledge of the Parent, the Borrower or such Subsidiary, any of their respective directors, officers, employees or Affiliates or (ii) any agent or representative of the Parent, the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the Term Loans, (a) is a Sanctioned Person or currently the subject or target of any Sanctions, (b) has its assets located in a Sanctioned Country, (c) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons or (d) has taken any action, directly or indirectly, that would result in a violation by such Persons of any Anti-Corruption Laws. Each of the Parent, the Borrower and their respective Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent, the Borrower and their respective Subsidiaries and their respective directors, officers, employees, agents and Affiliates with the Anti-Corruption Laws. Each of the Parent, the Borrower and their respective Subsidiaries, and to the knowledge of the Parent and the Borrower, each director, officer, employee, agent and Affiliate of the Parent, the Borrower and each such Subsidiary, is in compliance with the Anti-Corruption Laws in all material respects.

(B) No proceeds of any Term Loan have been used, directly or indirectly, by the Parent, the Borrower, any of their respective its Subsidiaries or any of its or their respective directors, officers, employees and agents (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, including any payments (directly or indirectly) to a Sanctioned Person or a Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any Party.

5.23 Solvency. After giving effect to the Confirmation Order, the Plan of Reorganization and the Transactions, (a) the aggregate assets (after giving effect to amounts that could reasonably be received by reason of indemnity, offset, insurance or any similar

arrangement), at a fair valuation, of the Loan Parties, taken as a whole, are expected to exceed the aggregate Debt of the Loan Parties on a consolidated basis, as the Debt becomes absolute and matures, (b) each of the Loan Parties will not have incurred or intended to incur, and will not believe that it will incur, Debt beyond its ability to pay such Debt (after taking into account the timing and amounts of cash to be received by each of the Loan Parties and the amounts to be payable on or in respect of its liabilities, and giving effect to amounts that could reasonably be received by reason of indemnity, offset, insurance or any similar arrangement) as such Debt becomes absolute and matures and (c) each of the Loan Parties will not have (and will have no reason to believe that it will have thereafter) unreasonably small capital for the conduct of its business.

## SECTION 6. AFFIRMATIVE COVENANTS:

Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash and the Term Loan Commitments terminated or expired, each Loan Party shall, and shall cause each of its Subsidiaries to:

6.1 Financial Statements; Other Information. The Parent shall furnish to the Administrative Agent (who shall make such information available to each Lender):

(A) Annual Financial Statements. As soon as available, but in any event in accordance with then Applicable Law and not later than 90 days after the end of each fiscal year of the Parent, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied.

(B) Quarterly Financial Statements. As soon as available, but in any event in accordance with then Applicable Law and not later than 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Parent, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Responsible Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

(C) Compliance Certificate; Public Announcements. Concurrently with any delivery of financial statements under Section 6.1(A) or Section 6.1(B), an Officer's Compliance Certificate (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.14(A) and Section 7.1 and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate. To the extent applicable, concurrently with the filing of the Parent's financial statements with the SEC for any quarterly or annual period, the Parent shall publically announce, either in a press release or in such reports, that no Default or Event of Default exists at such time and that the Borrower is in compliance with the financial covenant set forth in Section 7.1(A), or if a Default or Event of Default exists or if the Borrower is not so in compliance, specifying the details thereof and any action taken or proposed to be taken with respect thereto.

(D) Swap Agreement Certificate. Concurrently with the delivery of each Reserve Report hereunder, a certificate of a Responsible Officer, in form and substance satisfactory to the Required Lenders, setting forth as of a recent date, a true and complete list of all Swap Agreements of the Parent and each Subsidiary, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes set forth on a monthly basis for the remaining term of each Swap Agreement), the net mark-to-market value thereof, any new credit support agreements relating thereto not listed on Schedule 5.20, and confirming no margin required or supplied under any credit support document, and any amendments relating thereto and the counterparty to each such agreement.

(E) Insurance Coverage Certificate. Each year, promptly upon renewal thereof, a certificate of insurance coverage from each insurer with respect to the insurance required by Section 5.12, in form and substance reasonably satisfactory to the Required Lenders, and, if requested by the Administrative Agent or any Lender, all copies of the applicable policies.

(F) Other Accounting Reports. Promptly upon receipt thereof, a copy of each other report or letter submitted to the Parent or any of its Subsidiaries by independent accountants in connection with any annual, interim or special audit made by them of the books of the Parent or any such Subsidiary, and a copy of any response by the Parent or any such Subsidiary, or the board of directors or other relevant governing body of the Parent or any such Subsidiary, to such letter or report.

(G) SEC and Other Filings; Reports to Shareholders. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Parent or any Subsidiary with the SEC, or with any national securities exchange, or distributed by the Parent to its shareholders generally, as the case may be.

(H) Notices Under Material Instruments. Promptly after the furnishing thereof, copies of any financial statement, report or notice furnished to or by any Person pursuant to the terms of any preferred stock designation, indenture, loan or credit or other similar agreement, other than this Agreement and not otherwise required to be furnished to the Lenders pursuant to any other provision of this Section 6.1.

(I) Lists of Purchasers. Concurrently with the delivery of each Reserve Report effective as of the previous January 1, a list of all Persons purchasing Hydrocarbons from the Parent or any Subsidiary.

(J) Notice of Sales of Oil and Gas Properties. In the event the Borrower or any of the Borrower's Subsidiaries intends to sell, transfer, assign or otherwise dispose of any Oil or Gas Properties or any Equity Interests in any Subsidiary in accordance with Section 7.12, prior written notice of such disposition, the price thereof and the anticipated date of closing and any other details thereof requested by any Lender.

(K) Notice of Insurance and Condemnation Events. Prompt written notice, and in any event within three Business Days after it obtains knowledge thereof, of the occurrence of any Insurance and Condemnation Event or the commencement of any action or proceeding that could reasonably be expected to result in an Insurance and Condemnation Event.

(L) Issuance of Permitted Refinancing Debt. In the event the Parent or the Borrower intends to refinance any Debt with the proceeds of Permitted Refinancing Debt as contemplated by Section 7.2(B) or 7.2(I), prior written notice of such intended offering therefor, the amount thereof and the anticipated date of closing and, promptly when available, a copy of the preliminary offering memorandum (if any) and the final offering memorandum therefor (if any).

(M) Information Regarding Loan Parties. Prompt written notice (and in any event within 30 days prior thereto) of any change in any Loan Party's (i) jurisdiction of organization, (ii) name as listed in the public records of its jurisdiction of organization, (iii) type, identity or organizational structure, (iv) the location of its principal place of business and chief executive office, (v) organizational identification number in its jurisdiction of organization or (vi) federal taxpayer identification number.

(N) Forecasted and Actual Production Report and Lease Operating Statements. As soon as available, but in any event not later than 45 days after the end of each fiscal quarter of the Parent, a report setting forth (i) for each calendar month for the most recently ended twelve calendar month period as of the last day of the most recently ended fiscal quarter of the Parent, the volume of production, sales attributable to production (and the prices at which such sales were made and the revenues derived from such sales) and the volume of production which was hedged for each such calendar month from the Oil and Gas Properties of the Borrower and its Subsidiaries, and setting forth the related ad valorem, severance

and production taxes and lease operating expenses attributable thereto and incurred for each calendar month and (ii) (a) the "forecasted production from proved developed producing reserves" (as such term is defined below), (b) the "forecasted production from total proved reserves" (as such term is defined below) and (c) the notional amounts and volumes of each Swap Agreement of the Parent and each Subsidiary, in each case for clauses (a), (b) and (c) above, for each calendar month for the 60 month period following the last day of the most recently ended fiscal quarter of the Parent. As used in this Agreement, (1) "forecasted production from total proved reserves" means the forecasted production of crude oil, natural gas and natural gas liquids as reflected in the most recent Reserve Report delivered to the Administrative Agent pursuant to Section 6.12, after giving effect to (A) any pro forma adjustments for the consummation of any acquisitions or dispositions since the effective date of such Reserve Report and (B) any supplements to such Reserve Report that may be delivered from time to time by the Borrower to the Administrative Agent setting forth updated well projections and other information in form and substance reasonably acceptable to the Required Lenders reflecting drilling activity and other results of operations since the effective date of such Reserve Report and (2) "forecasted production from proved developed producing reserves" means the forecasted production of crude oil, natural gas and natural gas liquids from Proved Developed Producing Reserves as reflected in the most recent Reserve Report delivered to the Administrative Agent pursuant to Section 6.12, after giving effect to (A) any pro forma adjustments for the consummation of any acquisitions or dispositions since the effective date of such Reserve Report and (B) any supplements to such Reserve Report that may be delivered from time to time by the Borrower to the Administrative Agent setting forth updated well projections and other information in form and substance reasonably acceptable to the Required Lenders reflecting drilling activity and other results of operations since the effective date of such Reserve Report.

(O) Notices of Certain Changes. Promptly, but in any event within five Business Days after the execution thereof, copies of any amendment, modification or supplement to the certificate or articles of incorporation, by-laws, any preferred stock designation or any other organic document of the Parent or any Subsidiary.

(P) Patriot Act. Promptly upon any request therefor, all documentation and other information requested by the Administrative Agent or any Lender that is required by any regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(Q) Consolidating Information for Excluded Subsidiaries. If at any time the net income of all Excluded Subsidiaries is greater than $1,000,000 in any fiscal year, then concurrently with any delivery of financial statements under Section 6.1(A) or Section 6.1(B), a certificate of a Responsible Officer setting forth consolidating spreadsheets that show all Excluded Subsidiaries and the eliminating entries, in such form as would be presentable to the auditors of the Borrower.

(R) Other Requested Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Parent or any Subsidiary (including any Plan and any reports or other information required to be filed with respect thereto under the Code or under ERISA) or compliance with the terms of this Agreement or any other Loan Document as the Administrative Agent or any Lender may reasonably request.

(S) Deposit Accounts. Promptly, and no later than five Business Days after the opening or acquisition thereof, written notice (such notice to include reasonably detailed information regarding the account number, purpose and location of such Deposit Account) to the Administrative Agent of any Deposit Account opened or acquired by the Parent or any of its Subsidiaries.

Documents required to be delivered pursuant to Section 6.1(A), Section 6.1(B) or Section 6.1(G) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, are deemed to have been delivered on the date (1) on which the Parent posts such documents, or provides a link thereto on the Parent's website on the Internet at www.petroquest.com or (2) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided the Borrower provides to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Parent shall provide paper copies of the Officer's Compliance Certificate required by Section 6.1(C) to the Administrative Agent and the Lenders. The Administrative Agent has no obligation to request the delivery or to maintain copies of the documents referred to in this Section 6.1, and in any event has no responsibility to monitor compliance by the Parent with any such request for delivery, and each Lender is be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Parent and the Borrower acknowledge that (a) the Administrative Agent will make available to the Lenders materials or information provided by or on behalf of the Loan Parties hereunder (collectively, "Loan Party Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Parent or its securities) (each, a "Public Lender"). The Parent and the Borrower shall use commercially reasonable efforts to identify that portion of the Loan Party Materials that may be distributed by the Administrative Agent to the Public Lenders and that (i) all such Loan Party Materials will be clearly and conspicuously marked "PUBLIC" which, at a minimum, means that the word "PUBLIC" appears prominently on the first page thereof, (ii) by marking Loan Party Materials "PUBLIC," the Parent and the Borrower are deemed to have authorized the Administrative Agent and the Lenders to treat such Loan Party Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Parent or its securities for purposes of United States Federal and state securities laws (provided that, to the extent such Loan Party Materials constitute Information, they shall be treated as set forth in Section 10.5), (iii) all Loan Party Materials marked "PUBLIC" are permitted to be made available by the Administrative Agent through a portion of the Platform designated "Public Investor" and (iv) the Administrative Agent

is entitled to treat any Loan Party Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.2 Notices of Material Events. The Parent and the Borrower shall furnish to the Administrative Agent (who shall make such notice available to each Lender) prompt written notice of the following:

(A) the occurrence of any Default;

(B) the filing or commencement of, or the threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority against or affecting the Parent or any Affiliate thereof not previously disclosed in writing to the Lenders or any material adverse development in any action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders) that, in either case, if adversely determined, could reasonably be expected to result in liability in excess of $2,000,000; and

(C) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 6.2 shall be accompanied by a statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

6.3 Existence; Conduct of Business. It shall, and shall cause each Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and maintain, if necessary, its qualification to do business in each other jurisdiction in which its Oil and Gas Properties is located or the ownership of its Properties requires such qualification, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect; provided the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.11.

6.4 Payment of Obligations. It shall, and shall cause each Subsidiary to, pay its obligations, including Tax liabilities of it and all of its Subsidiaries before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) it or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect or result in the seizure or levy of any Property of it or any of its Subsidiaries.

6.5 Performance of Obligations. The Borrower shall pay the Obligations in accordance with the terms thereof, and the Parent and the Borrower each shall, and shall cause each of its Subsidiaries to, do and perform every act and discharge all of the obligations to be performed and discharged by them under the Loan Documents at the time or times and in the manner specified therein.

6.6 Operation and Maintenance of Properties. The Borrower, at the Borrower's own expense, shall, and shall cause each of the Borrower's Subsidiaries to:

(A) operate its Oil and Gas Properties and other material Properties or cause such Oil and Gas Properties and other material Properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Applicable Laws, including applicable pro ration requirements and Environmental Laws, and all rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom, except, in each case, where the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(B) keep and maintain all Property material to the conduct of its business in good working order and condition (ordinary wear and tear excepted), preserve, maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its material Oil and Gas Properties and other material Properties, including all equipment, machinery and facilities;

(C) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all delay rentals, royalties, expenses and indebtedness, except those contested in good faith by appropriate proceedings, accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties and shall do all other things necessary to keep unimpaired their respective rights with respect thereto and prevent any forfeiture thereof or default thereunder;

(D) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the material obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties and other material Properties; and

(E) to the extent it is not the operator of any Property, use reasonable efforts to cause the operator to comply with this Section 6.6.

6.7 Insurance. The Borrower shall, and shall cause each of the Borrower's Subsidiaries to, maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The loss payable clauses or provisions in such insurance policy or policies insuring against physical damage to equipment and facilities owned by the Borrower shall be, as soon as commercially reasonable but in no event later than 45 days after the Closing Date and at all times thereafter, endorsed in favor of and made payable to the Administrative Agent as its interests may appear and such policies shall name the Administrative Agent and the Lenders as "additional insureds" and provide that the insurer will give prior notice as required under such insurance policies of any cancellation to the Administrative Agent. With respect to Mortgaged Property located in the State of Texas, the

Borrower (a) is required to (i) keep such Mortgaged Property insured against damage in the amount the Administrative Agent (at the direction of the Required Lenders) specifies, (ii) purchase the insurance from an insurer that is authorized to do business in the State of Texas or an eligible surplus lines insurer and (iii) name the Administrative Agent as the person to be paid under the policy in the event of a loss and (b) must deliver to the Administrative Agent a copy of such policy and proof of the payment of premiums. If the Borrower fails to meet any requirement listed in clause (a) or (b) above, the Administrative Agent (at the direction of the Required Lenders) may obtain collateral protection insurance on behalf of the Borrower at the Borrower's expense.

6.8 Books and Records; Inspection Rights. The Parent shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Parent shall, and shall cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its Properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

6.9 Compliance with Laws. The Parent shall, and shall cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

6.10 Environmental Matters.

(A) The Borrower shall, at the Borrower's sole expense: (i) comply, and shall cause the Borrower's Properties and operations and each of the Borrower's Subsidiaries and each such Subsidiary's Properties and operations to comply, with all applicable Environmental Laws, the breach of which could be reasonably expected to have a Material Adverse Effect; (ii) not Release or threaten to Release, and shall cause each Subsidiary not to Release or threaten to Release, any Hazardous Material on, under, about or from any of the Borrower's or the Borrower's Subsidiaries' Properties or any other property offsite the Property to the extent caused by the Borrower or any of the Borrower's Subsidiaries' operations except in compliance with applicable Environmental Laws, the Release or threatened Release of which could reasonably be expected to have a Material Adverse Effect; (iii) timely obtain or file, and shall cause each Subsidiary to timely obtain or file, all Environmental Permits, if any, required under applicable Environmental Laws to be obtained or filed in connection with the operation or use of the Borrower or the Borrower's Subsidiaries' Properties, which failure to obtain or file could reasonably be expected to have a Material Adverse Effect; (iv) promptly commence and diligently prosecute to completion, and shall cause each Subsidiary to promptly commence and diligently prosecute to completion, any assessment, evaluation, investigation, monitoring, containment, cleanup, removal, repair, restoration, remediation or other remedial obligations (collectively, the "Remedial Work") in the event any Remedial Work is required or reasonably

necessary under applicable Environmental Laws because of or in connection with the actual or suspected past, present or future Release or threatened Release of any Hazardous Material on, under, about or from any of the Borrower's or the Borrower's Subsidiaries' Properties, which failure to commence and diligently prosecute to completion could reasonably be expected to have a Material Adverse Effect; (v) conduct, and cause its Subsidiaries to conduct, their respective operations and businesses in a manner that will not expose any Property or Person to Hazardous Materials that could reasonably be expected to form the basis for a claim for damages or compensation; and (vi) establish and implement, and shall cause each Subsidiary to establish and implement, such procedures as may be necessary to continuously determine and assure that the Borrower's and the Borrower's Subsidiaries' obligations under this Section 6.10(A) are timely and fully satisfied.

(B) The Borrower shall promptly, but in no event later than five days of the occurrence of a triggering event, notify the Administrative Agent and the Lenders in writing of any threatened action, investigation or inquiry by any Governmental Authority or any threatened demand or lawsuit by any Person against it or its Subsidiaries or their Properties of which the Borrower has knowledge in connection with any Environmental Laws if the Borrower could reasonably anticipate that such action will result in liability (whether individually or in the aggregate) in excess of $2,000,000.

(C) The Borrower shall, and shall cause each of the Borrower's Subsidiaries to, provide environmental assessments, audits and tests in accordance with the most current version of the American Society of Testing Materials standards upon request by the Required Lenders and no more than once per year in the absence of any Event of Default (or as otherwise required to be obtained by the Administrative Agent or the Lenders by any Governmental Authority) in connection with any future acquisitions of Oil and Gas Properties or other Properties.

6.11 Further Assurances.

(A) It shall, and shall cause each of its Subsidiaries to, at its own expense, promptly execute and deliver to the Administrative Agent all such other documents, agreements and instruments reasonably requested by the Required Lenders to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of it or any of its Subsidiaries, as the case may be, in the Loan Documents or to further evidence and more fully describe the collateral intended as security for the Obligations, or to correct any omissions in this Agreement or the other Loan Documents, or to state more fully the obligations secured by the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to this Agreement or any of the Loan Documents or the priority thereof, or to make any recordings, file any notices or obtain any consents, all as may be reasonably necessary or appropriate, in the sole discretion of the Required Lenders, in connection therewith.

(B) Each Loan Party authorizes the Administrative Agent (at the written direction of the Required Lenders) to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Loan Party where permitted by law. A carbon, photographic or other reproduction of the Security Documents or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(C) Notwithstanding any provision in any of the Loan Documents to the contrary, in no event will any Excluded Deposit Account be encumbered by any Security Document; provided, the Parent shall not, and shall not permit any of its Subsidiaries to, permit to exist any Lien on any Excluded Deposit Account except Liens permitted by Section 7.3(E).

6.12 Reserve Reports.

(A) On or before March 1, May 10, August 10 and November 10 of each year, the Borrower shall furnish to the Administrative Agent (who shall make such information available to the Lenders) a Reserve Report evaluating the Oil and Gas Properties, including oil and gas Swap Agreements in place at the end of each quarter, of the Borrower and the Borrower's Subsidiaries as of the immediately preceding January 1, April 1, July 1 and October 1, respectively. The Reserve Report as of January 1 of each year shall be prepared by one or more Approved Petroleum Engineers, and the April 1, July 1 and October 1 Reserve Reports of each year shall be prepared by or under the supervision of the chief engineer of the Borrower who shall certify such Reserve Report to be true and accurate and to have been prepared in accordance with the procedures used in the immediately preceding January 1st Reserve Report. The values of the Oil and Gas Properties set forth in a Reserve Report are the present values of such Oil and Gas Properties discounted at 10% per annum.

(B) With the delivery of each Reserve Report, the Borrower shall provide to the Administrative Agent and the Lenders a certificate from a Responsible Officer certifying that in all material respects (i) the information contained in the Reserve Report and any other information delivered in connection therewith is true and correct in all material respects, (ii) the Borrower or the Borrower's Subsidiaries owns good and defensible title to the Oil and Gas Properties evaluated in such Reserve Report and such Properties are free of all Liens except for Liens permitted by Section 7.3, (iii) except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take or pay or other prepayments in excess of the volume specified in Section 5.18 with respect to the Oil and Gas Properties evaluated in such Reserve Report which would require the Borrower or any of the Borrower's Subsidiaries to deliver Hydrocarbons either generally or produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor, (iv) none of their Oil and Gas Properties have been sold since the date of the most recently delivered Reserve Report except as set forth on an exhibit to the certificate, which certificate shall

list all of its Oil and Gas Properties sold and in such detail as reasonably required by the Required Lenders, (v) attached to the certificate is a list of all marketing agreements entered into subsequent to the later of the Closing Date or the most recently delivered Reserve Report which the Borrower could reasonably be expected to have been obligated to disclose under Section 5.19 had such agreement been in effect on the Closing Date and (vi) attached thereto is a schedule of the Oil and Gas Properties evaluated by such Reserve Report that are Mortgaged Properties and demonstrating that such Mortgaged Properties represent at least the Threshold Amount of the total value of the Oil and Gas Properties in compliance with Section 6.14(A).

6.13 Title Information.

(A) On or before the delivery to the Administrative Agent and the Lenders of each Reserve Report required by Section 6.12(A), the Borrower will deliver title information in form and substance acceptable to the Required Lenders covering (i) enough of the Oil and Gas Properties evaluated by such Reserve Report that were not included in the immediately preceding Reserve Report, so that the Administrative Agent has received, together with title information previously delivered to the Administrative Agent, satisfactory title information on at least the Threshold Amount of the total value of the Proved Reserves attributable to the Oil and Gas Properties evaluated by such Reserve Report, and (ii) any additional unproven and undeveloped interests obtained by Borrower in the Louisiana Austin Chalk Properties and Cotton Valley Properties since the delivery of the immediately preceding Reserve Report.

(B) If the Borrower has provided title information for additional Properties under Section 6.13(A), the Borrower shall, within 90 days of notice from the Required Lenders that title defects or exceptions exist with respect to such additional Properties, either (i) cure any such title defects or exceptions (including defects or exceptions as to priority) which are not permitted by Section 7.3 raised by such information, (ii) substitute acceptable Mortgaged Properties with no title defects or exceptions except for Excepted Liens (other than Excepted Liens described in clauses (E), (G) and (H) of such definition) having an equivalent value or (iii) deliver title information in form and substance acceptable to the Required Lenders so that the Administrative Agent has received, together with title information previously delivered to the Administrative Agent, satisfactory title information on (x) at least the Threshold Amount of the value of the Oil and Gas Properties evaluated by such Reserve Report and (y) such additional unproven and undeveloped interests obtained by Borrower in the Louisiana Austin Chalk Properties and Cotton Valley Properties since the delivery of the immediately preceding Reserve Report.

6.14 Additional Collateral; Additional Guarantors In connection with each delivery of a Reserve Report, the Borrower shall review such Reserve Report and the list of current Mortgaged Properties (as described in Section 6.12(B)(vi)) to ascertain whether the Mortgaged Properties represent (i) at least the Threshold Amount of

the total value of the Oil and Gas Properties evaluated in the most recently completed Reserve Report and (ii) all of the Borrower's unproven and undeveloped interests in the Louisiana Austin Chalk Properties and Cotton Valley Properties, in each case, after giving effect to exploration and production activities, acquisitions, dispositions and production. In the event that the Mortgaged Properties do not represent at least the Threshold Amount of such total value and/or all of the Borrower's unproven and undeveloped interests in the Louisiana Austin Chalk Properties and Cotton Valley Properties, as applicable, then (i) the Borrower shall, and shall cause the Borrower's Subsidiaries to, grant, within 30 days of delivery of the certificate required under Section 6.12(B), to the Administrative Agent as security for the Obligations a first-priority Lien interest (provided that Excepted Liens of the type described in clauses (A) to (D) and (F) of the definition thereof may exist, but subject to the provisos at the end of such definition) on additional Oil and Gas Properties, including any unproven and undeveloped acreage, as applicable, not already subject to a Lien of the Security Documents such that after giving effect thereto, the Mortgaged Properties represent at least the Threshold Amount of such total value and all of the Borrower's unproven and undeveloped interests in the Louisiana Austin Chalk Properties and Cotton Valley Properties, respectively, and (ii) to the extent applicable, the Parent shall promptly file a Form 8-K, or include such information as part of any filing of the Parent's financial statements, with the SEC announcing that the Borrower has complied with this Section 6.14(A). All such Liens will be created and perfected by and in accordance with the provisions of the Security Documents, all in form and substance reasonably satisfactory to the Required Lenders and in sufficient executed (and acknowledged where necessary or appropriate) counterparts for recording purposes.

(B) It shall promptly cause each of its Subsidiaries (other than the Borrower and the Excluded Subsidiaries) to guarantee the Obligations pursuant to the Guaranty Agreement. If at any time the net income of all Excluded Subsidiaries is greater than $1,000,000 in any fiscal year, then within 30 days after the delivery of financial statements under Section 6.1(A) with respect to such fiscal year, it shall cause each Excluded Subsidiary to guarantee the Obligations pursuant to the Guaranty Agreement. The Parent shall at all times guarantee the Obligations pursuant to the Guaranty Agreement. In connection with any such guarantee, it shall, or shall cause such Subsidiary to promptly (but with respect to any Subsidiary formed or acquired after the date hereof, no later than ten days after the date of such formation or acquisition), (i) execute and deliver the Guaranty Agreement or a supplement to the Guaranty Agreement as required by the Required Lenders, (ii) pledge all of the Equity Interests of such Subsidiary (including delivery of original certificates evidencing the Equity Interests of such Subsidiary, together with an appropriate undated stock or equity powers for each certificate duly executed in blank by the registered owner thereof) and (iii) execute and deliver such other additional closing documents, certificates and legal opinions as are reasonably requested by the Required Lenders in connection with this Section 6.14(B).

(C) The Parent and the Borrower shall not, and shall not permit any of their Subsidiaries to, permit to exist any Lien on any "building" or "manufactured (mobile) home" (each as defined in Regulation H promulgated under the Flood Insurance Laws) except Excepted Liens.

(D) The Parent shall, and shall cause each of the Parent's Subsidiaries to, grant to the Administrative Agent, contemporaneously with the granting of a Lien on any Property to secure any Debt incurred pursuant to Section 7.2(I), as security for the Obligations, a first priority, perfected Lien (subject only to Excepted Liens) on the same Property pursuant to Security Documents in form and substance reasonably satisfactory to the Required Lenders. In connection therewith, the Parent shall and shall cause each of the Parent's Subsidiaries to execute and deliver such other additional closing documents, certificates and legal opinions as are reasonably requested by the Required Lenders.

(E) The Parent shall cause any Person guaranteeing any Debt incurred pursuant to Section 7.2(I) to contemporaneously become a Guarantor hereunder in accordance with Section 6.14(B).

6.15 ERISA Compliance. The Parent shall promptly furnish and shall cause the Parent's Subsidiaries and any ERISA Affiliate to promptly furnish to the Administrative Agent (a) promptly after the filing thereof with the United States Secretary of Labor or the IRS, copies of each annual and other report with respect to each Plan or any trust created thereunder and (b) immediately upon becoming aware of the occurrence of any "prohibited transaction," as described in section 406 of ERISA or in section 4975 of the Code, in connection with any Plan or any trust created thereunder, a written notice signed by a Responsible Officer, the Subsidiary or the ERISA Affiliate, as the case may be, specifying the nature thereof, what action the Parent, the Parent's Subsidiaries or the ERISA Affiliate is taking or proposes to take with respect thereto, and, when known, any action taken or proposed by the IRS or the Department of Labor with respect thereto.

6.16 Swap Agreements. The Parent or its Subsidiaries may enter into Swap Agreements from time to time in accordance with Section 7.18. The Parent or the Borrower shall maintain the hedge position established by the Swap Agreements identified in the most recent certificate delivered under Section 6.1(D) during the period specified therein until sold, assigned, monetized, transferred, cancelled, terminated, unwound or otherwise disposed of in accordance with Section 7.18.

6.17 Marketing Activities. The Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, engage in marketing activities for any Hydrocarbons or enter into any contracts related thereto other than (a) contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from their Proved Reserves attributable to Oil and Gas Properties during the period of such contract, (b) contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from Proved Reserves attributable to Oil and Gas Properties of third parties during the period of such contract associated with the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries that the Borrower or one of the Borrower's Subsidiaries has the right to market pursuant to joint operating agreements,

unitization agreements or other similar contracts that are usual and customary in the oil and gas business and (c) other contracts for the purchase or sale of Hydrocarbons of third parties (i) which have generally offsetting provisions (i.e. corresponding pricing mechanics, delivery dates and points and volumes) such that no "position" is taken and (ii) for which appropriate credit support has been taken to alleviate the material credit risks of the counterparty thereto.

6.18 Use of Proceeds. The Borrower shall use the proceeds of the Term Loans for (a) the repayment in full of the loans and other obligations under the Prior Credit Agreement on the Closing Date, (b) the payment of transaction fees and expenses and (c) for working capital for exploration and production operations, and (d) other general corporate purposes (including the repurchase of stock to the extent permitted by Section 7.4(A)). If requested by the Administrative Agent (at the written direction of the Required Lenders), the Borrower shall furnish to the Administrative Agent and each Lender a statement that neither it nor any Person acting on its behalf has taken any action that might cause any of the Loan Documents to violate Regulations T, U or X or any other regulation of the Board or to violate Section 7 of the Securities Exchange Act of 1934 or any rule or regulation thereunder in conformity with the requirements of FR Form U-1 or such other form referred to in Regulation U, Regulation T or Regulation X of the Board, as the case may be.

6.19 Compliance with Anti-Corruption Laws and Sanctions. The Parent and the Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent, the Borrower, their respective Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

6.20 Deposit Accounts. Each Loan Party shall provide the Administrative Agent with an Account Control Agreement in form and substance reasonably satisfactory to the Required Lenders duly executed by such Loan Party and the financial institute maintaining each Deposit Account of such Loan Party other than (a) Excluded Deposit Accounts and (b) Deposit Accounts used for the payment of corporate credit cards so long as the aggregate amount on deposit in such Deposit Accounts does not exceed $100,000 at any time.

## SECTION 7. NEGATIVE COVENANTS:

Until all of the Obligations (other than contingent, indemnification obligations not then due) have been paid and satisfied in full in cash and the Term Loan Commitments terminated or expired, the Loan Parties shall not, and shall not permit any of their respective Subsidiaries to:

7.1 Financial Covenant.

(A) The Borrower shall not permit or allow the ratio of (a) the present value, discounted at 10% per annum, of the estimated future net revenues in respect of all Oil and Gas Properties of the Parent and its Subsidiaries, before any state, federal, foreign or other income taxes, attributable to Proved Reserves, using Strip Prices in effect at the end of each calendar quarter, including oil and gas Swap Agreements in place at the end of each quarter, to (b) the sum of the aggregate outstanding principal amount of the Term Loans to be less than 1.50 to 1.00 as measured on the last day of each calendar quarter.

(B) If the Borrower violates the financial covenant set forth in Section 7.1(A), it may, at its option (exercised by giving the Administrative Agent written notice thereof within ten days of the scheduled delivery date of the Officer's Compliance Certificate for the applicable calendar quarter), prepay outstanding Term Loans such that after giving effect to such prepayments and reductions, the financial covenant set forth in Section 7.1(A) would be satisfied. The Borrower shall make any such prepayments within 15 days of the scheduled delivery date of the Officer's Compliance Certificate for the applicable calendar quarter. Nothing in this Section 7.1(B) waives any Default or Event of Default that exists due to noncompliance with the financial covenant set forth in Section 7.1(A) until such prepayments or reductions are made. After giving effect to such prepayments and reductions, the Borrower is deemed to have satisfied the financial covenant set forth in Section 7.1(A) as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date and the applicable Default or Event of Default that had occurred is deemed waived and not to have occurred for all purposes of this Agreement and the other Loan Documents.

7.2 Debt. It shall not, and shall not permit any of its Subsidiaries to, incur, create, assume or suffer to exist any Debt, except, without duplication:

(A) the Obligations;

(B) Debt of the Parent and its Subsidiaries existing on the Closing Date that is described on Schedule 7.2 and any Permitted Refinancing Debt in respect thereof;

(C) accounts payable and accrued expenses, liabilities or other obligations to pay the deferred purchase price of Property or services, from time to time incurred in the ordinary course of business which are not greater than 90 days past the date of invoice or delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(D) Debt under Capital Leases not to exceed $2,000,000;

(E) Debt associated with bonds or surety obligations required by Applicable Law in connection with the operation of the Oil and Gas Properties;

(F) intercompany Debt between the Parent and its Subsidiaries to the extent permitted by Section 7.5(G); provided (i) such Debt is not held, assigned, transferred, negotiated or pledged to any Person other than the Parent or one of the other Loan Parties and (ii) any such Debt owed by a Loan Party is subordinated to the Obligations;

(G) endorsements of negotiable instruments for collection in the ordinary course of business;

(H) Debt incurred to finance premiums for insurance policies required under Section 5.12;

(I) (i) Parent Notes and guarantees thereof by any Guarantor and (ii) Debt that constitutes Permitted Refinancing Debt of such Parent Notes permitted under the Intercreditor Agreement and any guarantees thereof, in each case, so long as (a) no Default or Event of Default exists at the time of, or results from, the incurrence of any such Debt and (b) the Borrower is in pro forma compliance with Section 7.1 at the time of incurrence of such Debt and after giving effect to the incurrence of such Debt; and

(J) other Debt not to exceed $2,000,000 in the aggregate at any one time outstanding.

7.3 Liens. It shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any of its Properties (now owned or hereafter acquired), except:

(A) Liens securing the Obligations;

(B) Excepted Liens;

(C) Liens securing Capital Leases permitted by Section 7.2(D) but only on the Property under lease;

(D) Liens on any insurance policy or on any prepaid premiums on any such insurance policy securing Debt related to the payment of insurance premiums with respect to such insurance policy which Debt is permitted under Section 7.2(H);

(E) Liens on (i) Property not constituting collateral for the Obligations so long as the principal or face amount of all Debt secured under this clause (i) does not exceed $2,000,000 in the aggregate at any one time and (ii) cash in Excluded Deposit Accounts so long as such Liens do not secured Debt for borrowed money; and

(F) Liens on Equity Interests of the Borrower or any Subsidiary of Parent that is a Guarantor; provided that such Liens (i) are subordinate to the Liens in favor of the Administrative Agent securing the Obligations and (ii) are at all times subject to an Intercreditor Agreement.

7.4 Restricted Payments. The Parent shall not, and shall not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, return any capital to its Equity Interest holders or make any distribution of its Property to its Equity Interest holders, except (a) the Parent may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its Equity Interests (other than Disqualified Capital Stock), (b) [reserved], (c) Wholly-Owned Subsidiaries of the Borrower may declare and pay dividends ratably with respect to their Equity Interests, (d) the Parent may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Parent and its Subsidiaries, (e) so long as no Default or Event of Default exists or would result therefrom, the Borrower may declare and pay dividends

to Parent and (f) the Parent may voluntarily Redeem or exchange Disqualified Capital Stock outstanding on the Closing Date with the issuance of additional Equity Interests (other than Disqualified Capital Stock) of the Parent in exchange for all or a portion of such Disqualified Capital Stock so long as no Default has occurred and is continuing both before and after giving effect to such Redemption or exchange and such Redemption or exchange occurs substantially contemporaneously with, and in any event within three Business Days following, the receipt of proceeds or confirmation of exchange, as applicable, in respect of such Redemption or exchange.

7.5 Investments; Acquisitions. The Parent and the Borrower shall not, and shall not permit any of their Subsidiaries to, make or permit to remain outstanding any Investments in or to any Person or acquire any Oil and Gas Properties, except:

(A) Investments existing on the Closing Date that are described on Schedule 7.5;

(B) accounts receivable arising in the ordinary course of business;

(C) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof, in each case maturing within one year from the date of creation thereof;

(D) commercial paper maturing within one year from the date of creation thereof rated in the highest grade by S&P or Moody's;

(E) deposits maturing within one year from the date of creation thereof with, including certificates of deposit issued by, any Lender or any office located in the United States of any other bank or trust company which is organized under the laws of the United States or any state thereof, has capital, surplus and undivided profits aggregating at least $100,000,000 (as of the date of such bank or trust company's most recent financial reports) and has a short term deposit rating of no lower than A2 or P2, as such rating is set forth from time to time, by S&P or Moody's, respectively or, in the case of any Foreign Subsidiary, a bank organized in a jurisdiction in which the Foreign Subsidiary conducts operations having assets in excess of $500,000,000 (or its equivalent in another currency);

(F) deposits in money market funds investing exclusively in Investments described in Section 7.5(C), 7.5(D) or 7.5(E);

(G) intercompany Investments (i) made by the Borrower in or to any Person that, prior to such Investment, is a Guarantor and (ii) made by the Parent or any Subsidiary in or to (a) the Borrower or (b) any Person that, prior to such Investment, is a Guarantor;

(H) subject to the limits in Section 7.6, Investments (including capital contributions) in general or limited partnerships or other types of entities (each a "venture") entered into by the Parent, the Borrower or a Subsidiary with others in the ordinary course of business; provided (i) any such venture is engaged exclusively in oil and gas exploration, development, production, processing and related activities, including transportation, (ii) the interest in such venture is acquired in

the ordinary course of business and on fair and reasonable terms and (iii) such venture interests acquired and capital contributions made (valued as of the date such interest was acquired or the contribution made) do not exceed, in the aggregate at any time outstanding, an amount equal to $2,000,000;

(I) acquisitions of direct ownership interests in additional Oil and Gas Properties and gas gathering systems related thereto or related to farm-out, farm-in, joint operating, joint venture or area of mutual interest agreements, gathering systems, pipelines or other similar arrangements which are usual and customary in the oil and gas exploration and production business located within the geographic boundaries of the United States that arise in the ordinary course of business so long as (i) the Parent or the Borrower has given prior written notice to the Administrative Agent of such Investments and (ii) the aggregate purchase price amount (including any earn-outs, valued at the maximum amount payable thereunder, and deferred payments, and after giving effect to any Credit Proceeds) for any such acquisitions, measured on the last day of each calendar quarter, commencing with the quarter ending March 31, 2019, together with all other such acquisitions consummated during the twelve month period ending on such quarter end, does not exceed the Quarterly Overage Investment Cap; provided that to the extent that such aggregate purchase price amount for such twelve month period ending on such quarter end exceeds the Annual Investment Cap (such excess, herein the "Quarterly Overage"), then the Borrower shall apply available Credit Proceeds during the immediately succeeding calendar quarter as a dollar-for-dollar credit to such aggregate purchase price amount so that the Quarterly Overage is eliminated prior to the last day of such immediately succeeding calendar quarter, and to the extent that at any time Credit Proceeds reduce such aggregate purchase price amount to an amount below the Annual Investment Cap, Borrower will have additional availability for acquisitions in such succeeding calendar quarter(s); provided further that any such acquisitions consummated prior to the Closing Date shall be excluded for all purposes from the calculation in this subclause (ii);

(J) Investments in stock, obligations or securities received in settlement of debts arising from Investments permitted under this Section 7.5 owing to the Borrower or any of the Borrower's Subsidiaries as a result of a bankruptcy or other insolvency proceeding of the obligor in respect of such debts or upon the enforcement of any Lien in favor of the Borrower or any of the Borrower's Subsidiaries; provided the Borrower shall give the Administrative Agent prompt written notice in the event that the aggregate outstanding amount of all Investments held at any one time under this Section 7.5(J) exceeds $2,000,000;

(K) loans or advances to employees, officers or directors in the ordinary course of business of the Parent or any of its Subsidiaries, in each case only as permitted by applicable law, including Section 402 of the Sarbanes Oxley Act of 2002, but in any event not to exceed $250,000 in the aggregate at any time; and

(L) other Investments not to exceed $2,000,000 in the aggregate outstanding at any time.

7.6 Nature of Business; International Operations. The Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, (a) allow any material change to be made in the character of its business as an independent oil and gas exploration and production company or (b) acquire or make any expenditure (whether such expenditure is capital, operating or otherwise) in or related to, any Oil and Gas Properties not located within the geographical boundaries of the United States.

7.7 Limitation on Leases. It shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any obligation for the payment of rent or hire of Property of any kind whatsoever (real or personal but excluding Capital Leases and leases of Hydrocarbon Interests) under leases or lease agreements which would cause the aggregate amount of all payments made by the Parent and any of its Subsidiaries pursuant to all such leases or lease agreements, including any residual payments at the end of any lease, to exceed $2,000,000 in any period of twelve consecutive calendar months during the life of such leases.

7.8 Use of Proceeds. The Borrower shall not permit the proceeds of the Term Loans to be used for any purpose other than those permitted by Section 6.18. The Borrower shall not permit the proceeds of the Term Loans to be used for any purpose that violates the provisions of Regulations T, U or X of the Board. The Borrower shall not take or permit to be taken by any Person acting on behalf of the Borrower any action that might cause any of the Loan Documents to violate Regulations T, U or X or any other regulation of the Board or to violate Section 7 of the Securities Exchange Act of 1934 or any rule or regulation thereunder. The Borrower shall not request any Term Loan, and the Borrower shall not use, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Term Loan, directly or indirectly, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (c) in any manner that would result in the violation of any Sanctions applicable to any Party.

7.9 ERISA Compliance. It shall not, and shall not permit any of its Subsidiaries to, at any time:

(A) engage in, or permit any ERISA Affiliate to engage in, any transaction in connection with which it, any of its Subsidiaries or any ERISA Affiliate could be subjected to either a civil penalty assessed pursuant to subsections (c), (i), (l) or (m) of section 502 of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code;

(B) fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Plan, agreement relating thereto or Applicable Law, it, any of its Subsidiaries or any ERISA Affiliate is required to pay as contributions thereto; or

(C) contribute to or assume an obligation to contribute to, or permit any ERISA Affiliate to contribute to or assume an obligation to contribute to (i) any employee welfare benefit plan, as defined in section 3(1) of ERISA, including any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any material liability, or (ii) any employee pension benefit plan, as defined in section 3(2) of ERISA, that is subject to Title IV of ERISA, section 302 of ERISA or section 412 of the Code.

7.10 Sale or Discount of Receivables. Except for receivables obtained by the Borrower or any of the Borrower's Subsidiaries in the ordinary course of business or the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts receivable or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, the Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, discount or sell (with or without recourse) any of its notes receivable or accounts receivable.

7.11 Mergers. It shall not, and it shall not permit any of its Subsidiaries to, merge into or with or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property to any other Person (whether now owned or hereafter acquired), or liquidate or dissolve except that so long as no Default has occurred and is continuing at such time or would exist after giving effect thereto (a) the Borrower may merge with any Wholly-Owned Subsidiary so long as the Borrower is the surviving Person, (b) any Guarantor may merge with any other Guarantor or the Borrower so long as, if a Guarantor merges with the Borrower or the Parent, the Borrower or the Parent, as applicable, is the surviving Person, (c) any Non-Guarantor Subsidiary may merge with any other Non-Guarantor Subsidiary and (d) any Non-Guarantor Subsidiary may merge with any Loan Party so long as the Loan Party is the surviving Person.

7.12 Asset Dispositions. The Borrower shall not, and shall not permit any of the Borrower's Subsidiaries to, make any Asset Disposition (including any forfeiture of any Property except where such forfeiture is being contested in good faith by appropriate proceedings) or sell, assign, monetize, transfer, cancel, terminate, unwind or otherwise dispose of any Swap Agreement in respect of commodities, except for:

(A) the sale of Hydrocarbons in the ordinary course of business;

(B) transfers of interests in undeveloped acreage or undrilled depths in the ordinary course of the joint development of Oil and Gas Properties with ventures (as described in Section 7.5(H)) and others, including transfers to other parties pursuant to joint development agreements, participation agreements, farm-out agreements, farm-in agreements, exploration agreements, operating agreements and unit agreements;

(C) the sale or transfer of equipment that is no longer necessary for its business or the business of such Subsidiary or is replaced by equipment of at least comparable value and use;

(D) the sale or other disposition (including Insurance and Condemnation Events) of any Oil and Gas Property or any interest therein or any of its Subsidiaries (other than the Borrower) owning Oil and Gas Properties, the sale, assignment, monetization, transfer, cancellation, termination, unwinding or other disposal of any Swap Agreement in respect of commodities, and any venture (as described in Section 7.5(H)) or any interest therein; provided with respect to this clause (D):

(i) the consideration received in respect of such sale or other disposition (including asset exchanges under Section 1031 of the Code) or such sale, assignment, monetization, transfer, cancellation, termination, unwinding or other disposal of any Swap Agreement in respect of commodities is equal to or greater than the fair market value of the Oil and Gas Property, or any interest therein, or the Subsidiary subject of such sale or other disposition, or the Swap Agreement subject to such sale, assignment, monetization, transfer, cancellation, termination, unwinding or other disposal (as reasonably determined for each such Asset Disposition (a) by a Responsible Officer of the Borrower if such Asset Disposition involves Net Cash Proceeds of less than $10,000,000 and (b) by the board of managers (or comparable governing body) of the Borrower if such Asset Disposition involves Net Cash Proceeds of $10,000,000 or more, and, if requested by the Required Lenders, the Borrower shall deliver a certificate of its Responsible Officer certifying to that effect);

(ii) the Borrower shall make a prepayment of the Term Loans as provided by and to the extent required by Section 2.5(C); and

(iii) if any such sale or other disposition is of a Subsidiary owning Oil and Gas Properties, such sale or other disposition includes all the Equity Interests of such Subsidiary;

(E) sales, assignments, monetizations, transfers, cancellations, terminations or the unwinding or other disposition of any Swap Agreement permitted under Section 7.18(D); and

(F) sales and other dispositions of Properties not regulated by Section 7.12(A) through Section 7.12(E) having a fair market value not to exceed $2,000,000 during any 12-month period.

7.13 Environmental Matters. It shall not, and shall not permit any of its Subsidiaries to, cause or permit any of its Property to be in violation of, or do anything or permit anything to be done which will subject any such Property to a Release or threatened Release of Hazardous Materials, exposure to any Hazardous Materials, or to any Remedial Work under any Environmental Laws, assuming disclosure to the applicable Governmental Authority of all

relevant facts, conditions and circumstances, if any, pertaining to such Property where such violations, Release or threatened Release, exposure, or Remedial work could reasonably be expected to have a Material Adverse Effect.

7.14 Transactions with Affiliates. It shall not, and shall not permit any of its Subsidiaries to, enter into any transaction, including any purchase, sale, lease or exchange of Property or the rendering of any service, with any Affiliate (other than with any Guarantor and the Borrower) unless such transactions are otherwise permitted under this Agreement and are upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person not an Affiliate.

7.15 Subsidiaries. It shall not, and shall not permit any of its Subsidiaries to, (a) create or acquire any additional Subsidiary unless it gives written notice to the Administrative Agent of such creation or acquisition and complies with Section 6.14(B), (b) sell, assign or otherwise dispose of any Equity Interests in any Subsidiary except in compliance with Section 7.12(D), (c) except as set forth on Schedule 5.14, have any Subsidiaries that are not Wholly-Owned Subsidiaries or (d) have any Foreign Subsidiaries.

7.16 Negative Pledge Agreements; Dividend Restrictions. It shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any contract, agreement or understanding (other than the Loan Documents or Capital Leases creating Liens permitted by Section 7.3(C)) which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property in favor of the Administrative Agent and the Lenders or restricts any Subsidiary from paying dividends or making distributions to any Loan Party, or which requires the consent of or notice to other Persons in connection therewith.

7.17 Gas Imbalances, Take-or-Pay or Other Prepayments. It shall not, and shall not permit any of its Subsidiaries to, allow gas imbalances (except those arising out of a third party's election not to take its share of gas), take-or-pay or other prepayments with respect to the Oil and Gas Properties of it or any of its Subsidiaries that would require it or such Subsidiary to deliver Hydrocarbons at some future time without then or thereafter receiving full payment therefor to exceed one half bcf of gas (on an mcf equivalent basis) in the aggregate.

7.18 Swap Agreements.

(A) It shall not, and shall not permit any of its Subsidiaries to, enter into or maintain any Swap Agreement, except Swap Agreements entered into in the ordinary course of business with an Approved Counterparty and not for speculative purposes to (i) hedge or mitigate crude oil, natural gas and natural gas liquids price risks to which it or any Subsidiary has actual exposure; provided any such Swap Agreement (a) does not have a term greater than 60 months from the date such Swap Agreement is entered into and (b) at all times, when aggregated with all other Swap Agreements then in effect (other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) on any date of determination, would not cause the aggregate notional volume per month for each of crude oil, natural gas and natural gas liquids, calculated separately, under all Swap Agreements then in effect to exceed 80% of the forecasted production of

the Borrower and its Subsidiaries for any month during the next twelve months and (ii) effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate, from floating to fixed rates or otherwise) with respect to any interest-bearing liability or investment of the Parent and its Subsidiaries.

(B) It will not, and will not permit any of its Subsidiaries to, permit the aggregate notional volumes of all Swap Agreements (other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) of the Borrower and its Subsidiaries in respect of each of crude oil, natural gas and natural gas liquids, calculated separately, for any calendar month to exceed 100% of actual production volumes of crude oil, natural gas or natural gas liquids, as applicable, in such calendar month (as reflected in the most recent production report delivered pursuant to Section 6.1(N)).

(C) In no event may any Swap Agreement contain any requirement, agreement or covenant for the Borrower or any of its Subsidiaries to post collateral or margin to secure their obligations under such Swap Agreement or to cover market exposures.

(D) It shall not, and not permit any of its Subsidiaries to, sell, assign, transfer, cancel, terminate, unwind or otherwise dispose of any Swap Agreements if the effect of such action (when taken together with any other Swap Agreements executed contemporaneously with the taking of such action) would have the effect of canceling its positions under such Swap Agreements unless (i) the Parent or the Borrower has given prior written notice to the Administrative Agent of such action and (ii) the Borrower has (after giving effect to any termination payments associated with termination) at least $25,000,000 consisting of (a) unrestricted cash or Cash Equivalents plus (b) the aggregate Term Loan Commitments at such time.

7.19 Holding Company; Excluded Subsidiaries.

(A) The Parent shall not conduct or otherwise engage in any business or operations other than (i) transactions contemplated by the Loan Documents or the provision of administrative, legal, accounting and management services to or on behalf of the Borrower or any of its Subsidiaries and Excluded Subsidiaries, (ii) the ownership of the equity interests of the Borrower and the Excluded Subsidiaries and the exercise of rights and performance of obligations (including entering into guarantees of any such obligations subject to Section 7.5) in connection therewith, (iii) the entry into, and exercise of rights and performance of obligations in respect of, (a) this Agreement and the other Loan Documents to which the Parent is a party, and any other agreement to which the Parent is a party on the date hereof, in each case as amended, supplemented, waived or otherwise modified from time to time, and any refinancings, refundings, renewals or extensions thereof, (b) contracts and agreements with officers, directors and employees of the Parent or the Borrower relating to their employment or directorships, (c) insurance policies and related contracts and agreements and (d) equity

subscription agreements, registration rights agreements, voting and other stockholder agreements, engagement letters, underwriting agreements and other agreements in respect of its debt and equity securities or any offering, issuance or sale thereof, (iv) the offering, issuance and sale of its debt and equity securities, (v) the filing of registration statements, and compliance with applicable reporting and other obligations, under federal, state or other securities laws, (vi) the listing of its debt and equity securities and compliance with applicable reporting and other obligations in connection therewith, (vii) the retention of transfer agents, private placement agents, underwriters, counsel, accountants and other advisors and consultants, (viii) the performance of obligations under and compliance with the Parent's organic documents, or any Applicable Law, ordinance, regulation, rule, order, judgment, decree or permit, including as a result of or in connection with the activities of the Borrower and its Subsidiaries, (ix) the incurrence and payment of its operating and business expenses and any taxes for which it may be liable and (x) other activities incidental or related to the foregoing.

(B) The Parent shall not own, lease, manage or otherwise operate any properties or assets (other than in connection with the activities described in Section 7.19(A)) or incur, create, assume or suffer to exist any Debt (other than such as may be incurred, created or assumed or exist in connection with the activities described in Section 7.19(A)).

(C) The Parent shall not permit PQ Holdings LLC, a Louisiana limited liability company, or PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company, to (i) own, lease, manage or otherwise operate any properties or assets other than (a) interests in Oil and Gas Properties that it holds as nominee for certain third parties that hold legal title to such interests and in which neither the Parent, the Borrower or any of their respective subsidiaries claim an equitable interest and (b) other de minimis assets or (ii) incur, create, assume or suffer to exist any Debt. The Parent shall not permit the Excluded Subsidiaries (other than PQ Holdings LLC, a Louisiana limited liability company, or PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company) to own, lease, manage or otherwise operate any properties or assets other than de minimis assets or incur, create, assume or suffer to exist any Debt.

7.20 Repayment of Certain Debt; Amendment of Certain Debt Documents.

(A) The Parent shall not, and shall not permit any of the Parent's Subsidiaries to call, make or offer to make any optional or voluntary Redemption of, or otherwise optionally or voluntarily Redeem (whether in whole or in part), any Debt incurred pursuant to Section 7.2(I); provided the Borrower or the Parent may voluntarily Redeem Debt incurred pursuant to Section 7.2(I) (a) with the proceeds of any Permitted Refinancing Debt permitted hereunder and under the Intercreditor Agreement, if applicable, and (b) with the issuance of additional Equity Interests (other than Disqualified Capital Stock) of the Parent in exchange for all or a portion of such Debt incurred pursuant to Section 7.2(I) so long as no Default has occurred and is continuing both before and after giving effect to such Redemption

and such Redemption occurs substantially contemporaneously with, and in any event within three Business Days following, the receipt of proceeds or confirmation of exchange, as applicable, in respect of such Redemption.

(B) The Parent shall not, and shall not permit any of the Parent's Subsidiaries to, amend, modify, waive or otherwise change, consent or agree to any amendment, modification, waiver or other change to any of the terms of the documents governing Debt incurred pursuant to Section 7.2(I) other than amendments or other modifications that are permitted under the Intercreditor Agreement.[1]

SECTION 8. DEFAULT AND REMEDIES:

8.1 Events of Default. Each of the following constitutes an Event of Default:

(A) the Borrower fails to pay any principal of any Term Loan when and as such becomes due and payable, whether at the due date thereof, at a date fixed for prepayment thereof, by acceleration or otherwise;

(B) the Borrower fails to pay any interest on any Term Loan or any fee or any other amount (other than an amount referred to in Section 8.1(A)) payable under any Loan Document, when and as such becomes due and payable, and such failure continues unremedied for a period of three Business Days;

(C) any representation or warranty made or deemed made by or on behalf of the Parent, the Borrower or any Subsidiary in or in connection with any Loan Document or any amendment or modification of any Loan Document or waiver under such Loan Document, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, proves to have been materially incorrect when made or deemed made;

(D) the Parent, the Borrower or any Subsidiary fails to observe or perform any covenant, condition or agreement contained in Section 6.3, 6.8, 6.11, 6.14, 6.15, 6.18, 6.19, 6.20 or in Section 7;

(E) the Parent, the Borrower or any Subsidiary fails to observe or perform any covenant, condition or agreement contained in Section 6.1, 6.2 or 6.12 and (i) such failure continues unremedied for a period of 10 days after the earlier to occur of (a) notice thereof from the Administrative Agent (at the written direction of any Lender) or any Lender to the Borrower and (b) a Responsible Officer of the Parent, the Borrower or such Subsidiary otherwise becoming aware of such default and (ii) the Parent, the Borrower or any Subsidiary has not benefitted from the ten day cure period described in clause (i) above more than once before;

[1] NTD: Limitations to amending Parent Notes to be contained in the Intercreditor Agreement.

(F) the Parent, the Borrower or any Subsidiary fails to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in Section 8.1(A), 8.1(B), 8.1(C), 8.1(D) or 8.1(E)) or any other Loan Document, and such failure continues unremedied for a period of 30 days after the earlier to occur of (i) notice thereof from the Administrative Agent (at the written direction of any Lender) or any Lender to the Borrower and (ii) a Responsible Officer of the Parent, the Borrower or such Subsidiary otherwise becoming aware of such default;

(G) the Parent, the Borrower or any Subsidiary fails to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as such becomes due and payable, but subject to the running of all grace periods as provided in the applicable documentation for such Material Indebtedness before such failure to pay becomes a default thereunder;

(H) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the Redemption thereof or any offer to Redeem to be made in respect thereof, prior to its scheduled maturity or require the Parent, the Borrower or any Subsidiary to make an offer in respect thereof;

(I) an involuntary proceeding is commenced or an involuntary petition is filed seeking (i) liquidation, reorganization or other relief in respect of the Parent, the Borrower or any Subsidiary or its or their debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Subsidiary or for a substantial part of its or their assets, and, in any such case, such proceeding or petition continues undismissed for 30 days or an order or decree approving or ordering any of the foregoing is entered.

(J) the Parent, the Borrower or any Subsidiary (i) voluntarily commences any proceeding or files any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in Section 8.1(I), (iii) applies for or consents to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Subsidiary or for a substantial part of its or their assets, (iv) files an answer admitting the material allegations of a petition filed against it or them in any such proceeding, (v) makes a general assignment for the benefit of creditors or (vi) takes any action for the purpose of effecting any of the foregoing;

(K) the Parent, the Borrower or any Subsidiary becomes unable, admit in writing its inability or fails generally to pay its debts as they become due;

(L) (i) one or more judgments for the payment of money in an aggregate amount in excess of $2,000,000 (to the extent not covered by independent third party insurance provided by insurers of the highest claims paying rating or financial strength as to which the insurer does not dispute coverage and is not subject to an insolvency proceeding) or (ii) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, are rendered against the Parent, the Borrower, any Subsidiary or any combination thereof and the same remain undischarged for a period of 30 consecutive days during which execution is not effectively stayed, or any action is legally taken by a judgment creditor to attach or levy upon any assets of the Parent, the Borrower or any Subsidiary to enforce any such judgment;

(M) any Loan Document for any reason, except to the extent permitted by the terms thereof, ceases to be in full force and effect and valid, binding and enforceable in accordance with their terms against the Borrower or a Guarantor party thereto or is repudiated by any of them, or cease to create a valid and perfected Lien of the priority required thereby on any of the collateral purported to be covered thereby, except to the extent permitted by the terms of this Agreement, or the Parent, the Borrower or any Subsidiary or any of their Affiliates so state in writing; or

(N) a Change in Control occurs.

8.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, upon the written direction of the Required Lenders, the Administrative Agent shall, by notice to the Borrower:

(A) terminate the Term Loan Commitments and declare the principal of and interest on the Term Loans at the time outstanding, and all other amounts owed to the Lenders and to the Administrative Agent under this Agreement or any of the other Loan Documents and all other Obligations, to be immediately due and payable, whereupon the same immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Loan Party, anything in this Agreement or the other Loan Documents to the contrary notwithstanding; provided upon the occurrence of an Event of Default specified in Section 8.1(I) or 8.1(J), the Term Loan Commitments automatically terminate and all Obligations automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Loan Party, anything in this Agreement or in any other Loan Document to the contrary notwithstanding; or

(B) exercise on behalf of any Lender all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Obligations.

8.3 Right of Setoff. If an Event of Default exists, each Lender and each of its Affiliates is authorized at any time and from time to time, to the fullest extent permitted by

Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or its Affiliates, irrespective of whether or not such Lender or Affiliate has made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided in the event that any Defaulting Lender exercises any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 3.9 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its Affiliates under this Section 8.3 are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have. Each Lender shall notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice does not affect the validity of such setoff and application.

8.4 Rights and Remedies Cumulative; Non-Waiver. The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy does not preclude the exercise of any other rights or remedies, all of which are cumulative, and are in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege operates as a waiver thereof, nor does any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or be construed to be a waiver of any Event of Default. No course of dealing between the Loan Parties, the Administrative Agent and the Lenders or their respective agents or employees is effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

8.5 Crediting of Payments and Proceeds. In the event that the Obligations have been accelerated pursuant to Section 8.2 or the Administrative Agent or any Lender has exercised any remedy set forth in this Agreement or any other Loan Document, all payments received on account of the Obligations and all net proceeds from the enforcement of the Obligations shall be applied by the Administrative Agent as follows:

(A) first, to payment of that portion of the Obligations constituting fees, losses, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent under the Loan Documents in its capacity as such;

(B) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause second payable to them;

(C) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Loans ratably among the Lenders in proportion to the respective amounts described in this clause third payable to them;

(D) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Term Loans ratably among the Lenders in proportion to the respective amounts described in this clause fourth payable to them; and

(E) last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Applicable Law.

8.6 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Term Loan is then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent has made any demand on the Borrower) is entitled and empowered (but not obligated) by intervention in such proceeding or otherwise, at the written direction of any Lender:

(A) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, losses, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under the Loan Documents) allowed in such judicial proceeding; and

(B) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent consents to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, losses, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under the Loan Documents.

8.7 Credit Bidding.

(A) The Administrative Agent (at the written direction of the Required Lenders), on behalf of itself and the Lenders, has the right to credit bid and purchase for the benefit of the Administrative Agent and the Lenders all or any portion of Collateral at any sale thereof conducted by the Administrative Agent under the provisions of the Uniform Commercial Code, including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with Applicable Law. Such credit bid or purchase may be completed through one or more acquisition vehicles formed by the Administrative Agent to make such credit bid or purchase and, in connection therewith, the Administrative Agent is authorized, on behalf of itself and the Lenders, to adopt documents providing for the governance of the acquisition vehicle or vehicles, and assign the applicable Obligations to any such acquisition vehicle in exchange for Equity Interests or debt issued by the applicable acquisition vehicle (which shall be deemed to be held for the ratable account of the applicable Lenders on the basis of the Obligations so assigned by each Lender).

(B) Except as otherwise provided in any Loan Document or with the written consent of the Required Lenders, no Lender shall take any enforcement action, accelerate obligations under any of the Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC sales or other similar dispositions of Collateral.

8.8 Injunctive Relief. The Borrower recognizes that, in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to the Lenders. Therefore, the Borrower agrees that the Lenders, at the Lenders' option, are entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

## SECTION 9. AGENCY:

9.1 Appointment and Authority. Each of the Lenders irrevocably appoints Wells Fargo Bank, National Association to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents to which the Administrative Agent is a party and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof. The provisions of this Section 9 are solely for the benefit of the Administrative Agent and the Lenders and neither the Borrower nor any other Loan Party have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder has the same rights and powers in its capacity as a Lender as any other Lender, if applicable, and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" includes, unless otherwise expressly indicated or unless the context otherwise requires, the Person serving as the Administrative Agent hereunder in its individual capacity, if such Person is a Lender. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions. (A) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents to which it is a party, and its duties hereunder are administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as is expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent is not required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents to which it is a party, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(B) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request or direction of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent believes in good faith shall be necessary, under the circumstances) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent is not deemed to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(C) The Administrative Agent is not responsible for and has no duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith and the Administrative Agent is not required to calculate, recalculate, verify, review or certify any calculation or any other mathematical or numerical information, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the perfection or priority of any Lien created or purported to be created by the Security Documents or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(D) The Lenders direct the Administrative Agent to execute and deliver the Loan Documents to which it is a party on the Closing Date. Whether or not so expressly stated therein, in entering into, or taking (or forbearing from) any action under or pursuant to, the Loan Documents, the Administrative Agent has all of the rights, immunities, indemnities and other protections granted to it under this Agreement (in addition to those that may be granted to it under the terms of such other agreement or agreements).

(E) The Person serving as the Administrative Agent may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Affiliate thereof as if such Person was not the Administrative Agent and without any duty to account therefor to the Lenders.

(F) The powers conferred on the Administrative Agent under the Security Documents are solely to protect the Administrative Agent's interest in the Collateral, do not impose any duty upon it to exercise any such powers and are subject to the provisions of this Agreement. The Administrative Agent is accountable only for amounts that it actually receives as a result of the exercise of such powers and the Administrative Agent and any of its officers, directors, employees or agents are not responsible for any act or failure to act, except for gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction). Unless otherwise directed by the Required Lenders, the Administrative Agent has no responsibility for taking any necessary steps to protect, preserve or exercise rights against any Person with respect to any of the Collateral and is relieved of all responsibility for the Collateral upon surrendering it to the Borrower or any other designated Person. In no event does the Administrative Agent have any duty, responsibility, obligation or liability with respect to monitoring the Collateral or the condition thereof, and the Collateral Agent is not required to take any action to protect against any diminution in value of the Collateral.

(G) Notwithstanding any provision of this Agreement or the other Loan Documents to the contrary, the Administrative Agent is not required to (i) make or give any determination (including whether a matter is satisfactory to the Administrative Agent or whether to deem a matter necessary, desirable, proper or advisable), agreement, consent, approval, request, notice, consultation, designation, appointment, election, judgment or direction, (ii) file, record or prepare any Uniform Commercial Code financing or continuation statements or similar

documents or instruments in any jurisdiction for purposes of creating, perfecting or maintaining any Lien or security interest or otherwise perfect any security interest or maintain any perfection or priority, (iii) make any inspection or (iv) release or sell Collateral or otherwise exercise any rights or remedies of a secured party (including voting rights), in each case, without the written direction of the Required Lenders.

(H) Notwithstanding any provision of this Agreement or the other Loan Documents to the contrary, before taking or omitting any action to be taken or omitted by the Administrative Agent under the terms of this Agreement and the other Loan Documents, the Administrative Agent may seek the written direction of the Required Lenders (which written direction may be in the form of an e-mail), and the Administrative Agent is entitled to rely (and is fully protected in so relying) upon such direction. The Administrative Agent is not liable with respect to any action taken or omitted to be taken by it in accordance with such direction. If the Administrative Agent requests such direction with respect to any action, the Administrative Agent is entitled to refrain from such action unless and until the Administrative Agent has received such direction, and the Administrative Agent does not incur liability to any Person by reason of so refraining. If the Administrative Agent so requests, it must first be indemnified to its satisfaction by the directing Lenders against any and all liability and expense which may be incurred by the Administrative Agent by reason of taking or continuing to take, or omitting, any action directed by any of the Lenders. Any provision of this Agreement or the other Loan Documents authorizing the Administrative Agent to take any action do not obligate the Administrative Agent to take such action.

(I) The Administrative Agent is never required to use, risk or advance its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder or under the other Loan Documents (including no obligation to grant any credit extension or to make any advance hereunder).

(J) Delivery of reports, documents and other information to the Administrative Agent is for informational purposes only and the Administrative Agent's receipt of the foregoing does not constitute constructive knowledge of any event or circumstance or any information contained therein or determinable from information contained therein.

(K) The parties hereto acknowledge that in accordance with the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, the Administrative Agent, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Administrative Agent. The parties hereto shall provide the Administrative Agent with such information as it may request including each party's name, physical address, tax identification number and other information that will help the Administrative Agent identify and verify each party's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

(L) In no event is the Administrative Agent liable on any theory of liability for any special, indirect, consequential or punitive damages (including lost profits) even if the Administrative Agent has been advised of the possibility of such damages and regardless of the

form of action. The Administrative Agent is not responsible for delays or failures in performance resulting from acts beyond its control. Such acts include, but are not limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes, terrorist attacks or other disasters.

(M) The Administrative Agent shall have no responsibility for interest or income on any funds held by it under the Loan Documents and any funds so held shall be held un-invested pending distribution thereof.

9.4 Reliance by Administrative Agent. The Administrative Agent is entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Term Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent has received written notice to the contrary from such Lender prior to the making of such Term Loans. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and is not liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 9 apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent. The Administrative Agent is not responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.6 Resignation of Administrative Agent. (A) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders have the right, in consultation with the Borrower, to appoint a successor, which must be a bank or trust company, but in no event may be a Defaulting Lender. If no such successor shall have been so appointed by the Required Lenders and has accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as is agreed by the Required Lenders) (the "Resignation Effective Date"), then in any event such resignation becomes effective in accordance with such notice on the Resignation Effective Date and (i) the retiring Administrative Agent is discharged from its duties and obligations hereunder and under the other Loan Documents, except that until a successor Administrative Agent is appointed, any Collateral held by the Administrative Agent

on behalf of the Secured Parties under any of the Loan Documents shall continue to be held by the resigning Administrative Agent as bailee until such time as a successor Administrative Agent is appointed, and (ii) except for any fees, expenses or indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through such Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided in this Section 9.6(A). The Administrative Agent has the right, at the cost and expense of the Borrower, to petition a court of competent jurisdiction regarding the delivery of any Collateral it holds as bailee.

(B) Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor succeeds to and becomes vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to fees, expenses and indemnity payments owed to the retiring Administrative Agent) and the retiring Administrative Agent is discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not discharged earlier as provided in Section 9.6(A)). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 9 and Section 3.2 and Section 10.2 continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(C) Any Person into which the Administrative Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Administrative Agent is a party, or any Person succeeding to the corporate trust services business of the Administrative Agent is the successor of the Administrative Agent hereunder without the execution or filing of any paper with any Party or any further act on the part of any of the Parties.

9.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it from time to time deems appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.8 Collateral and Guaranty Matters. (A) The Lenders irrevocably authorize and direct the Administrative Agent, upon the written direction of the Required Lenders and at the expense of the Borrower:

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (a) upon termination of all Term Loan

Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (b) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents or (c) subject to Section 10.3, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.3(C); and

(iii) to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement pursuant to this Section 9.8.

(B) The Administrative Agent is not responsible for, and has no duty to ascertain or inquire into any representation or warranty regarding, the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

## SECTION 10. MISCELLANEOUS:

10.1 Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby are governed by, and construed in accordance with, the law of the State of New York.

10.2 Expenses; Indemnity; Damage Waiver.

(A) Costs and Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and the Lenders (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and for the Lenders), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby are consummated) and (ii) all out of pocket expenses incurred by the Administrative Agent or any Lender (including the fees, charges and disbursements of any

counsel for the Administrative Agent or for any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights (a) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.2, or (b) in connection with the Term Loans made hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Term Loans.

(B) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all fees, losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee and including out-of-pocket attorneys' fees and expenses and court costs incurred by any Indemnitee in enforcing the indemnity), and shall indemnify and hold harmless each Indemnitee from all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the Parties of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Term Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or a Lender or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity is not, as to any Indemnitee, available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 10.2(B) does not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, or similar costs arising from any non-Tax claim.

(C) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Sections 3.2, 3.7(D), 10.2(A) or 10.2(B) to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of the Administrative Agent, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each

Lender's Commitment Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided the unreimbursed expense or indemnified loss, fee, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

(D) Waiver of Consequential Damages. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof. No Indemnitee referred to in Section 10.2(B) will be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct and actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(E) Payments. All amounts due under this Section 10.2 are payable promptly after demand therefor.

(F) Survival. Each Party's obligations under this Section 10.2 survive the resignation or replacement of the Administrative Agent hereunder and the termination of the Loan Documents and payment of the obligations hereunder.

10.3 Amendments, Waivers and Consents. Except as set forth below or as specifically provided in any Loan Document, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or by the Administrative Agent at the written direction of the Required Lenders) and delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrower; provided no amendment, waiver or consent may:

(A) increase the Term Loan Commitment of any Lender (or reinstate any Term Loan Commitment terminated pursuant to Section 8.2) or the amount of Term Loans of any Lender, in any case, without the written consent of such Lender;

(B) waive, extend or postpone any date fixed by this Agreement or any other Loan Document for any payment (it being understood that a waiver of a mandatory prepayment under Section 2.5 only requires the consent of the Required Lenders) of principal, interest, fees or other amounts due to the Lenders (or any of them) or

any mandatory reduction of the Term Loan Commitment hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby;

(C) reduce the principal of, or the rate of interest specified herein on, any Term Loan or (subject to Section 10.3(I)) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby; provided only the consent of the Required Lenders is necessary to waive any obligation of the Borrower to pay interest at the rate set forth in Section 3.1(B) during the continuance of an Event of Default;

(D) change Section 3.5 or Section 8.5 in a manner that would alter the pro rata sharing of payments or order of application required thereby without the written consent of each Lender directly and adversely affected thereby;

(E) change any provision of this Section 10.3 or reduce the percentages specified in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(F) consent to the assignment or transfer by any Loan Party of such Loan Party's rights and obligations under any Loan Document to which it is a party (except as permitted pursuant to Section 7.12), in each case, without the written consent of each Lender;

(G) release (i) the Parent, (ii) all of the Subsidiary Guarantors or (iii) Subsidiary Guarantors comprising substantially all of the credit support for the Obligations, in any case, from the Guaranty Agreement (other than as authorized in Section 9.8), without the written consent of each Lender;

(H) release all or substantially all of the Collateral or release any Security Document (other than as authorized in Section 9.8 or as otherwise specifically permitted or contemplated in this Agreement or the applicable Security Document) without the written consent of each Lender; or

(I) affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document without the written consent of the Administrative Agent in addition to the Lenders required hereunder;

provided each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender has any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Term Loan Commitment of such Lender may not be increased or extended without the consent of such Lender.

10.4 Successors and Assigns.

(A) Successors and Assigns Generally. The provisions of this Agreement are binding upon and inure to the benefit of the Parties and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 10.4(B), (ii) by way of participation in accordance with the provisions of Section 10.4(D) or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.4(E) (and any other attempted assignment or transfer by any Party hereto is null and void). Nothing in this Agreement, expressed or implied, may be construed to confer upon any Person (other than the Parties, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.4(D) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(B) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Term Loan Commitment and the Term Loans at the time owing to it); provided any such assignment is subject to the following conditions:

(i) Minimum Amounts.

(a) in the case of an assignment of the entire remaining amount of the assigning Lender's Term Loan Commitment or the Term Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in clause (b) below in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(b) in any case not described in clause (a) above, the aggregate amount of the Term Loan Commitment (which for this purpose includes Term Loans outstanding thereunder) or, if the applicable Term Loan Commitment is not then in effect, the principal outstanding balance of the Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) is not less than $5,000,000 unless each of the Required Lenders and, so long as no Default or Event of Default exists, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under

this Agreement with respect to the Term Loan or the Term Loan Commitment assigned.

(iii) Required Consents. No consent is required for any assignment except to the extent required by Section 10.4(B)(i)(b) and, in addition:

(a) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) is required unless (1) a Default or Event of Default exists at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided the Borrower is deemed to have consented to any such assignment unless it has objected thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; and

(b) the consent of the Administrative Agent (acting at the direction of the Required Lenders) (such consent not to be unreasonably withheld or delayed) is required for assignments in respect of any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recording fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment may be made to (1) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (2) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment may be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment is effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower, the applicable pro rata share of Term Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (1) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon)

and (2) acquire (and fund as appropriate) its full pro rata share of all Term Loans in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under Applicable Law without compliance with the provisions of this Section 10.4(B)(iv), then the assignee of such interest is deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.4(C), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder is a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, has the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder is, to the extent of the interest assigned by such Assignment and Assumption, released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender ceases to be a Party) but continues to be entitled to the benefits of Sections 3.6, 3.7 and 10.2 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender constitutes a waiver or release of any claim of any Party arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph is treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.4(D).

(C) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Term Loan Commitments of, and principal amounts (and stated interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register are conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(D) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights or obligations under this Agreement (including all or a portion of its Term Loan Commitment or the Term Loans owing to it); provided (i) such Lender's obligations under this Agreement remain unchanged, (ii) such Lender remains solely responsible to the other Parties for the performance of such obligations and (iii) the Borrower, the Administrative Agent and Lenders continue to deal solely and directly with such Lender in connection

with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender is responsible for the indemnity under Section 10.3(C) with respect to any payments made by such Lender to its Participants.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender retains the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.3 that affects such Participant. The Borrower agrees that each Participant is entitled to the benefits of Sections 3.6 and 3.7 (subject to the requirements and limitations therein, including the requirements under Section 3.7(G) (it being understood that the documentation required under Section 3.7(G) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.4(B); provided such Participant (A) agrees to be subject to the provisions of Section 3.8 as if it were an assignee under Section 10.4(B) and (B) is not entitled to receive any greater payment under Sections 3.6 or 3.7, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.8(B) with respect to any Participant. To the extent permitted by law, each Participant also is entitled to the benefits of Section 8.3 as though it were a Lender; provided such Participant agrees to be subject to Section 3.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided no Lender has any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register are conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) has no responsibility for maintaining a Participant Register.

(E) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided no such pledge or assignment releases such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a Party.

10.5 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent and the Lenders shall maintain the confidentiality of the Information (as defined below),

except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other Party, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.5, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (g) on a confidential basis to (i) any rating agency in connection with rating the Parent, the Borrower or their Subsidiaries or the Term Loans or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Term Loans, (h) with the consent of the Parent or the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.5 or (ii) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Parent or the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Term Loan Commitments.

For purposes of this Section, "Information" means all information received from the Parent, the Borrower or any of their Subsidiaries relating to the Parent, the Borrower or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Parent, the Borrower or any of their Subsidiaries; provided, in the case of information received from the Parent, the Borrower or any of their Subsidiaries after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.5 is considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.6 Submission to Jurisdiction; Venue; Waiver of Jury Trial.

(A) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it shall not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the Parties irrevocably and

unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the Parties agrees that a final judgment in any such action, litigation or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document affects any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any other Loan Party or its properties in the courts of any jurisdiction.

(B) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 10.6(A). Each of the Parties irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(C) Service of Process. Each Party other than the Administrative Agent irrevocably consents to service of process in the manner provided for notices in Section 10.7. Nothing in this Agreement affects the right of any Party to serve process in any other manner permitted by Applicable Law.

(D) WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.6(D).

10.7 Notices.

(A) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.7(B)) below), all notices and other communications provided for herein shall

be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

(i) if to the Borrower or any other Loan Party, to it at the addresses for it as set forth on Annex C;

(ii) if to the Administrative Agent, to it at the addresses for it as set forth on Annex C;

(iii) if to a Lender party to this Agreement on the Closing Date, to it at the addresses for it as set forth on Annex C; and

(iv) if to a Lender party to this Agreement after the Closing Date, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, are deemed to have been given when received and notices sent by facsimile are deemed to have been given when sent (except that, if not given during normal business hours for the recipient, is deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in Section 10.7(B), are effective as provided in Section 10.7(B).

(B) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided the foregoing does not apply to notices to any Lender pursuant to Section 2.2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such section by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (a) notices and other communications sent to an e-mail address are deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (b) notices or communications posted to an Internet or intranet website are deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in clause (a) above, of notification that such notice or communication is available and identifying the website address therefor; provided, for both clauses (a) and (b) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication is deemed to have been sent at the opening of business on the next business day for the recipient.

(C) Change of Address. Any Party may change its address or facsimile number for notices and other communications hereunder by notice to the other Parties.

(D) Platform.

(i) Each Loan Party agrees that the Administrative Agent may, but is not obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event will the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section 10.7, including through the Platform.

10.8 Reinstatement of Obligations. To the extent any Loan Party makes a payment or payments to the Administrative Agent for the ratable benefit of the Lenders or the Administrative Agent receives any payment or proceeds of the Collateral which payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other Applicable Law or equitable cause, then, to the extent of such payment or proceeds repaid, the Obligations or part thereof intended to be satisfied are revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent.

10.9 Severability. Any provision of this Agreement or any other Loan Document that is prohibited or unenforceable in any jurisdiction is, as to such jurisdiction, ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

10.11 No Implied Waivers. No failure to exercise and no delay in exercising any right or remedy under this Agreement operates as a waiver thereof. No single or partial exercise of any right or remedy under this Agreement, or any abandonment or discontinuance thereof, precludes any other or further exercise thereof or the exercise of any other right or remedy. No

waiver or consent under this Agreement is applicable to any events, acts or circumstances except those specifically covered thereby.

10.12 Beneficial Owner. On the Closing Date, each Lender represents to the Loan Parties that they are beneficial owners of the Securities (as defined in the Parent Notes Indenture) or an Affiliate (as defined in the Parent Notes Indenture) of such a beneficial owner.

10.13 USA PATRIOT Act. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, each of them is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify each Loan Party in accordance with the PATRIOT Act.

10.14 Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different Parties in different counterparts), each of which constitutes an original, but all of which when taken together constitute a single contract. Except as provided in Section 4.1, this Agreement becomes effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other Parties. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format is effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption are deemed to include electronic signatures or the keeping of records in electronic form, each of which is of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(Signature pages follow)

The Parties have executed and delivered this Agreement as of the date first above written.

Borrower:

PETROQUEST ENERGY, L.L.C.

By:_____
J. Bond Clement
Executive Vice President, Chief Financial Officer and Treasurer

Parent:

PETROQUEST ENERGY, INC.

By:_____
J. Bond Clement
Executive Vice President, Chief Financial Officer and Treasurer

Administrative Agent:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: _____
Michael Pinzon
Vice President

Lenders:

[Lenders]

By:_____
Name:
Title:

ANNEX A

Rules of Construction

1. Definitions. As used in this Agreement, the following terms have the following meanings:

"Account Control Agreement" means an agreement which grants the Administrative Agent "control" as defined in the Uniform Commercial Code in effect in the applicable jurisdiction over the applicable Deposit Account.

"Administrative Agent" has the meaning set forth for such term in the introduction to this Agreement.

"Administrative Agent's Office" means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 10.7.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" has the meaning set forth for such term in the introduction to this Agreement.

"Annual Investment Cap" means $2,000,000.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Parent, the Borrower or their respective Subsidiaries from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder.

"Applicable Law" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of Governmental Authorities and all orders and decrees of all courts and arbitrators.

"Applicable Rate" means a percentage per annum equal to (i) in the case of LIBOR Loans, 7.50% per annum and (ii) in the case of Base Rate Loans, 6.50% per annum.

"Approved Counterparty" means (a) a Lender or any Affiliate of a Lender and (b) any other Person whose issuer rating or long term senior unsecured debt rating, at the time the Swap Agreement is entered into, is A-/A3 by S&P or Moody's (or their equivalent) or higher (or whose obligations under the applicable Swap Agreement are guaranteed by an Affiliate or other credit support provider of such Person meeting such minimum rating standards at the time the Swap Agreement is entered into).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Approved Petroleum Engineers" means (a) Netherland, Sewell & Associates, Inc., (b) Ryder Scott Company Petroleum Consultants, L.P. and (c) any other independent petroleum engineers reasonably acceptable to the Required Lenders.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.4), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

"Asset Disposition" means the sale, transfer, assignment, conveyance, farm-out, license, lease or other disposition of any Property (including any disposition of Equity Interests) by any Loan Party or any Subsidiary thereof (or the granting of any option or other right to do any of the foregoing). The term "Asset Disposition" does not include (a) the sale of inventory in the ordinary course of business, (b) the transfer of assets to the Borrower or any Subsidiary Guarantor pursuant to any other transaction permitted pursuant to Section 7.11, (c) the write-off, discount, sale or other disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing transaction, (d) the disposition of any Swap Agreement, (e) dispositions of Investments in cash and Cash Equivalents, (f) the transfer by any Loan Party of its assets to any other Loan Party, (g) the transfer by any Non-Guarantor Subsidiary of its assets to any Loan Party (provided that in connection with any new transfer, such Loan Party shall not pay more than an amount equal to the fair market value of such assets as determined in good faith at the time of such transfer), and (h) the transfer by any Non-Guarantor Subsidiary of its assets to any other Non-Guarantor Subsidiary.

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

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" means Chapter 11, 11 U.S.C. 101 et seq.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the General Order of the District Court pursuant to 28 U.S.C. § 151, the United States District Court for the Southern District of Texas.

"Base Rate" shall mean, at any time, the highest of (i) the Prime Lending Rate at such time, (ii) 1/2 of 1% in excess of the overnight Federal Funds Rate at such time, (iii) the LIBOR Rate that would then be in effect for a LIBOR Loan with an Interest Period of one month plus

1.00%; and (iv) 2.00% per annum. For purposes of this definition, the LIBOR Rate shall be determined using the LIBOR Rate as otherwise determined by the Administrative Agent in accordance with the definition of LIBOR Rate, except that (x) if a given day is a Business Day, such determination shall be made on such day (rather than two (2) Business Days prior to the commencement of an Interest Period) or (y) if a given day is not a Business Day, the LIBOR Rate for such day shall be the rate determined by the Administrative Agent pursuant to preceding clause (x) for the most recent Business Day preceding such day. Any change in the Base Rate due to a change in the Prime Lending Rate, Federal Funds Rate or such LIBOR Rate shall be effective as of the opening of business on the day of such change in the Prime Lending Rate, the Federal Funds Rate or such LIBOR Rate, respectively.

"Base Rate Loan" shall mean each Term Loan designated or deemed designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"Board" means the Board of Governors of the Federal Reserve System of the United States or any successor Governmental Authority.

"Borrower" has the meaning set forth for such term in the introduction to this Agreement.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which banks in New York City are closed.

"Capital Leases" means, in respect of any Person, all leases which shall have been, or should have been, in accordance with GAAP, recorded as capital leases on the balance sheet of the Person liable (whether contingent or otherwise) for the payment of rent thereunder.

"Cash Equivalents" means Investments of the type described in Sections 7.5(C), 7.5(D) and 7.5(E).

"Change in Control" means an event or series of events by which:

(A) at any time, the Parent fails to own all of the Equity Interests of the Borrower; or

(B) (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a "person" or "group" shall be deemed to have "beneficial ownership" of all Equity Interests that such "person" or "group" has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of more than [50]% of the Equity Interests of the Parent entitled to vote in the election of members of the board of directors (or equivalent governing body) of the Parent or (ii) a majority of the members of

the board of directors (or other equivalent governing body) of the Parent do not constitute Continuing Directors; or[2]

(C) there has occurred under any indenture or other instrument evidencing any Debt or Equity Interests in excess of $1,000,000 any "change in control" or similar provision (as set forth in the indenture, agreement or other evidence of such Debt) obligating the Parent, the Borrower or any of their respective Subsidiaries to repurchase, redeem or repay all or any part of the Debt or Equity Interests provided for therein.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority; or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, are in each case deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Chapter 11 Cases" has the meaning set forth for such term in the introduction to this Agreement.

"Closing Date" means the date of this Agreement.

"Code" means the Internal Revenue Code of 1986.

"Collateral" means the collateral security for the Obligations pledged or granted pursuant to the Security Documents.

"Commitment Percentage" means, with respect to any Lender at any time, the percentage of the total Term Loan Commitments of all the Lenders represented by such Lender's Term Loan Commitment. If the Term Loan Commitments have terminated or expired, the Commitment Percentage means, with respect to any Lender at any time, the percentage of the total outstanding principal balance of the Term Loans represented by the outstanding principal balance of such Lender's Term Loans. The Commitment Percentage of each Lender as of the Closing Date is set forth opposite the name of such Lender on Annex B.

"Confirmation Order" shall mean a final order of the Bankruptcy Court under the Chapter 11 Cases that confirms the Plan of Reorganization.

[2] To be discussed.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Continuing Directors" means the directors (or equivalent governing body) of the Parent on the Closing Date and each other director (or equivalent) of the Parent if, in each case, such other Person's nomination for election to the board of directors (or equivalent governing body) of the Parent is approved by more than 50% of the then Continuing Directors.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. For the purposes of this definition, and without limiting the generality of the foregoing, any Person that owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of the directors or other governing body of a Person (other than as a limited partner of such other Person) will be deemed to "control" such other Person. "Controlling" and "Controlled" have meanings correlative thereto.

"Cotton Valley Properties" means the geologic formation of oil and gas properties and related Hydrocarbons commonly referred to as the "Cotton Valley" located within the State of Texas.

"Credit Proceeds" means available Net Cash Proceeds received by the Borrower from time to time, and maintained in a Deposit Account subject to an Account Control Agreement, from the sale by Borrower of any Louisiana Austin Chalk Properties and Cotton Valley Properties, as applicable, to the extent such Properties were initially obtained by Borrower pursuant to one or more acquisitions permitted by Section 7.5(I) and subsequently sold by Borrower to one or more of its joint venture partners in respect of such Properties.

"Debt" means, for any Person, the sum of the following (without duplication): (a) all obligations of such Person for borrowed money or evidenced by bonds, bankers' acceptances, debentures, notes or other similar instruments; (b) all obligations of such Person (whether contingent or otherwise) in respect of letters of credit, surety or other bonds and similar instruments; (c) all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of Property or services; (d) all obligations under Capital Leases; (e) all obligations under Synthetic Leases; (f) all Debt (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any Property of such Person, whether or not such Debt is assumed by such Person; (g) all Debt (as defined in the other clauses of this definition) of others guaranteed by such Person or in which such Person otherwise assures a creditor against loss of the Debt (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Debt and the maximum stated amount of such guarantee or assurance against loss; (h) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others or to purchase the Debt or Property of others; (i) obligations to deliver commodities, goods or services, including Hydrocarbons, in consideration of one or more advance payments, other than gas balancing arrangements in the ordinary course of business; (j) obligations to pay for goods or services even if such goods or services are not actually received or utilized by such Person; (k) any Debt of a partnership for

which such Person is liable either by agreement, by operation of Applicable Law but only to the extent of such liability; (l) Disqualified Capital Stock; and (m) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment. The Debt of any Person includes all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such Person under GAAP.

"Debt Issuance" means the issuance of any Debt for borrowed money by any Loan Party or any of its Subsidiary.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Debtors" means, collectively, the following: Parent, Borrower, TDC Energy LLC, PetroQuest Oil & Gas, L.L.C., PQ Holdings LLC, Pittrans Inc., and Sea Harvester Energy Development, L.L.C.

"Default" means any of the events specified in Section 8.1 that with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

"Default Rate" means an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 2.00% per annum; provided that with respect to a LIBOR Loans, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2.00% per annum, in each case, to the fullest extent permitted by Applicable Laws.

"Defaulting Lender" means, subject to Section 3.9(B), any Lender that (a) has failed to (i) fund all or any portion of its Term Loans within two Business Days of the date such Term Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or (ii) pay to the Administrative Agent or any Lender (upon notice by such Lender to the Administrative Agent that it has not been paid) any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower (and the Borrower has so notified the Administrative Agent) or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Term Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, is specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender will cease to be a

Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become subject to a Bail-in Action and the Administrative Agent has received written notice thereof; provided that a Lender is not a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any Lender who is determined to be a Defaulting Lender under any one or more of clauses (a) through (d) above is deemed to be a Defaulting Lender (subject to Section 3.9(B)) upon delivery of written notice of such determination to the Borrower and each Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above is conclusive and binding absent manifest error.

"Deposit Account" means any operating, administrative, cash management, collection activity, demand, time, savings, passbook or other deposit account maintained with a bank or other financial institution.

"Disqualified Capital Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, requires the payment of dividends (other than dividends payable solely in Equity Interests which do not otherwise constitute Disqualified Capital Stock) or matures or is mandatorily redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is convertible or exchangeable for Debt or redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock) at the option of the holder thereof, in whole or in part, on or prior to the date that is one year after the earlier of (a) the Maturity Date and (b) the date on which there are no Term Loans or other Obligations hereunder outstanding and all of the Term Loan Commitments are terminated.

"Dollars" or "$" means, unless otherwise qualified, dollars in lawful currency of the United States.

"Domestic Subsidiary" means any Subsidiary organized under the laws of any political subdivision of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) above or (c) any financial institution established in an EEA

Member Country which is a subsidiary of an institution described in clauses (a) or (b) above and is subject to consolidated supervision with its parent.

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

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

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.4(B)(iii), 10.4(B)(v) and 10.4(B)(vi) (subject to such consents, if any, as may be required under Section 10.4(B)(iii)).

"Environmental Laws" means any and all Applicable Laws pertaining in any way to health, safety, the environment, the preservation or reclamation of natural resources, or the management, Release or threatened Release of any Hazardous Materials, in effect in any and all jurisdictions in which the Borrower or any of the Borrower's Subsidiaries is conducting, or at any time has conducted, business, or where any Property of the Borrower or any Subsidiaries of Borrower is located, including the Oil Pollution Act of 1990 ("OPA"), the Clean Air Act, the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980 ("CERCLA"), the Federal Water Pollution Control Act, the Occupational Safety and Health Act of 1970, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Safe Drinking Water Act, the Toxic Substances Control Act, the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Law and other environmental conservation or protection Applicable Laws.

"Environmental Permit" means any permit, registration, license, notice, approval, consent, exemption, variance or other authorization required under or issued pursuant to applicable Environmental Laws.

"Equity Interests" means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests, (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person and (f) any and all warrants, rights or options to purchase any of the foregoing.

"Equity Issuance" means (a) any issuance by any Loan Party or any Subsidiary thereof of shares of its Equity Interests to any Person that is not a Loan Party (including in connection with the exercise of options or warrants or the conversion of any debt securities to equity) and (b) any capital contribution from any Person that is not a Loan Party into any Loan Party or any Subsidiary thereof. The term "Equity Issuance" does not include (i) any Asset Disposition or (ii) any Debt Issuance.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder.

"ERISA Affiliate" means any Person who together with any Loan Party or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

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

"Event of Default" has the meaning set forth for such term in Section 8.1.

"Excepted Liens" means:

(A) Liens for Taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(B) Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(C) statutory landlord's liens, operators', vendors', carriers', warehousemen's, repairmen's, mechanics', suppliers', workers', materialmen's, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of Oil and Gas Properties each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(D) contractual Liens which arise in the ordinary course of business under operating agreements, joint venture agreements, oil and gas partnership agreements, oil and gas leases, farm-out agreements, division orders, contracts for the sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, marketing agreements, processing agreements, net profits agreements, development agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements which are usual and customary in the oil and gas business and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; provided that any such Lien referred to in this clause (D) does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by the Borrower or any of the

Borrower's Subsidiaries or materially impair the value of such Property subject thereto;

(E) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution; provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by the Borrower or any of the Borrower's Subsidiaries to provide collateral to the depository institution;

(F) easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any Property of the Borrower or any of the Borrower's Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by the Borrower or any of the Borrower's Subsidiaries or materially impair the value of such Property subject thereto;

(G) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business; and

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

provided Liens described in clauses (A) through (E) above remain "Excepted Liens" only for so long as no action to enforce such Lien has been commenced, and no intention to subordinate the first priority Lien granted in favor of the Administrative Agent and the Secured Parties is to be implied or expressed by the permitted existence of such Excepted Liens.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Deposit Account" means any Deposit Account, existing as of the Closing Date, which is solely used for purposes of funding payroll, payroll taxes or employee benefit payments or which solely contains cash of any Person, other than the Parent or any Subsidiary, and which cash is held in such Deposit Account solely on behalf of, and for the benefit of, such third party.

"Excluded Subsidiary" means, individually and collectively, PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company, Indianola Gathering, L.L.C., an Oklahoma limited liability company and PQ Holdings LLC, a Louisiana limited liability company.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Term Loan or Term Loan Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Term Loan or Term Loan Commitment (other than pursuant to an assignment request by the Borrower under Section 3.8(B)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.7, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a Party or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.7(G) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" shall mean, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"Fee Letters" means any agreement pursuant to which the Parent, the Borrower or any other Loan Party agrees to pay fees described in Section 3.2.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Approvals" means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantor" means Parent and any Subsidiary Guarantor.

"Guaranty Agreement" means the unconditional guaranty and pledge agreement of even date herewith executed by the Parent and the Subsidiary Guarantors in favor of the Administrative Agent, for the benefit of the Secured Parties.

"Hazardous Material" means any substance regulated or as to which liability might arise under any applicable Environmental Law including (a) any chemical, compound, material, product, byproduct, substance or waste defined as or included in the definition or meaning of "hazardous substance," "hazardous material," "hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," "toxic substance," "contaminant," "pollutant," or words of similar meaning or import found in any applicable Environmental Law, (b) Hydrocarbons, petroleum products, petroleum substances, natural gas, oil, oil and gas waste, crude oil and any components, fractions, or derivatives thereof and (c) radioactive materials, explosives, asbestos or asbestos containing materials, polychlorinated biphenyls, radon, infectious or medical wastes.

"Hydrocarbon Interests" means all rights, titles, interests and estates now owned or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Hydrocarbons" means oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Insurance and Condemnation Event" means the receipt by any Loan Party or any of its Subsidiaries of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective Property.

"IRS" means the United States Internal Revenue Service.

"Intercreditor Agreement" means the Intercreditor Agreement dated as of the date hereof, between the Administrative Agent, Wilmington Trust, National Association as trustee for the Parent Notes and acknowledged and agreed by the Loan Parties, as supplemented and amended by joinder or otherwise from time to time.

"Interest Determination Date" shall mean, with respect to any LIBOR Loan, the second (2nd) Business Day prior to the commencement of any Interest Period relating to such LIBOR Loan, as the case may be.

"Interest Payment Date" means (a) as to any LIBOR Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date, as applicable; provided that if any Interest Period for a LIBOR Loan exceeds three months, then respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates and (b) as to any Base Rate Loan, the last Business Day of each quarter and the Maturity Date, as applicable.

"Interest Period" means as to each LIBOR Loan, the period commencing on the date such LIBOR Loan is disbursed or converted to or continued as a LIBOR Loan and ending on the date one, two, three or six months thereafter, as selected by Borrower in the Notice of Borrowing or in the Notice of Conversion/Continuation; provided that no Interest Period with respect to the Loans shall extend beyond the Maturity Date.

"Investment" means, for any Person, (a) the acquisition (whether for cash, Property, services or securities or otherwise) of Equity Interests of any other Person or any agreement to make any such acquisition (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale), (b) the making of any deposit with, or advance, loan or capital contribution to, the purchase or other acquisition of any other Debt of or equity participation or interest in, or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding 90 days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business), (c) the purchase or acquisition (in one or a series of transactions) of Property of another Person that constitutes a business unit or (d) the entering into of any guarantee of, or other contingent obligation (including the deposit of any Equity Interests to be sold) with respect

to, Debt or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person.

"Lenders" means the Persons listed on Annex B and any other Person that becomes party to this Agreement pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party to this Agreement pursuant to an Assignment and Assumption.

"LIBOR Rate" shall mean (a) the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the applicable Interest Determination Date by reference to the applicable Bloomberg LIBOR screen page for deposits in Dollars (or such other comparable page as may, in the opinion of the Required Lenders, replace such page for the purpose of displaying such rates) for a period equal to such Interest Period; provided that to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "LIBOR Rate" shall be the interest rate per annum determined by the Required Lenders to be the average of the rates per annum at which deposits in Dollars are offered for such relevant Interest Period to three major banks in the London interbank market in London, England at approximately 11:00 a.m. (London time) on the applicable Interest Determination Date, divided by (b) a percentage equal to 100% minus the reserve percentage applicable two (2) Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D) having a term equal to such Interest Period; provided that the LIBOR Rate shall not be less than 1.00% per annum.

"LIBOR Loan" shall mean each Term Loan designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"Lien" means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease Obligation or other title retention agreement relating to such asset.

"Loan Documents" means, collectively, this Agreement, each Term Loan Note, Security Documents, the Guaranty and Pledge Agreement, each Fee Letter, the Intercreditor Agreement and each other document, instrument, certificate and agreement executed and delivered by the Loan Parties or any of their respective Subsidiaries in favor of or provided to the Administrative Agent or any Lender in connection with this Agreement or otherwise referred to herein or contemplated hereby.

"Loan Parties" means, collectively, the Parent, the Borrower and the Subsidiary Guarantors.

"Louisiana Austin Chalk Properties" means the geologic formation of oil and gas properties and related Hydrocarbons commonly referred to as the "Austin Chalk" located within the State of Louisiana.

"Material Adverse Effect" means, with respect to the Parent and the other Loan Parties, (a) a material adverse effect on the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of such Persons, taken as a whole, (b) a material impairment of the ability of any such Person to perform its obligations under the Loan Documents to which it is a party, (c) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document or (d) a material adverse effect on the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Material Indebtedness" means Debt (other than the Term Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Parent and its Subsidiaries in an aggregate principal amount exceeding $2,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Parent or any Subsidiary in respect of any Swap Agreement at any time is the Swap Termination Value.

"Maturity Date" means [●].[3]

"Moody's" means Moody's Investors Service, Inc.

"Mortgaged Property" means any Property owned by the Borrower or any Subsidiary Guarantor which is subject to the Liens existing and to exist under the terms of the Mortgages.

"Mortgages" means each mortgage, deed of trust or other real property security document encumbering any real property and any other Property the Required Lenders require to be mortgaged, whether now or hereafter owned by any Loan Party, executed by such Loan Party in favor of the Administrative Agent, for the benefit of the Secured Parties.

"Net Cash Proceeds" means, as applicable, (a) with respect to any Asset Disposition or Insurance and Condemnation Event, the gross proceeds received by any Loan Party or any of its Subsidiaries therefrom (including any cash, Cash Equivalents, deferred payment pursuant to, or by monetization of, a note receivable or otherwise, as and when received) less the sum of (i) in the case of an Asset Disposition, all income taxes and other taxes assessed by, or reasonably estimated to be payable to, a Governmental Authority as a result of such transaction (provided that if such estimated taxes exceed the amount of actual taxes required to be paid in cash in respect of such Asset Disposition, the amount of such excess constitutes Net Cash Proceeds), (ii) all reasonable and customary out-of-pocket fees and expenses incurred in connection with such transaction or event and (iii) the principal amount of, premium, if any, and interest on any Debt secured by a Lien on the asset (or a portion thereof) disposed of, which Debt is required to be repaid in connection with such transaction or event and (b) with respect to any Equity Issuance or Debt Issuance, the gross cash proceeds received by any Loan Party or any of its Subsidiaries

[3] To be 4 years and 9 months from the Closing Date.

therefrom less all reasonable and customary out-of-pocket legal, underwriting and other fees and expenses incurred in connection therewith.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 10.3 and (ii) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Guarantor Subsidiary" means each Excluded Subsidiary and any other direct or indirect Subsidiary of the Parent (other than the Borrower) that is not a Subsidiary Guarantor.

"Notice of Borrowing" means a written notice substantially in the form of Exhibit B.

"Notice of Prepayment" means a written notice substantially in the form of Exhibit C.

"Obligations" means, in each case, whether now in existence or hereafter arising, the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Term Loans and all other fees and commissions (including attorneys' fees), expenses, indemnities, losses, charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Loan Parties and each of their respective Subsidiaries to the Lenders or the Administrative Agent, in each case under any Loan Document, with respect to any Term Loan or Loan Document, of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against any Loan Party or any Subsidiary thereof of any proceeding under any Debtor Relief Laws, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"OFAC" means the United States Department of the Treasury's Office of Foreign Assets Control.

"Officer's Compliance Certificate" means a certificate of a Responsible Officer of the Parent substantially in the form of Exhibit D.

"Oil and Gas Properties" means (a) Hydrocarbon Interests, (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests, (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests, (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests, (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or

incidental to the Hydrocarbon Interests and (g) all Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to any Loan Document or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.8(B)).

"Parent" has the meaning set forth for such term in the introduction to this Agreement.

"Parent Notes" means the 10% Senior Secured PIK Notes due 2024 issued by Parent pursuant to the Parent Notes Indenture, in an aggregate principal amount not to exceed the principal amount outstanding on the Closing Date plus additional principal amounts resulting from payment of interest in kind.

"Parent Notes Indenture" means that certain indenture, dated as of the date hereof, among the Loan Parties and Wilmington Trust, National Association, as in effect on the Closing Date, with such amendments, modifications and supplements permitted pursuant to the Loan Documents.

"Parties" has the meaning set forth for such term in the introduction to this Agreement.

"Participant" has the meaning set forth for such term in Section 10.4(D).

"Participant Register" has the meaning set forth for such term in Section 10.4(D).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Permitted Refinancing Debt" means Debt (for purposes of this definition, "new Debt") incurred in exchange for, or proceeds of which are used to refinance, all of any other Debt (the "Refinanced Debt"); provided (a) such new Debt is in an aggregate principal amount not in excess of the sum of (i) the aggregate principal amount then outstanding of the Refinanced Debt (or, if the Refinanced Debt is exchanged or acquired for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, such lesser amount) and (ii) an amount necessary to pay any fees and expenses including premiums, related to such exchange or refinancing, (b) such new Debt has a stated maturity no earlier than stated maturity of the Refinanced Debt and an average life no shorter than the average life of the Refinanced Debt, (c) such new Debt has a stated interest rate that is a market-based rate, (d) such new Debt does not contain any covenants which are materially more onerous to the Parent and its Subsidiaries than those imposed by the Refinanced Debt, (e) such new Debt (and any guarantees thereof) is otherwise on terms and documentation satisfactory to the Required Lenders and (f) (i) such new Debt is secured by no more collateral (if any) than the Refinanced Debt and the property constituting such collateral is not changed and (ii) the obligors, whether direct or contingent, in respect of Refinanced Debt are not changed.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Petition Date" means November 6, 2018.

"Plan" means any employee pension benefit plan, as defined in section 3(2) of ERISA, which (a) is currently or hereafter sponsored, maintained or contributed to by the Borrower or the Borrower's Subsidiary or an ERISA Affiliate or (b) was at any time during the six calendar years preceding the date hereof, sponsored, maintained or contributed to by the Borrower or the Borrower's Subsidiary or an ERISA Affiliate.

["Plan of Reorganization" means that certain plan of reorganization of the Debtors pursuant to Chapter 11 of the Bankruptcy Code [in substantially the form of Exhibit [●] or as reasonably acceptable to the Required Lenders.]

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"Prime Lending Rate" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent).

"Prior Credit Agreement" means the Multidraw Term Loan Agreement, dated as of August 31, 2018, among the Borrower, the Parent, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent, as amended, restated, supplemented or otherwise modified from time to time.

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed, movable or immovable, and whether tangible or intangible, including Equity Interests.

"Proved Reserves" means "Proved Reserves" as defined in the Definitions for Oil and Gas Reserves (in this paragraph, the "Definitions") promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question. "Proved Developed Producing Reserves" means Proved Reserves that are categorized as both "Developed" and "Producing" in the Definitions.

"Quarterly Overage" has the meaning set forth for such term in Section 7.5(I).

"Quarterly Overage Investment Cap" means $3,000,000.

"Recipient" means the Administrative Agent or any Lender, as applicable.

"Redemption" means, with respect to any Debt, the repurchase, redemption, prepayment, repayment, defeasance or any other acquisition or retirement for value (or the segregation of funds with respect to any of the foregoing) of such Debt. "Redeem" has the correlative meaning thereto.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Release" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping or disposing into the environment.

"Remedial Work" has the meaning set forth for such term in Section 6.10(A).

"Required Lenders" means, at any date, any combination of Lenders holding more than 66 2/3% of the sum of the aggregate amount of the Term Loan Commitments or, if the Term Loan Commitments have been reduced to zero or terminated, any combination of Lenders holding more than 66 2/3% of the aggregate outstanding principal amount of the Term Loans; provided the Term Loan Commitment of, and the portion of the Term Loans held or deemed held by, any Defaulting Lender are excluded for purposes of making a determination of Required Lenders.

"Reserve Report" means a report, in form and substance reasonably satisfactory to the Required Lenders, setting forth, as of each January 1, April 1, July 1 and October 1 (or such other date as required hereunder) the oil and gas reserves, using Strip Prices in effect at the end of each applicable calendar quarter, attributable to the Oil and Gas Properties of the Borrower

and the Borrower's Subsidiaries, including oil and gas Swap Agreements in place at the end of each quarter, together with a projection of the rate of production and future net income, taxes, operating expenses and capital expenditures with respect thereto as of such date.

"Responsible Officer" means as to any Loan Party, the chief executive officer, president, chief financial officer, controller, treasurer, assistant treasurer or any executive vice president of such Person or any other officer of such Person designated in writing by the Borrower and reasonably acceptable to the Required Lenders; provided, to the extent requested thereby, the Administrative Agent has received a certificate of such Person certifying as to the incumbency and genuineness of the signature of each such officer. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person is conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Person and such Responsible Officer is conclusively presumed to have acted on behalf of such Person.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other Property) with respect to any Equity Interests in the Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Parent or any of its Subsidiaries or any option, warrant or other right to acquire any such Equity Interests in the Parent or any of its Subsidiaries.

"S&P" means Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial and any successor thereto.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the United States government (including those administered by OFAC), the European Union, Her Majesty's Treasury, or other relevant sanctions authority.

"Sanctioned Country" means at any time, a country or territory which is itself the subject or target of any Sanctions (including Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the United States Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b) above.

"Secured Parties" means, collectively, the Administrative Agent and the Lenders.

"Security Documents" means the collective reference to the Mortgages, the Guaranty Agreement, any Account Control Agreements and each other agreement or writing pursuant to which any Loan Party pledges or grants a security interest in any Property securing the Obligations.

"SEC" means the Securities and Exchange Commission or any successor Governmental Authority.

"Strip Prices" means, as of any date of determination, the average of each twelve month's forward monthly prices for the most comparable hydrocarbon commodity applicable over a three year period from such date of determination, with such prices held constant thereafter based on the third year's average monthly prices, as such prices are (a) quoted on the New York Mercantile Exchange (or its successor) as of the calculation date and (b) adjusted for energy content, quality and basis differentials; provided with respect to estimated future production for which prices are defined, within the meaning of SEC guidelines, by contractual arrangements excluding escalations based upon future conditions, then such contract prices are applied to future production subject to such arrangements.

"Subsidiary" means as to any Person, any corporation, partnership, limited liability company or other entity of which more than 50% of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to "Subsidiary" or "Subsidiaries" refer to a Subsidiary (including the Borrower) of the Parent or the Subsidiaries (including the Borrower) of the Parent but excludes PQ Holdings LLC, a Louisiana limited liability company, and PetroQuest Oil & Gas, L.L.C., a Louisiana limited liability company.

"Subsidiary Guarantors" means, collectively, all direct and indirect Subsidiaries of the Parent (other than the Borrower, Excluded Subsidiaries and Foreign Subsidiaries to the extent that and for so long as the guaranty of such Foreign Subsidiary would have adverse tax consequences for the Borrower or any other Loan Party or result in a violation of Applicable Laws) in existence on the Closing Date or which become a party to the Guaranty Agreement pursuant to Section 6.14.[4]

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions (including any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act); provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Parent or the Subsidiaries is a Swap Agreement.

[4] If TDC Energy is not dissolved prior to the Closing Date it shall be a guarantor hereunder.

"Swap Termination Value" means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a) above, the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined by the counterparties to such Swap Agreements.

"Synthetic Leases" means, in respect of any Person, all leases which shall have been, or should have been, in accordance with GAAP, treated as operating leases on the financial statements of the Person liable (whether contingently or otherwise) for the payment of rent thereunder and which were properly treated as indebtedness for borrowed money for purposes of U.S. federal income taxes, if the lessee in respect thereof is obligated to either purchase for an amount in excess of, or pay upon early termination an amount in excess of, 80% of the residual value of the Property subject to such operating lease upon expiration or early termination of such lease.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan Commitment" means (a) as to any Lender, the obligation of such Lender to make a portion of the Term Loans to the account of the Borrower hereunder on the applicable borrowing date in an aggregate principal amount not to exceed the amount set forth opposite such Lender's name on Annex B, as such amount may be reduced or otherwise modified at any time or from time to time pursuant to the terms hereof and (b) as to all Lenders, the aggregate commitment of all Lenders to make such Term Loans. The aggregate Term Loan Commitment of all Term Loan Lenders on the Closing Date is $50,000,000.

"Term Loan Note" means a promissory note made by the Borrower in favor of a Lender evidencing the portion of the Term Loans made by such Lender, substantially in the form of Exhibit A, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"Term Loans" means the term loans made to the Borrower by the Lenders pursuant to Section 2.1.

"Threshold Amount" means 90%.

"Transactions" means, with respect to (a) the Borrower, the execution, delivery and performance by the Borrower of this Agreement and each other Loan Document to which it is a party, the borrowing of Term Loans, the use of the proceeds thereof and the grant of Liens by the Borrower on the Collateral pursuant to the Security Documents and (b) each Guarantor, the execution, delivery and performance by such Guarantor of each Loan Document to which it is a party, the guaranteeing of the Obligations and the other obligations under the Guaranty Agreement by such Guarantor and such Guarantor's grant of Liens by such Guarantor on the Collateral pursuant to the Security Documents.

"Type" shall mean the type of Term Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Loan or a LIBOR Loan.

"United States" or "U.S." means the United States of America.

"U.S. Borrower" means any Borrower that is a U.S. Person.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning set forth for such term in Section 3.7(G).

"Wholly-Owned" means, with respect to a Subsidiary, that all of the Equity Interests of such Subsidiary are, directly or indirectly, owned or controlled by the Borrower or one or more of its Wholly-Owned Subsidiaries (except for directors' qualifying shares or other shares required by Applicable Law to be owned by a Person other than the Borrower or one or more of its Wholly-Owned Subsidiaries).

"Withholding Agent" means any Loan Party and the Administrative Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

2. Accounting Terms.

(A) All accounting terms not specifically or completely defined herein are construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP, applied on a consistent basis, as in effect from time to time and in a manner consistent with that used in preparing the audited financial statements required by Section 6.1(A) except as otherwise specifically prescribed herein.

(B) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders so request, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

3. Use of Certain Terms. As used in this Agreement, the plural includes the singular and the singular includes the plural. All pronouns and any variations thereof refer to masculine,

feminine, neuter, singular or plural as the identity of the Person or Persons may require. As used in this Agreement, "include," "includes" and "including" have the inclusive meaning of "including without limitation."

4. References. Section and other headings are for reference only, and do not affect the interpretation or meaning of any provision of this Agreement. Unless otherwise provided, references to articles, sections, clauses, annexes, schedules and exhibits refer to articles, sections, clauses, annexes, schedules and exhibits of this Agreement. The words "hereof," "herein," "hereby," "hereunder" and other similar terms of this Agreement refer to this Agreement as a whole and not exclusively to any particular provision of this Agreement. Unless otherwise expressly indicated in this Agreement, the words "above" and "below," when following a reference to a clause of any Transaction Document, refer to a clause within the same section of such Transaction Document. References in this Agreement to this Agreement, any other Transaction Document or any other agreement are deemed to (a) refer to this Agreement, such other Transaction Document or such other agreements, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time under the provisions hereof or thereof, unless expressly stated otherwise or unless such amendment, restatement, supplement or modification is not permitted by the terms of this Agreement and (b) include all schedules, exhibits and appendices thereto. References in this Agreement to any law, rule, statute or regulation are deemed to refer to such law, rule, statute or regulation as it may be amended, supplemented or otherwise modified from time to time, and any successor law, rule, statute or regulation, in each case as in effect at the time any such reference is operative. Any reference to a Person includes the successors, assigns, participants and transferees of such Person, but such reference will not increase, decrease or otherwise modify in any way the provisions in this Agreement or any other Transaction Document governing the assignment of rights and obligations under or the binding effect of any provision of this Agreement or any other Transaction Document. The words "asset" and "property" are construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including"

5. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

6. Rounding. Any financial ratios required to be maintained pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio or percentage is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

7. Inconsistencies with Other Documents. In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement control; provided any provision of the Security Documents which imposes additional

burdens on a Loan Party or any of its Subsidiaries or further restricts the rights of a Loan Party or any of its Subsidiaries or gives the Administrative Agent or Lenders additional rights is not deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

ANNEX B

Term Loan Commitments and Commitment Percentages

| Lender | Term Loan Commitment | Commitment Percentage |
|---|---|---|
| [ ] | [ ] | [ ] |
| Total: | $50,000,000 | 100% |

ANNEX C

Addresses for Notices

If to the Borrower:

PetroQuest Energy, L.L.C.
400 E. Kaliste Saloom Road #6000
Lafayette, Louisiana 70508
Attention of: J. Bond Clement
Telephone No.: 337-232-7028
Facsimile No.: 337-232-0044
E-mail: bclement@petroquest.com

With copies to:

Porter Hedges LLP
1000 Main, 36th Floor
Houston, Texas 77002
Attention of: James Cowen
Telephone No.: 713-226-6649
Facsimile No.: 713-226-6249
E-mail: JCowen@porterhedges.com

If to the Administrative Agent:

Wells Fargo Bank, National Association
Corporate Trust Services
9062 Old Annapolis Road
Columbia, Maryland 21045
Attention of: Jason Prisco or Lance Yeagle- PetroQuest Energy
Telephone No.: 443-367-3924 or 410-884-2271
Email: ctsbankdebtadministrationteam@wellsfargo.com

If to the Lenders:

[Corre Opportunities Management, LLC
12 East 49th Street, 40th Floor
New York, NY 10017
Attention of: Operations Manager
Telephone No.: 646-863-7190
E-mail: operations@correpartners.com

and

Trade Settlement Department
MACKAY SHIELDS LLC
1345 Avenue of the Americas, 43rd Floor
New York, NY 10105
Attention of: Trade Settlement Department and General Counsel
Telephone No.: (212) 303-6435 and (212) 230-3850
E-mail: TeamSettlements@MackayShields.com and Young.lee@mackayshields.com]

In each case, with copies to:

Akin Gump Strauss Hauer & Feld LLP
One Bryan Park
New York, New York 10036
Attention of: Frederick T. Lee, Esq.
Telephone No.: 212-872-1034
Facsimile No.: 212-872-1002
E-mail: flee@akingump.com

ANNEX D

Closing Deliverables

Executed Loan Documents. This Agreement, a Term Loan Note in favor of each Lender requesting a Term Loan Note, the Guaranty Agreement and the Security Documents, together with any other applicable Loan Documents.

Intercreditor Agreement. The Intercreditor Agreement in effect as of the Closing Date.

Officer's Certificate. A certificate from a Responsible Officer of the Parent and the Borrower to the effect that (a) all representations and warranties of the Loan Parties contained in this Agreement and the other Loan Documents are true, correct and complete, (b) none of the Loan Parties is in violation of any of the covenants contained in this Agreement and the other Loan Documents, (c) after giving effect to the Transactions, no Default or Event of Default has occurred and is continuing, (d) since the Petition Date, no event has occurred or condition arisen, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect and (e) each of the Loan Parties, as applicable, has satisfied each of the conditions set forth in Section 4.1.

Certificate of Secretary of Each Loan Party. A certificate of a Responsible Officer of each Loan Party certifying as to the incumbency and genuineness of the signature of each officer of such Loan Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (a) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Loan Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (b) the bylaws or other governing document of such Loan Party as in effect on the Closing Date and (c) resolutions duly adopted by the board of directors (or other governing body) of such Loan Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party.

Certificates of Good Standing. Certificates as of a recent date of the good standing of each Loan Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and, to the extent requested by the Lenders, each other jurisdiction where such Loan Party is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that such Loan Party has filed required tax returns and owes no delinquent taxes.

Opinions of Counsel. Opinions of counsel to the Loan Parties addressed to the Administrative Agent and the Lenders with respect to the Loan Parties, the Loan Documents and such other matters as the Lenders request (which expressly permit reliance by successors and permitted assigns of the Administrative Agent and the Lenders).

Lien Search. The results of a Lien search (including a search as to judgments, bankruptcy and tax matters) made against the Loan Parties under the Uniform Commercial Code (or applicable judicial docket) as in effect in each jurisdiction in which filings or recordations

under the Uniform Commercial Code should be made to evidence or perfect security interests in all assets of such Loan Party, indicating among other things that the assets of each such Loan Party are free and clear of any Lien (except for Liens permitted under Section 7.3).

Reserve Reports. The Reserve Reports required under Section 6.12(A) for (a) the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries as of January 1, 2018, prepared by one or more Approved Petroleum Engineers and (b) the Oil and Gas Properties of the Borrower and the Borrower's Subsidiaries as of October 1, 2018, prepared by or under the supervision of the chief engineer of the Borrower in accordance with the procedures used in the January 1 Reserve Report described above.

Mortgages; Compliance Certificate. Mortgages on (a) Mortgaged Property representing at least the Threshold Amount of the total value of the Oil and Gas Properties evaluated in the most recently completed Reserve Report described above and (b) the Louisiana Austin Chalk Properties and Cotton Valley Properties, together with such other certificates, documents and information as is reasonably requested by the Lenders with respect thereto, including certified authorizing resolutions suitable for attachment to each Mortgage recorded in Louisiana. A certificate of a Responsible Officer of the Borrower that it has granted Mortgages to the Administrative Agent on (x) Property representing at least the Threshold Amount of the total value of the Oil and Gas Properties evaluated in the most recently completed Reserve Report described above and setting forth the percentage mortgaged and (y) the Louisiana Austin Chalk Properties and Cotton Valley Properties.

Account Control Agreements. Account Control Agreements for each Deposit Account maintained by a Loan Party (other than Excluded Deposit Accounts).

Pledged Collateral. If applicable, original stock certificates or other certificates evidencing the certificated Equity Interests pledged pursuant to the Security Documents, together with an undated stock power for each such certificate duly executed in blank by the registered owner thereof.

Property and Liability Insurance. Evidence of property, business interruption and liability insurance covering each Loan Party and the Collateral, evidence of payment of all insurance premiums for the current policy year of each policy (with appropriate endorsements naming the Administrative Agent as lender's loss payee (and mortgagee, as applicable) on all policies for property hazard insurance and as additional insured on all policies for liability insurance) and copies of such insurance policies.

Other Collateral Documentation. Any documents required by the terms of the Security Documents to evidence or perfect the Administrative Agent's security interest in the Collateral, including a UCC-1 financing statement to be filed with the clerk of court of any Louisiana parish as to any mortgaged fixtures and as-extracted collaterals.

Financial Statements. The financial statements described in Section 5.4(A).

Other Documents. Copies of all other documents, certificates and instruments reasonably requested by the Administrative Agent or any Lender.

# LIEN SUBORDINATION AND INTERCREDITOR AGREEMENT

LIEN SUBORDINATION AND INTERCREDITOR AGREEMENT dated as of [●], 2019, among WELLS FARGO BANK, NATIONAL ASSOCIATION, as Intercreditor Agent, WILMINGTON TRUST, NATIONAL ASSOCIATION, solely in its capacity as Collateral Agent, PETROQUEST ENERGY, INC. (the "***Parent***"), PETROQUEST ENERGY, L.L.C. (the "***Company***"), and each Subsidiary of the Parent listed on Schedule I hereto (the "***Subsidiary Guarantors***").

A. The Company and the Parent have entered into the Term Loan Agreement dated as of [●], 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with, among others, Wells Fargo Bank, National Association, as administrative agent for the lenders, and certain lenders from time to time party thereto. The Obligations (such term and each other capitalized term used herein having the meanings set forth in Section 1) of the Company under the Credit Agreement are secured on a first-priority basis by substantially all assets of the Parent, the Company and the Subsidiary Guarantors.

B. The Parent, certain of the Parent's Subsidiaries, the Trustee and the Collateral Agent have entered into the Indenture dated as of [●], 2019 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), pursuant to which the Notes are governed. The Obligations of the Parent under the Indenture and the Notes are secured on a second-priority basis by various assets of the Parent and certain of Parent's Subsidiaries.[1]

C. The Senior Secured Parties and the Second Priority Secured Parties desire to enter into this Agreement to, among other things, set forth certain of their respective rights and obligations with respect to the Security Property.

Accordingly, in consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

[1] NTD: Per the term sheet, the Notes will be secured by a second priority lien on all equity interests of each Guarantor. This includes equity interests in a guarantor not directly owned by the Parent.

**Section 1. Definitions.**

1.1 ***Defined Terms.*** As used in this Agreement, the following terms have the meanings specified below:

"***Agreement***" shall mean this Agreement, as amended, restated, renewed, extended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"***Amended and Refinanced***" shall mean, with respect to any Indebtedness, such Indebtedness as extended, renewed, defeased, amended, modified, supplemented, restructured, refinanced, replaced, refunded or repaid, and includes any other Indebtedness issued in exchange or replacement for or to refinance such Indebtedness, in whole or in part, whether with the same or different lenders, arrangers and/or agents, the same or different obligors, whether with a larger or smaller aggregate principal amount and/or a longer or shorter maturity and whether pursuant to one or more credit agreements or other agreements provided that any such Indebtedness is incurred in accordance with the terms of the Debt Documents or with the consent of the relevant parties to the Debt Documents;

"***Bankruptcy Law***" shall mean Title 11 of the United States Code and any similar Federal, state or foreign law for the relief of debtors.

"***Collateral Agent***" shall mean Wilmington Trust, National Association, in its capacity as collateral agent under the Indenture and the Noteholder Security Documents, and its permitted successors.

"***Company***" shall have the meaning set forth in the preamble.

"***Comparable Second-Priority Security Document***" shall mean, in relation to any Security Property subject to any Lien created under any Senior Security Document, those Second-Priority Security Documents that create a Lien on the same Security Property, granted by the same Grantor.

"***Credit Agreement***" shall have the meaning set forth in the recitals.

"***Debt Documents***" shall mean the Senior Lender Documents and the Noteholder Documents.

"***DIP Financing***" shall have the meaning set forth in Section 6.1.

"***Discharge of Senior Lender Claims***" shall mean, except to the extent otherwise provided in Sections 5.7 and 6.4, as applicable, (a) payment in full in cash of all Senior Lender Claims that are due and payable or otherwise accrued and owing at or prior to the time such principal (including reimbursement obligations in respect of, if any, letters of credit), interest and premium, if any, are paid and (b) termination of all commitments of the Senior Lenders under the Senior Lender Documents, other than, in the case of each of the preceding clauses "(a)" and "(b)" of this definition, any such payment or termination in connection with a Senior Credit Agreement being Amended and Refinanced.

"***First-Lien Debt***" shall mean all money and liabilities now or in the future due, owing or incurred to any Senior Secured Party by any Grantor under or in respect of:

(a) the Credit Agreement;

(b) any other Senior Lender Document; and

(c) any such Indebtedness as Amended and Refinanced from time to time and any incremental Indebtedness ("***Future First-Lien Debt***") in either case to the extent contemplated by Section 2.6 and designated by the Company as First-Lien Debt hereunder,

in each case, in any currency, whether actual or contingent, incurred solely or jointly with any other Person and whether as principal or surety, together with all accruing interest and related losses and charges.

"***Future First-Lien Debt***" shall have the meaning assigned to such term in the definition of the term "First-Lien Debt".

"***Future Second-Lien Debt***" shall mean Indebtedness or Obligations (other than existing Second-Priority Claims) of the Parent and its Subsidiaries that is to be equally and ratably secured with the existing Second-Priority Claims and is so designated by the Parent as Future Second-Lien Debt hereunder; *provided*, *however*, that such Future Second-Lien Debt is permitted to be so incurred in accordance with the Senior Credit Agreement and the Indenture, as applicable.

"***Grantors***" shall mean the Parent, the Company and each of the Subsidiaries that has executed and delivered a Security Document.

"***Indebtedness***" shall mean and include all obligations that constitute "Indebtedness" or "Debt", as applicable, within the meaning of the Indenture or the Senior Credit Agreement.

"***Indenture***" shall have the meaning set forth in the recitals.

"***Indenture Secured Parties***" shall mean the Persons holding Noteholder Claims, including the Trustee and Collateral Agent.

"***Insolvency Event***" shall mean (A) (i) commencement of an involuntary proceeding or filing of any involuntary petition seeking liquidation, reorganization or other relief in respect of the Parent, or any Subsidiary or its or their debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent or any Subsidiary or for a substantial part of its or their assets, and, in any such case, such proceeding or petition continues undismissed for 30 days or an order or decree approving or ordering any of the foregoing is entered; or (B) the Parent or any Subsidiary (i) voluntarily commences any proceeding or files any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in clause (A),

(iii) applies for or consents to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Subsidiary or for a substantial part of its or their assets, (iv) files an answer admitting the material allegations of a petition filed against it or them in any such proceeding, (v) makes a general assignment for the benefit of creditors or (vi) takes any action for the purpose of effecting any of the foregoing.

"***Insolvency or Liquidation Proceeding***" shall mean any voluntary or involuntary proceeding relating to an Insolvency Event.

"***Intercreditor Agent***" shall mean Wells Fargo Bank, National Association, in its capacity as administrative agent for the Senior Secured Parties under the Credit Agreement and the other Senior Lender Documents, together with its successors (or if there is more than one Senior Credit Agreement, such agent or trustee as is designated "Intercreditor Agent" by Senior Lenders holding a majority of the Senior Lender Claims then outstanding, which designation shall be notified in writing to the Second Priority Agents) and permitted assigns under the Senior Credit Agreement exercising substantially the same rights and powers.

"***Lien***" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"***Noteholder Claims***" shall mean all Obligations in respect of the Notes or arising under the Noteholder Documents or any of them, including all fees and expenses of the Trustee and Collateral Agent thereunder.

"***Noteholder Documents***" shall mean (a) the Indenture, the Notes, the Noteholder Security Documents and (b) any other related document or instrument executed and delivered pursuant to any Noteholder Document described in clause (a) above evidencing or governing any Noteholder Claims thereunder.

"***Noteholder Security Documents***" shall mean all documents or instruments pursuant to which a Lien is granted by any Grantor to secure any Noteholder Claims or under which rights or remedies with respect to any such Lien are governed.

"***Notes***" shall mean (a) the initial $80,000,000 in aggregate principal amount of 10% senior secured PIK notes due 2024, issued by the Parent pursuant to the Indenture and (b) any additional senior secured notes issued under the Indenture by the Parent, to the extent permitted by the Indenture, the Senior Credit Agreement and any Second-Priority Document, as applicable.

"***Obligations***" means all "Obligations" as such term is defined under the Senior Lender Documents or the Second-Priority Documents, as applicable.

"***Officers' Certificate***" shall have the meaning set forth in the Indenture.

"***Person***" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, entity or other party, including any government and any political subdivision, agency or instrumentality thereof.

"***Pledged Collateral***" shall mean the Security Property in the possession of the Intercreditor Agent (or its agents or bailees), to the extent that possession thereof is necessary to perfect a Lien thereon under applicable law.

"***Recovery***" shall have the meaning set forth in Section 6.4.

"***Required Lenders***" shall mean, with respect to any Senior Credit Agreement, those Senior Lenders the approval of which is required to approve an amendment or modification of, termination or waiver of any provision of or consent to any departure from such Senior Credit Agreement (or would be required to effect such consent under this Agreement if such consent were treated as an amendment of the Senior Credit Agreement).

"***Second-Priority Agents***" shall mean (a) the Collateral Agent on behalf of the Indenture Secured Parties and (b) the collateral agent for any Future Second-Lien Debt.

"***Second-Priority Claims***" shall mean the Noteholder Claims and all other Obligations in respect of, or arising under, the Second-Priority Documents, including all fees and expenses of the collateral agent for any Future Second-Lien Debt.

"***Second-Priority Designated Agent***" shall mean such agent or trustee as is designated "Second-Priority Designated Agent" by Second-Priority Secured Parties holding a majority in principal amount of the Second-Priority Claims then outstanding; it being understood that as of the date of this agreement, the Collateral Agent shall be so designated as Second-Priority Designated Agent.

"***Second-Priority Documents***" shall mean the Noteholder Documents and any other document or instrument evidencing or governing any Future Second-Lien Debt.

"***Second-Priority Liens***" shall mean the Liens on the Security Property pursuant to one or more Second-Priority Security Documents to secure the Second-Priority Claims.

"***Second-Priority Secured Parties***" shall mean the Indenture Secured Parties and all other Persons holding any Second-Priority Claims, including the collateral agent for any Future Second-Lien Debt.

"***Second-Priority Security Documents***" shall mean the Noteholder Security Documents and any other agreement, document or instrument pursuant to which a Lien is now or hereafter granted securing any Second-Priority Claims or under which rights or remedies with respect to such Liens are at any time governed.

"***Security Documents***" shall mean any agreement or writing pursuant to which the Parent, the Company and/or any of the Subsidiary Guarantors pledges or grants a security interest in any Security Property.

"***Security Property***" shall mean all of the property and interests in property, real or personal, tangible or intangible, now owned or hereafter acquired by any Grantor in or upon which a Lien has been granted (or has been purported to be granted) to secure both the Senior Lender

Claims and the Second-Priority Claims, including, without limitation, all proceeds of such property and interests in property.

"***Senior Credit Agreement***" shall mean the Credit Agreement and any other agreement governing any Future First-Lien Debt.

"***Senior Lender Claims***" shall mean all Obligations in respect of First-Lien Debt, including all interest and expenses accrued or accruing (or that would, absent the occurrence of an Insolvency Event, accrue) after the occurrence of an Insolvency Event in accordance with and at the rate specified in the relevant Senior Lender Document whether or not the claim for such interest or expenses is allowed or allowable as a claim in the related Insolvency or Liquidation Proceeding.

"***Senior Lender Documents***" shall mean the Senior Credit Agreement, the Senior Security Documents and each of the other agreements, documents and instruments providing for, evidencing or securing any Obligation under the Credit Agreement or any Future First-Lien Debt and any other related document or instrument executed or delivered pursuant to any Senior Lender Document at any time or otherwise evidencing or securing any Indebtedness arising under any Senior Lender Document.

"***Senior Lenders***" shall mean the lenders under the Senior Credit Agreement.

"***Senior Secured Parties***" shall mean the Senior Lenders, the Intercreditor Agent, any other agent under the Senior Lender Documents and any other Person holding Senior Lender Claims.

"***Senior Security Documents***" shall mean the Credit Agreement and any other agreement, document or instrument pursuant to which a Lien is now or hereafter granted securing any Senior Lender Claims or under which rights or remedies with respect to such Liens are at any time governed.

"***Subsidiary***" shall mean any "Subsidiary" of the Parent as defined in the Indenture.

"***Trustee***" shall mean Wilmington Trust, National Association, in its capacity as trustee under the Indenture, and its permitted successors.

1.2 ***Terms Generally.*** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified in accordance with this Agreement, (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections shall be construed to refer to Sections of this Agreement and (e) the words "asset" and "property" shall be construed to have the

same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

**Section 2. Lien Priorities.**

2.1 ***Subordination of Liens.*** Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to the Second-Priority Agents, for the benefit of Second-Priority Secured Parties, on the Security Property or of any Liens granted to the Intercreditor Agent or the Senior Secured Parties on the Security Property and notwithstanding any provision of any applicable law or the Second-Priority Documents or the Senior Lender Documents or any other circumstance whatsoever, each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, hereby agrees that: (a) any Lien on the Security Property securing any Senior Lender Claims now or hereafter held by or on behalf of the Intercreditor Agent or any Senior Secured Parties or any agent or trustee therefor regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the Security Property securing any Second-Priority Claims, (b) any Lien on the Security Property securing any Second-Priority Claims now or hereafter held by or on behalf of the Collateral Agent or any Second-Priority Secured Parties or any agent or trustee therefor regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Security Property securing any Senior Lender Claims and (c) with respect to any Second-Priority Claims (and as between the Second-Priority Agents and the Second-Priority Secured Parties), the Liens on the Security Property securing any Second-Priority Claims now or hereafter held by or on behalf of the Collateral Agent or any Second-Priority Secured Party or any agent or trustee therefor regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall rank equally and ratably in all respects. All Liens on the Security Property securing any Senior Lender Claims shall be and remain senior in all respects and prior to all Liens on the Security Property securing any Second-Priority Claims for all purposes, whether or not such Liens securing any Senior Lender Claims are subordinated to any Lien securing any other obligation of the Company, any other Grantor or any other Person.

2.2 ***Prohibition on Contesting Liens.*** Each Second-Priority Agent, for itself and on behalf of each applicable Second-Priority Secured Party, and the Intercreditor Agent, for itself and on behalf of each Senior Secured Party, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, perfection, priority or enforceability of (a) a Lien securing any Senior Lender Claims held (or purported to be held) by or on behalf of the Intercreditor Agent or any of the Senior Secured Parties or any agent or trustee therefor in any Security Property or (b) a Lien securing any Second-Priority Claims held (or purported to be held) by or on behalf of any Second-Priority Secured Party in any Security Property, as the case may be; *provided*, *however*, that nothing in this Agreement shall be construed to prevent or impair the rights of the Intercreditor Agent or any Senior Secured Party to enforce this Agreement (including the priority of the Liens securing the Senior Lender Claims as provided in Section 2.1) or any of the Senior Lender Documents.

2.3 ***No New Liens.*** Subject to Section 12.05 of the Indenture and the corresponding provision of any Second-Priority Document relating to Future Second-Lien Debt, so long as the Discharge of Senior Lender Claims has not occurred, the parties hereto agree that, after the date hereof, if any Second-Priority Agent shall hold any Lien on any assets of the Company or any other Grantor securing any Second-Priority Claims that are not also subject to the first-priority Lien in respect of the Senior Lender Claims under the Senior Lender Documents, such Second-Priority Agent shall notify the Intercreditor Agent promptly upon becoming aware thereof and, upon demand by the Intercreditor Agent or the Company, will assign or release (without representation or warranty) such Lien to the Intercreditor Agent as security for the Senior Lender Claims (in the case of an assignment, each Second-Priority Agent may retain a junior lien on such assets subject to the terms hereof). Subject to Section 12.05 of the Indenture and the corresponding provision of any Second-Priority Document relating to Future Second-Lien Debt, each Second-Priority Agent agrees that, after the date hereof, if it shall hold any Lien on any assets of the Company or any other Grantor securing any Second-Priority Claims that are not also subject to the Lien in favor of the other Second-Priority Agent such Second-Priority Agent shall notify any other Second-Priority Agent promptly upon becoming aware thereof.

2.4 ***Perfection of Liens.*** Neither the Intercreditor Agent nor the Senior Secured Parties shall be responsible for perfecting or maintaining the perfection of Liens with respect to the Security Property for the benefit of the Second-Priority Agents and the Second-Priority Secured Parties. The provisions of this Intercreditor Agreement are intended solely to govern the respective Lien priorities as between the Senior Secured Parties and the Second-Priority Secured Parties and shall not impose on the Intercreditor Agent, the Second-Priority Agents, the Second-Priority Secured Parties or the Senior Secured Parties or any agent or trustee therefor any obligations in respect of the disposition of proceeds of any Security Property which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any applicable law.

2.5 ***Consent to Filings***. Subject to the terms, conditions and limitations of this Agreement, the Intercreditor Agent, on behalf of the Senior Secured Parties, hereby consents to the creation of the Second-Priority Lien and all actions taken by the Second-Priority Agent to publish notice of or otherwise perfect the same.

2.6 ***Additional First-Lien Debt***. The Senior Lenders and the Second-Priority Secured Parties acknowledge that the Grantors may wish to incur incremental Indebtedness or refinance outstanding amounts under the Senior Credit Agreement by entering into new loan agreements or other instruments evidencing Indebtedness which is intended to constitute First-Lien Debt for the purpose of this Agreement. The Senior Lenders and the Second-Priority Secured Parties confirm that if and to the extent such a financing or refinancing and such ranking is permitted by the terms of the Debt Documents, they will (at the cost of the Grantors) co-operate with the Grantors with a view to enabling such financing or refinancing to take place. In particular, but without limitation, the Senior Lenders and the Collateral Agent agree to execute any amendments to this Agreement required to reflect such arrangements. Notwithstanding the foregoing, no Indebtedness shall constitute First-Lien Debt unless it shall then be permitted as First-Lien Debt under the Debt Documents (or the relevant parties to the Debt Documents shall have consented thereto) and the agent for the Senior Lenders for such Indebtedness shall become a party to this Agreement and bound hereby.

**Section 3. Enforcement.**

3.1 ***Exercise of Remedies.***

(a) So long as the Discharge of Senior Lender Claims has not occurred, whether or not any Insolvency Event has occurred, (i) no Second-Priority Agent or any Second-Priority Secured Party will (x) exercise or seek to exercise any rights or remedies (including setoff) with respect to any Security Property in respect of any applicable Second-Priority Claims, institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to any foreclosure proceeding or action brought with respect to the Security Property by the Intercreditor Agent or any Senior Secured Party in respect of the Senior Lender Claims, the exercise of any right by the Intercreditor Agent or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Lender Claims under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which any Second-Priority Agent or any Second-Priority Secured Party either is a party or may have rights as a third party beneficiary, or any other exercise by any such party, of any rights and remedies relating to the Security Property under the Senior Lender Documents or otherwise in respect of Senior Lender Claims, or (z) object to the forbearance by the Senior Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Security Property in respect of Senior Lender Claims and (ii) except as otherwise provided herein, the Intercreditor Agent and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to the Security Property without any consultation with or the consent of any Second-Priority Agent or any Second-Priority Secured Party; *provided*, *however*, that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Company or any other Grantor, each Second-Priority Agent may file a claim or statement of interest with respect to the applicable Second-Priority Claims and (B) each Second-Priority Agent may take any action (not adverse to the prior Liens on the Security Property securing the Senior Lender Claims, or the rights of the Intercreditor Agent or the Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Security Property. In exercising rights and remedies with respect to the Security Property, the Intercreditor Agent and the Senior Secured Parties may enforce the provisions of the Senior Lender Documents and exercise remedies thereunder, all in such order and in such manner as they may determine. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Security Property upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured lender under the applicable law of any applicable jurisdiction and of a secured creditor under any Bankruptcy Law.

(b) So long as the Discharge of Senior Lender Claims has not occurred, each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, agrees that it will not, in the context of its role as secured creditor, take or receive any Security Property or any proceeds of Security Property in connection with the exercise of any right or remedy (including setoff) with respect to any Security Property in respect of the applicable Second-Priority Claims. Without limiting the generality of the foregoing, unless and until the Discharge of Senior Lender Claims has occurred, except as expressly provided in the proviso in

clause (ii) of Section 3.1(a), the sole right of the Second-Priority Agents and the Second-Priority Secured Parties with respect to the Security Property is to hold a Lien on the Security Property in respect of the applicable Second-Priority Claims pursuant to the Second-Priority Documents, as applicable, for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Senior Lender Claims has occurred.

(c) Subject to the proviso in clause (ii) of Section 3.1(a), (i) each Second-Priority Agent, for itself and on behalf of each applicable Second-Priority Secured Party, agrees that no Second-Priority Agent or any Second-Priority Secured Party will take any action that would hinder any exercise of remedies undertaken by the Intercreditor Agent or the Senior Secured Parties with respect to the Security Property under the Senior Loan Documents, including any sale, lease, exchange, transfer or other disposition of the Security Property, whether by foreclosure or otherwise, and (ii) each Second-Priority Agent, for itself and on behalf of each applicable Second-Priority Secured Party, hereby waives any and all rights it or any Second-Priority Secured Party may have as a junior lien creditor or otherwise to object to the manner in which the Intercreditor Agent or the Senior Secured Parties seek to enforce or collect the Senior Lender Claims or the Liens granted in any of the Security Property, regardless of whether any action or failure to act by or on behalf of the Intercreditor Agent or Senior Secured Parties is adverse to the interests of the Second-Priority Secured Parties.

(d) Each Second-Priority Agent, for itself and on behalf of each Second-Priority Secured Party, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any applicable Second-Priority Document shall be deemed to restrict in any way the rights and remedies of the Intercreditor Agent or the Senior Secured Parties with respect to the Security Property as set forth in this Agreement and the Senior Lender Documents.

3.2 ***Cooperation.*** Subject to the proviso in clause (ii) of Section 3.1(a), each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, agrees that, unless and until the Discharge of Senior Lender Claims has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Intercreditor Agent upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Security Property under any of the applicable Second-Priority Documents or otherwise in respect of the applicable Second-Priority Claims.

**Section 4. Payments.**

4.1 ***Application of Proceeds.*** After an event of default under any First-Lien Debt has occurred and until such event of default is cured or waived, so long as the Discharge of Senior Lender Claims has not occurred, the Security Property or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Security Property upon the exercise of remedies, shall be applied by the Intercreditor Agent to the Senior Lender Claims in such order as specified in the relevant Senior Lender Documents until the Discharge of Senior Lender Claims has occurred. Upon the Discharge of Senior Lender Claims, the Intercreditor Agent shall deliver promptly to the Second-Priority Designated Agent any Security Property on which the Second-Priority Secured Parties have a Lien or proceeds thereof held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise

direct to be applied by the Second-Priority Designated Agent ratably to the Second-Priority Claims and, with respect to each class of Second-Priority Claims, in such order as specified in the relevant Second-Priority Documents.

4.2 ***Payments Over.*** Any Security Property or proceeds thereof received by any Second-Priority Agent or any Second-Priority Secured Party in connection with the exercise of any right or remedy (including setoff) relating to the Security Property in contravention of this Agreement shall be segregated and held in trust for the benefit of and forthwith paid over to the Intercreditor Agent for the benefit of the Senior Secured Parties in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Intercreditor Agent is hereby authorized to make any such endorsements as agent for any Second-Priority Agent or any such Second-Priority Secured Party. This authorization is coupled with an interest and is irrevocable.

**Section 5. Other Agreements.**

5.1 ***Releases.***

(a) If, at any time any Grantor or the holder of any Senior Lender Claim delivers notice to each Second-Priority Agent that any specified Security Property (including all or substantially all of the equity interests of a Grantor or any of its Subsidiaries) is sold, transferred or otherwise disposed of:

(i) by the owner of such Security Property in a transaction permitted under the Senior Credit Agreement, the Indenture and each other Second-Priority Document (if any); or

(ii) during the existence of any Event of Default under (and as defined in) the Senior Credit Agreement to the extent the Intercreditor Agent has consented to such sale, transfer or disposition:

then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens in favor of the Second-Priority Secured Parties upon such Security Property will automatically be released and discharged as and when, but only to the extent, such Liens on such Security Property securing Senior Lender Claims are released and discharged. Upon delivery to each Second-Priority Agent of a notice from the Intercreditor Agent stating that any release of Liens securing or supporting the Senior Lender Claims has become effective (or shall become effective upon each Second-Priority Agent's release), each Second-Priority Agent will at the Company's expense promptly execute and deliver such instruments, releases, termination statements or other documents confirming such release on customary terms and without representation or warranty. In the case of the sale of all or substantially all of the capital stock of a Grantor or any of its Subsidiaries, the guarantee in favor of the Second-Priority Secured Parties, if any, made by such Grantor or Subsidiary will automatically be released and discharged as and when, but only to the extent, the guarantee by such Grantor or Subsidiary of Senior Lender Claims is released and discharged.

(b) Each Second-Priority Agent, for itself and on behalf of each applicable Second-Priority Secured Party, hereby irrevocably constitutes and appoints the Intercreditor Agent

and any officer or agent of the Intercreditor Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of each Second-Priority Agent or such holder or in the Intercreditor Agent's own name, from time to time, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments to accomplish the purposes of this Section 5.1, including any termination statements, endorsements or other instruments of transfer or release.

5.2 ***Insurance.*** Unless and until the Discharge of Senior Lender Claims has occurred, the Intercreditor Agent and the Senior Secured Parties shall have the sole and exclusive right, subject to the rights of the Grantors under the Senior Lender Documents, to adjust settlement for any insurance policy covering the Security Property in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Security Property. Unless and until the Discharge of Senior Lender Claims has occurred, all proceeds of any such policy and any such award if in respect of the Security Property shall be paid (a) *first*, prior to the occurrence of the Discharge of Senior Lender Claims, to the Intercreditor Agent for the benefit of Senior Secured Parties pursuant to the terms of the Senior Lender Documents, (b) *second*, after the occurrence of the Discharge of Senior Lender Claims, to the Second-Priority Agents for the benefit of the Second-Priority Secured Parties pursuant to the terms of the applicable Second-Priority Documents and (c) *third*, if no Second-Priority Claims are outstanding, to the owner of the subject property, such other person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If any Second-Priority Agent or any Second-Priority Secured Party shall, at any time, receive any proceeds of any such insurance policy or any such award in contravention of this Agreement, it shall pay such proceeds over to the Intercreditor Agent in accordance with the terms of Section 4.2.

5.3 ***Amendments to Second-Priority Security Documents.***

(a) Without the prior written consent of the Intercreditor Agent and the Required Lenders, no Second-Priority Security Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Second-Priority Security Document, would be prohibited by or inconsistent with any of the terms of this Agreement. The Grantors shall cause each applicable Second-Priority Security Document to include the following language (or language to similar effect approved by the Intercreditor Agent):

> "Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the [applicable Second-Priority Agent] pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted to Wells Fargo Bank, National Association, as administrative agent (and its permitted successors), for the benefit of the lenders referred to below, as contemplated by that certain Term Loan Credit Agreement dated as of [●], 2019 (as amended, restated, supplemented or otherwise modified from time to time), by and among PetroQuest Energy, L.L.C, PetroQuest Energy Inc., Wells Fargo Bank, National Association, as administrative agent and the lenders party thereto and (ii) the exercise of any right or remedy by the [applicable Second-Priority Agent] hereunder is subject to the limitations and provisions of the Lien Subordination and Intercreditor Agreement dated as of [●], 2019 (as amended, restated, supplemented or otherwise

modified from time to time, the "Intercreditor Agreement"), by and among Wells Fargo Bank, National Association, as Intercreditor Agent, Wilmington Trust, National Association, as Collateral Agent, PetroQuest Energy, L.L.C, PetroQuest Energy Inc. (the "Parent") and the subsidiaries of the Parent party thereto. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, the terms of the Intercreditor Agreement shall govern".

(b) In the event that the Intercreditor Agent or the Senior Secured Parties enter into any amendment, waiver or consent in respect of or replace any of the Senior Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Security Document or changing in any manner the rights of the Intercreditor Agent, the Senior Secured Parties, the Company or any other Grantor thereunder (including the release of any Liens in Security Property), then such amendment, waiver or consent shall apply automatically to any comparable provision of each Comparable Second-Priority Security Document without the consent of any Second-Priority Agent or any Second-Priority Secured Party and without any action by any Second-Priority Agent, the Company or any other Grantor; *provided*, *however*, that (A) such amendment, waiver or consent does not materially adversely affect the rights of the Second-Priority Secured Parties or the interests of the Second-Priority Secured Parties in the Security Property and does not materially adversely affect the rights of the other creditors of the Company or such Grantor, as the case may be, that have a security interest in the affected Security Property in a like or similar manner, and (B) written notice of such amendment, waiver or consent shall have been given to each Second-Priority Agent.

5.4 ***Rights As Unsecured Creditors.*** Notwithstanding anything to the contrary in this Agreement, the Second-Priority Agents and the Second-Priority Secured Parties may exercise rights and remedies as an unsecured creditor against the Parent or any Subsidiary that has guaranteed the Second-Priority Claims in accordance with the terms of the applicable Second-Priority Documents and applicable law. Nothing in this Agreement shall prohibit the receipt by any Second-Priority Agent or any Second-Priority Secured Party of the required payments of interest and principal so long as such receipt is not the direct or indirect result of the exercise by any Second-Priority Agent or any Second-Priority Secured Party of rights or remedies as a secured creditor in respect of Security Property or enforcement in contravention of this Agreement of any Lien in respect of Second-Priority Claims held by any of them. In the event any Second-Priority Agent or any Second-Priority Secured Party becomes a judgment lien creditor in respect of Security Property as a result of its enforcement of its rights as an unsecured creditor in respect of Second-Priority Claims, such judgment lien shall be subordinated to the Liens securing Senior Lender Claims on the same basis as the other Liens securing the Second-Priority Claims are so subordinated to such Liens securing Senior Lender Claims under this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Intercreditor Agent or the Senior Secured Parties may have with respect to the Security Property.

5.5 ***Intercreditor Agent as Gratuitous Bailee for Perfection.***

(a) The Intercreditor Agent agrees to hold the Pledged Collateral that is part of the Security Property in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for each Second-Priority Agent and any assignee solely for the purpose

of perfecting the security interest granted in such Pledged Collateral pursuant to the Second-Priority Security Documents, subject to the terms and conditions of this Section 5.5.

(b) Except as otherwise specifically provided herein (including Sections 3.1 and 4.1), until the Discharge of Senior Lender Claims has occurred, the Intercreditor Agent shall be entitled to deal with the Pledged Collateral in accordance with the terms of the Senior Lender Documents as if the Liens under the Second-Priority Security Documents did not exist. The rights of the Second-Priority Agents and the Second-Priority Secured Parties with respect to such Pledged Collateral shall at all times be subject to the terms of this Agreement.

(c) The Intercreditor Agent shall have no obligation whatsoever to any Second-Priority Agent or any Second-Priority Secured Party to assure that the Pledged Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Security Property except as expressly set forth in this Section 5.5. The duties or responsibilities of the Intercreditor Agent under this Section 5.5 shall be limited solely to holding the Pledged Collateral as gratuitous bailee for each Second-Priority Agent for purposes of perfecting the Lien held by the Second-Priority Secured Parties.

(d) The Intercreditor Agent shall not have by reason of the Second-Priority Security Documents or this Agreement or any other document a fiduciary relationship in respect of any Second-Priority Agent or any Second-Priority Secured Party and the Second-Priority Agents and the Second-Priority Secured Parties hereby waive and release the Intercreditor Agent from all claims and liabilities arising pursuant to the Intercreditor Agent's role under this Section 5.5, as agent and gratuitous bailee with respect to the Security Property.

(e) Upon the Discharge of Senior Lender Claims, the Intercreditor Agent shall deliver to the Second-Priority Designated Agent, to the extent that it is legally permitted to do so, the remaining Pledged Collateral (if any) together with any necessary endorsements or related documentation to effect such transfer (or otherwise allow the Second-Priority Designated Agent to obtain control of such Pledged Collateral) or as a court of competent jurisdiction may otherwise direct. The Parent shall take such further action as is required to effectuate the transfer contemplated hereto and shall indemnify the Intercreditor Agent for loss or damage suffered by the Intercreditor Agent as a result of such transfer except for loss or damage suffered by the Intercreditor Agent as a result of its own willful misconduct, gross negligence or bad faith (as determined by a final, non-appealable order of a court of competent jurisdiction). The Intercreditor Agent has no obligation to follow instructions from any Second-Priority Agent in contravention of this Agreement.

(f) Neither the Intercreditor Agent nor the Senior Secured Parties shall be required to marshal any present or future collateral security for the Parent's or its Subsidiaries' obligations to the Intercreditor Agent or the Senior Secured Parties under the Senior Credit Agreement or the Senior Security Documents or any assurance of payment in respect thereof or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect of thereof shall be cumulative and in addition to all other rights, however existing or arising.

5.6 ***Second-Priority Designated Agent as Gratuitous Bailee for Perfection.***

(a) Upon the Discharge of Senior Lender Claims, the Second-Priority Designated Agent agrees to hold the Pledged Collateral that is part of the Security Property in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for the other Second-Priority Agents and any assignee solely for the purpose of perfecting the security interest granted in such Pledged Collateral pursuant to the applicable Second-Priority Security Document, subject to the terms and conditions of this Section 5.6.

(b) The Second-Priority Designated Agent, in its capacity as gratuitous bailee, shall have no obligation whatsoever to the other Second-Priority Agents to assure that the Pledged Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Security Property except as expressly set forth in this Section 5.6. The duties or responsibilities of the Second-Priority Designated Agent under this Section 5.6 upon the Discharge of Senior Lender Claims shall be limited solely to holding the Pledged Collateral as gratuitous bailee for the other Second-Priority Agents for purposes of perfecting the Lien held by the applicable Second-Priority Secured Parties.

(c) The Second-Priority Designated Agent shall not have by reason of the Second-Priority Security Documents or this Agreement or any other document a fiduciary relationship in respect of the other Second-Priority Agents (or the Second-Priority Secured Parties for which such other Second-Priority Agents is agent) and the other Second-Priority Agents hereby waive and release the Second-Priority Designated Agent from all claims and liabilities arising pursuant to the Second-Priority Designated Agent's role under this Section 5.6, as agent and gratuitous bailee with respect to the Security Property.

(d) In the event that the Second-Priority Designated Agent shall cease to be so designated the Second-Priority Designated Agent pursuant to the definition of such term, the then Second-Priority Designated Agent shall deliver to the successor Second-Priority Designated Agent, to the extent that it is legally permitted to do so, the remaining Pledged Collateral (if any), together with any necessary endorsements (or otherwise allow the successor Second-Priority Designated Agent to obtain control of such Pledged Collateral) or as a court of competent jurisdiction may otherwise direct, and such successor Second-Priority Designated Agent shall perform all duties of the Second-Priority Designated Agent as set forth herein. The Parent shall take such further action as is required to effectuate the transfer contemplated hereto and shall indemnify the Second-Priority Designated Agent for loss or damage suffered by the Second-Priority Designated Agent as a result of such transfer except for loss or damage suffered by the Second-Priority Designated Agent as a result of its own willful misconduct or gross negligence (as determined by a final, non-appealable order of a court of competent jurisdiction. The Second-Priority Designated Agent has no obligation to follow instructions from the successor Second-Priority Designated Agent in contravention of this Agreement.

5.7 ***When Discharge of Senior Lender Claims Deemed to Not Have Occurred.*** If, at any time after the Discharge of Senior Lender Claims has occurred, the Company incurs and designates any Future First-Lien Debt, then such Discharge of Senior Lender Claims shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of

such first Discharge of Senior Lender Claims), and the applicable agreement governing such Future First-Lien Debt shall automatically be treated as a Senior Credit Agreement for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Security Property set forth herein and the granting by the Intercreditor Agent of amendments, waivers and consents hereunder. Upon receipt of written notice of such designation (including the identity of the new Intercreditor Agent) from the new Intercreditor Agent or the Parent, each Second-Priority Agent shall promptly (i) enter into such documents and agreements (at the expense of the Company), including amendments or supplements to this Agreement, as the Parent or such new Intercreditor Agent shall reasonably request in writing in order to provide the new Intercreditor Agent the rights of the Intercreditor Agent contemplated hereby and (ii) to the extent then held by any Second-Priority Agent, deliver to the Intercreditor Agent the Pledged Collateral that is Security Property together with any necessary endorsements or related documentation to effect such transfer (or otherwise allow such Intercreditor Agent to obtain possession or control of such Pledged Collateral).

5.8 ***No Release If Event of Default.*** Notwithstanding any other provisions contained in this Agreement, if an Event of Default (as defined in the Indenture or any other Second-Priority Document, as applicable) exists on the date on which all First-Lien Debt is repaid in full and terminated (including all commitments and letters of credit thereunder), the second-priority Liens on the Security Property securing the Second-Priority Claims relating to such Event of Default will not be released, except to the extent such Security Property or any portion thereof was disposed of in order to repay the First-Lien Debt secured by such Security Property, and thereafter the applicable Second-Priority Agent will have the right to foreclose upon such Security Property (but in such event, the Liens on such Security Property securing the applicable Second-Priority Claims will be released when such Event of Default and all other Events of Default under the Indenture or any other Second-Priority Document, as applicable, cease to exist).

## Section 6. Insolvency or Liquidation Proceedings.

6.1 ***Financing Issues.*** If the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Senior Lenders shall desire to permit the use of cash collateral or to permit the Company or any other Grantor to obtain financing under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision in any Bankruptcy Law ("***DIP Financing***"), then each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, agrees that it will raise no (a) objection to and will not otherwise contest such use of cash collateral or DIP Financing and will not request adequate protection or any other relief in connection therewith (except to the extent permitted by the proviso in clause (ii) of Section 3.1(a) and Section 6.3) and, to the extent the Liens securing the Senior Lender Claims under the Senior Credit Agreement or, if no Senior Credit Agreement exists, under the other Senior Lender Documents are subordinated or *pari passu* with such DIP Financing, will subordinate its Liens in the Security Property to such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens securing the Second-Priority Claims are so subordinated to Liens securing Senior Lender Claims under this Agreement, (b) objection and will not otherwise contest any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Senior Lender Claims made by Intercreditor Agent or any holder of Senior Lender Claims, (c) objection to (and will not otherwise contest) any lawful exercise by any holder of Senior Lender Claims of the right to credit bid Senior Lender Claims at

any sale in foreclosure of Security Property, (d) objection to (and will not otherwise contest) any other request for judicial relief made in any court by any holder of Senior Lender Claims relating to the lawful enforcement of any Lien on Security Property or (e) objection to (and will not otherwise contest) any order relating to a sale of assets of any Grantor for which the Intercreditor Agent or the Senior Lenders have consented that provides, to the extent the sale is to be free and clear of Liens, that the Liens securing the Senior Lender Claims and the Second-Priority Claims will attach to the proceeds of the sale on the same basis of priority as the Liens securing the Senior Lender Claims rank to the Liens securing the Second-Priority Claims in accordance with this Agreement.

6.2 ***Relief from the Automatic Stay.*** Until the Discharge of Senior Lender Claims has occurred, each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, agrees that none of them shall seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Security Property, without the prior written consent of the Required Lenders.

6.3 ***Adequate Protection.*** Each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, agrees that none of them shall contest (or support any other Person contesting) (a) any request by the Intercreditor Agent or the Senior Secured Parties for adequate protection or (b) any objection by the Intercreditor Agent or the Senior Secured Parties to any motion, relief, action or proceeding based on the Intercreditor Agent's or the Senior Secured Parties claiming a lack of adequate protection. Notwithstanding the foregoing, in any Insolvency or Liquidation Proceeding, (i) if the Senior Secured Parties (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of Title 11 of the United States Code or any similar Bankruptcy Law, then each Second-Priority Agent, on behalf of itself and any applicable Second-Priority Secured Party, may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which Lien is subordinated to the Liens securing the Senior Lender Claims and such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens securing the Second-Priority Claims are so subordinated to the Liens securing Senior Lender Claims under this Agreement and (ii) in the event any Second-Priority Agent, on behalf of itself or any applicable Second-Priority Secured Party, seeks or requests adequate protection and such adequate protection is granted in the form of additional collateral, then such Second-Priority Agent, on behalf of itself or each such Second-Priority Secured Party, agrees that the Intercreditor Agent shall also be granted a senior Lien on such additional collateral as security for the Senior Lender Claims and any such DIP Financing and that any Lien on such additional collateral securing the Second-Priority Claims shall be subordinated to the Liens on such collateral securing the Senior Lender Claims and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the Senior Secured Parties as adequate protection on the same basis as the other Liens securing the Second-Priority Claims are so subordinated to such Liens securing Senior Lender Claims under this Agreement.

6.4 ***Preference Issues.*** If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the Company or any other Grantor (or any trustee, receiver or similar person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (a "***Recovery***"), whether received as proceeds of security, enforcement

of any right of setoff or otherwise, then the Senior Lender Claims shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to a Discharge of Senior Lender Claims with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

6.5 ***Application.*** This Agreement shall be applicable prior to and after the commencement of any Insolvency or Liquidation Proceeding. All references herein to any Grantor shall apply to any trustee for such Person and such Person as debtor in possession. The relative rights as to the Security Property and proceeds thereof shall continue after the filing thereof on the same basis as prior to the date of the petition, subject to any court order approving the financing of, or use of cash collateral by, any Grantor.

6.6 ***506(c) Claims.*** Until the Discharge of Senior Lender Claims has occurred, each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, will not assert or enforce any claim under Section 506(c) of the United States Bankruptcy Code senior to or on a parity with the Liens securing the Senior Lender Claims for costs or expenses of preserving or disposing of any Security Property.

**Section 7. Reliance; Waivers; etc.**

7.1 ***Reliance.*** The consent by the Senior Lenders to the execution and delivery of the Second-Priority Documents to which the Senior Lenders have consented and all loans and other extensions of credit made or deemed made on and after the date hereof by the Senior Lenders to the Parent or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, acknowledges that it and the applicable Second-Priority Secured Parties have, independently and without reliance on the Intercreditor Agent or any Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the applicable Second-Priority Document, this Agreement and the transactions contemplated hereby and thereby and they will continue to make their own credit decision in taking or not taking any action under the applicable Second-Priority Document or this Agreement.

7.2 ***No Warranties or Liability.*** Each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, acknowledges and agrees that neither the Intercreditor Agent nor any Senior Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Senior Lender Documents, the ownership of any Security Property or the perfection or priority of any Liens thereon. The Senior Lenders will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Lender Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Lenders may manage their loans and extensions of credit without regard to any rights or interests that any Second-Priority Agent or any of the Second-Priority Secured Parties have in the Security Property or otherwise, except as otherwise provided in this Agreement. Neither the Intercreditor Agent nor any Senior Secured Party shall have any duty to any Second-Priority Agent

or any Second-Priority Secured Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Parent or any Subsidiary thereof (including the Second-Priority Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Intercreditor Agent, the Senior Secured Parties, the Second-Priority Agents and the Second-Priority Secured Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectability of any of the Second-Priority Claims, the Senior Lender Claims or any guarantee or security which may have been granted to any of them in connection therewith, (b) the Parent's title to or right to transfer any of the Security Property or (c) any other matter except as expressly set forth in this Agreement.

7.3 ***Obligations Unconditional.*** All rights, interests, agreements and obligations of the Intercreditor Agent and the Senior Secured Parties, and the Second-Priority Agents and the Second-Priority Secured Parties, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Senior Lender Documents or any Second-Priority Documents;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Lender Claims or Second-Priority Claims, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the Senior Credit Agreement or any other Senior Lender Document or of the terms of the Indenture or any other Second-Priority Document;

(c) any exchange of any security interest in any Security Property or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Senior Lender Claims or Second-Priority Claims or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Company or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the Senior Lender Claims, or of any Second-Priority Agent or any Second-Priority Secured Party in respect of this Agreement.

**Section 8. Miscellaneous.**

8.1 ***Conflicts.*** Subject to Section 8.19, in the event of any conflict between the provisions of this Agreement and the provisions of any Senior Lender Document or any Second-Priority Document, the provisions of this Agreement shall govern.

8.2 ***Continuing Nature of this Agreement; Severability.*** Subject to Sections 5.7 and 6.4, as applicable, this Agreement shall continue to be effective until the Discharge of Senior Lender Claims shall have occurred or such later time as all the Obligations in respect of the Second-Priority Claims shall have been paid in full. This is a continuing agreement of lien

subordination and the Senior Lenders may continue, at any time and without notice to each Second-Priority Agent or any Second-Priority Secured Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Company or any other Grantor constituting Senior Lender Claims in reliance hereon. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.3 ***Amendments; Waivers.*** No amendment, modification or waiver of any of the provisions of this Agreement by any Second-Priority Agent or the Intercreditor Agent shall be deemed to be made unless the same shall be in writing signed on behalf of the party making the same or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. The Company and the other Grantors shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent their rights are affected. Notwithstanding anything in this Section 8.3 to the contrary, this Agreement may be amended from time to time at the request of the Parent, at the Parent's expense, and without the consent of any Second-Priority Agent, the Intercreditor Agent or any Second-Priority Secured Party to (i) add other parties holding Future Second-Lien Debt (or any agent or trustee therefor) and Future First-Lien Debt (or any agent or trustee therefor) in each case to the extent such Indebtedness is not prohibited by the Senior Credit Agreement, the Indenture or any other Second-Priority Document governing Future Second-Lien Debt, (ii) in the case of Future Second-Lien Debt, (a) establish that the Lien on the Security Property securing such Future Second-Lien Debt shall be junior and subordinate in all respects to all Liens on the Security Property securing any Senior Lender Claims and shall share in the benefits of the Security Property equally and ratably with all Liens on the Security Property securing any Second-Priority Claims, and (b) provide to the holders of such Future Second-Lien Debt (or any agent or trustee thereof) the comparable rights and benefits (including any improved rights and benefits that have been consented to by the Intercreditor Agent) as are provided to the holders of Second-Priority Claims under this Agreement, and (iii) in the case of Future First-Lien Debt, (a) establish that the Lien on the Security Property securing such Future First-Lien Debt shall be superior in all respects to all Liens on the Security Property securing any Second-Priority Claims and any Future Second-Lien Debt and shall share in the benefits of the Security Property equally and ratably with all Liens on the Security Property securing any Senior Lender Claims, and (b) provide to the holders of such Future First-Lien Debt (or any agent or trustee thereof) the comparable rights and benefits as are provided to the holders of Senior Lender Claims under this Agreement, in each case so long as such modifications do not expressly violate the provisions of the Senior Credit Agreement, the Indenture or any other Second-Priority Document governing Future Second-Lien Debt. Any such additional party, the Intercreditor Agent and each Second-Priority Agent shall be entitled to rely on the determination of officers of the Company and the other Grantors that such modifications do not violate the Senior Credit Agreement, the Indenture or any other Second-Priority Document governing Future Second-Lien Debt if such determination is set forth in an Officers' Certificate delivered to such party, the Intercreditor Agent and each Second-Priority Agent; *provided, however*, that such determination will not affect whether or not the Company and the other Grantors have complied with its undertakings in the Senior Credit Agreement, the Senior Security

Documents, the Indenture, any other Second-Priority Document governing Future Second-Lien Debt, the Second-Priority Security Documents or this Agreement.

8.4 ***Information Concerning Financial Condition of the Parent and the Subsidiaries.*** The Senior Lenders, each Second-Priority Agent and the Second-Priority Secured Parties shall each be responsible for keeping themselves informed of (a) the financial condition of the Parent and the Subsidiaries and all endorsers and/or guarantors of the Second-Priority Claims or the Senior Lender Claims and (b) all other circumstances bearing upon the risk of nonpayment of the Second-Priority Claims or the Senior Lender Claims; *provided that*, as between the Second-Priority Agents and the other Second-Priority Secured Parties, nothing herein shall be construed to impose an obligation on any Second-Priority Agent to investigate the financial condition of the Parent and its Subsidiaries or any circumstances bearing upon non-payment. The Intercreditor Agent, the Senior Secured Parties, each Second-Priority Agent and the Second-Priority Secured Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the Intercreditor Agent, any Senior Secured Party, any Second-Priority Agent or any Second-Priority Secured Party, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it or they shall be under no obligation (w) to make, and the Intercreditor Agent, the Senior Secured Parties, the Second-Priority Agents and the Second-Priority Secured Parties shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (x) to provide any additional information or to provide any such information on any subsequent occasion, (y) to undertake any investigation or (z) to disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 ***Subrogation.*** Each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Senior Lender Claims has occurred.

8.6 ***Application of Payments.*** Except as otherwise provided herein, all payments received by the Senior Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Senior Lender Claims as the Senior Secured Parties, in their sole discretion, deem appropriate, consistent with the terms of the Senior Lender Documents. Except as otherwise provided herein, each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, consents to any such extension or postponement of the time of payment of the Senior Lender Claims or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Lender Claims and to the addition or release of any other Person primarily or secondarily liable therefor.

8.7 ***Consent to Jurisdiction; Waivers.*** The parties hereto consent to the jurisdiction of any state or federal court located in New York, New York, and consent that all service of process may be made by registered mail directed to such party as provided in Section 8.8 for such party. Service so made shall be deemed to be completed five days after the same shall be posted as aforesaid. The parties hereto waive any objection to any action instituted hereunder in any such court based on *forum non conveniens*, and any objection to the venue of any action

instituted hereunder in any such court. Each of the parties hereto waives any right it may have to trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, verbal or written statement or action of any party hereto in connection with the subject matter hereof.

8.8 ***Notices.*** All notices to the Second-Priority Secured Parties and the Senior Lenders permitted or required under this Agreement may be sent to the Collateral Agent and the Intercreditor Agent as provided in the Indenture and the Credit Agreement, respectively. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, sent by facsimile transmission or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy, or sent by facsimile transmission or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. The Borrower hereby agrees to promptly notify each Second-Priority Agent upon payment in full in cash of all Indebtedness under the Credit Agreement (except for contingent indemnities and cost and reimbursement obligations to the extent no claim has been made).

8.9 ***Further Assurances.*** Each of the Second-Priority Agents, on behalf of itself and each applicable Second-Priority Secured Party, agrees that each of them shall take such further action, at the Parent's expense, and shall execute and deliver to the Intercreditor Agent and the Senior Secured Parties such additional documents and instruments (in recordable form, if requested) as the Intercreditor Agent or the Senior Secured Parties may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement.

8.10 ***Governing Law.*** This Agreement has been delivered and accepted at and shall be deemed to have been made at New York, New York and shall be interpreted, and the rights and liabilities of the parties bound hereby determined, in accordance with the laws of the State of New York.

8.11 ***Binding on Successors and Assigns.*** This Agreement shall be binding upon the Intercreditor Agent, the Senior Secured Parties, the Second-Priority Agents, the Second-Priority Secured Parties, the Parent, the Parent's Subsidiaries party hereto and their respective permitted successors and assigns.

8.12 ***Specific Performance.*** The Intercreditor Agent may demand specific performance of this Agreement. Each Second-Priority Agent, on behalf of itself and each applicable Second-Priority Secured Party, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by the Intercreditor Agent.

8.13 ***Section Titles.*** The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

8.14 ***Counterparts.*** This Agreement may be executed in one or more counterparts, including by means of facsimile, PDF or other electronic transmission each of which shall be deemed an original and all of which shall together constitute one and the same document.

8.15 ***Authorization.*** By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.16 ***No Third Party Beneficiaries; Successors and Assigns.*** This Agreement and the rights and benefits hereof shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns and shall inure to the benefit of each of, and be binding upon, the holders of Senior Lender Claims and Second-Priority Claims. No other Person shall have or be entitled to assert rights or benefits hereunder.

8.17 ***Effectiveness.*** This Agreement shall become effective when executed and delivered by the parties hereto. This Agreement shall be effective both before and after the commencement of any Insolvency or Liquidation Proceeding. All references to the Company or any other Grantor shall include the Company or any other Grantor as debtor and debtor-in-possession and any receiver or trustee for the Company or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

8.18 ***Intercreditor Agent and Second-Priority Agents.*** It is understood and agreed that (a) Wells Fargo Bank, National Association is entering into this Agreement in its capacity as administrative agent under the Credit Agreement and the provisions of Section 9 of the Credit Agreement shall also apply to Wells Fargo Bank, National Association, as Intercreditor Agent hereunder, and (b) Wilmington Trust, National Association is entering in this Agreement solely in its capacity as Collateral Agent and the provisions of Article 7 and Article 12 of the Indenture applicable to the Collateral Agent thereunder shall also apply to the Collateral Agent hereunder.

8.19 ***Relative Rights.*** Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Section 5.3(b)), nothing in this Agreement is intended to or will (a) amend, waive or otherwise modify the provisions of the Senior Credit Agreement or the Indenture or any other Senior Lender Documents or Second-Priority Documents entered into in connection with the Senior Credit Agreement or the Indenture or permit the Company or any Subsidiary to take any action, or fail to take any action, to the extent such action or failure would otherwise constitute a breach of, or default under, the Senior Credit Agreement or any other Senior Lender Documents entered into in connection with the Senior Credit Agreement or the Indenture or any other Second-Priority Documents, (b) change the relative priorities of the Senior Lender Claims or the Liens granted under the Senior Lender Documents on the Security Property (or any other assets) as among the Senior Secured Parties, (c) otherwise change the relative rights of the Senior Secured Parties in respect of the Security Property as among such Senior Secured Parties or (d) obligate the Company or any Subsidiary to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the Senior Credit Agreement or any other Senior Lender Document entered into in connection with the Senior Credit Agreement or the Indenture or any other Second-Priority Documents.

8.20 ***References.*** Notwithstanding anything to the contrary in this Agreement, any references contained herein to any Section, clause, paragraph, definition or other provision of the Indenture (including any definition contained therein) shall be deemed to be a reference to such Section, clause, paragraph, definition or other provision as in effect on the date of this Agreement; *provided* that any reference to any such Section, clause, paragraph or other provision shall refer to such Section, clause, paragraph or other provision of the Indenture (including any definition contained therein), as amended or modified from time to time if such amendment or modification has been (1) made in accordance with the Indenture and (2) approved in writing by, or on behalf of, the requisite Senior Lenders as are needed under the terms of the Senior Credit Agreement to approve such amendment or modification.

8.21 ***Second-Priority Agents Provisions***

(a) Each Second-Priority Agent executes this Agreement not in its individual or personal capacity but solely in its capacity as collateral agent in the exercise of the powers and authority conferred and vested in it under the Indenture for and on behalf of the holders of Notes ("***Noteholders***") for which it acts as trustee. It will exercise its powers and authority under this Agreement in the manner provided for in the Indenture. Prior to taking any action under this Agreement instructed to be taken in accordance with the applicable Indenture, such Second-Priority Agent may (if acting reasonably) request and rely upon an opinion of counsel or opinion of another qualified expert, at the expense of the Company.

(b) Subject to clause (f) below, each Second-Priority Agent shall not owe any fiduciary duty to any other party to this Agreement. The parties to this Agreement agree and acknowledge that in no case shall such Second-Priority Agent be (i) personally responsible or accountable in damages or otherwise to any other party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Second-Priority Agent in good faith in accordance with this Agreement or any of the Second-Priority Documents in a manner that such Second-Priority Agent (acting reasonably) believed to be within the scope of the authority conferred on it by this Agreement or any of the Second-Priority Documents or by law (other than for its own gross negligence or willful misconduct (as determined by a final, non-appealable order of a court of competent jurisdiction)); or (ii) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other party, all such liability, if any, being expressly waived by the parties and any person claiming by, through or under such party. Each Second-Priority Agent (or any successor Second-Priority Agent) shall, however, be liable under this Agreement for its own gross negligence or willful misconduct (as determined by a final, non-appealable order of a court of competent jurisdiction). Each Second-Priority Agent shall have no responsibility for the actions of any individual Noteholder. With respect to the Senior Lenders, the Second-Priority Agents undertake to perform or to observe only such of their covenants or obligations as are specifically set forth in this Agreement, and the parties acknowledge and agree that no implied agreement, covenants or obligations on the part of the Second-Priority Agents shall be read into this Agreement.

(c) Provided it complies with its obligations in this Agreement, no Second-Priority Agent is required to have any regard to the interests of the Senior Lenders.

(d) The Second-Priority Agents shall at all times be entitled to and may rely on any notice, consent or certificate purported to be given or granted by the Intercreditor Agent pursuant to this Agreement without being under any obligation to inquire or otherwise determine whether any such notice, consent or certificate has in fact been given or granted by the Intercreditor Agent.

(e) Except as specified in clause (f), this Section 8.21 is intended to afford protection only to the Second-Priority Agents and no provision of this Section 8.21 shall alter or change the rights and obligations as between the other parties to this Agreement in respect of each other.

(f) The obligation of the Second-Priority Agents to pay over any proceeds received by them (a "***Turnover Amount***") in accordance with Section 4.2 shall be subject to them having actual knowledge of the Turnover Amount being in contravention of this Agreement and not having paid out the Turnover Amount in accordance with the Second-Priority Documents prior to acquiring such knowledge. The Second-Priority Agents will be deemed to have actual knowledge that the Turnover Amount has been received in contravention of this Agreement on the second Business Day after receipt of written notice thereof from the Intercreditor Agent.

(g) Notwithstanding any other provision of this Agreement, in acting under and in accordance with this Agreement each Second-Priority Agent is entitled to seek instructions from the Noteholders at any time, and where it so acts on the instructions of the requisite percentage of such Noteholders (to the extent required by the Indenture), such Second-Priority Agent shall not incur any liability to any person for so acting.

(h) No Second-Priority Agent shall have any obligation to take any action under this Agreement unless it is indemnified and/or secured to its satisfaction in accordance with the Indenture in respect of all costs, expenses and liabilities which it would in its reasonable opinion thereby incur. No Second-Priority Agent's performance of Section 3, 4 or 5 shall be deemed to result in such costs, expense or liabilities. No Second-Priority Agent is required to indemnify any other person, whether or not a party to this Agreement, in respect of any of the transactions contemplated by this Agreement.

(i) In acting as a Second-Priority Agent, each Second-Priority Agent shall be treated as acting through its agency division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by such Second-Priority Agent which is received or acquired by some other division or department or otherwise than in its capacity as such Second-Priority Agent may be treated as confidential by such Second-Priority Agent and will not be treated as information possessed by such Second-Priority Agent in its capacity as such.

(j) Each Second-Priority Agent may rely and shall be fully protected in acting or refraining from acting upon any notice or other document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person.

(k) The Second-Priority Agents are not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party to this Agreement.

(l) The provisions of this Section 8.21 shall survive any termination of this Agreement.

Section 8.22 ***Intercreditor Agent***

(a) The parties acknowledge that all of the rights, protections, immunities and powers (including, without limitation, the right to indemnification) applicable to Wells Fargo Bank, National Association as Administrative Agent under the Credit Agreement are hereby incorporated by reference and shall be applicable to Wells Fargo Bank, National Association as Intercreditor Agent under this Agreement as if fully set forth herein.

(b) It is understood that any reference to the Intercreditor Agent taking any action, making any determinations, requests, directions, consents or elections, deeming any action or document reasonable, appropriate or satisfactory, exercising discretion, or exercising any rights or duties under this Agreement shall be pursuant to written direction from the Required Lenders (as defined in the Credit Agreement).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

INTERCREDITOR AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT

By _____

Name:
Title:

COLLATERAL AGENT:

WILMINGTON TRUST, NATIONAL ASSOCIATION, in its capacity as collateral agent

By _____

Name:
Title:

PETROQUEST ENERGY, L.L.C.

By:_____
Name:
Title:

PETROQUEST ENERGY, INC.

By:_____
Name:
Title:

[GUARANTORS]

By:_____
Name:
Title:

SCHEDULE I

## Subsidiary Guarantors

| Entity | Jurisdiction of Organization |
|---|---|
| | |

# EXHIBIT D

## Schedule of Rejected Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Executory Contracts or Unexpired Leases will be deemed assumed and assigned to the Reorganized Debtors or their designated assignee in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, regardless of whether such Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, other than: (1) those that are identified on this Schedule of Rejected Executory Contracts and Unexpired Leases; (2) those that have been previously rejected by a Final Order; (3) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (4) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute the Court's order approving the assumptions, assumptions and assignments, or rejections, as applicable, of Executory Contracts or Unexpired Leases as set forth in the Plan or in the Schedule of Rejected Executory Contracts and Unexpired Leases and the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions, assumptions and assignments, or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors, with the consent of the Requisite Creditors, reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time prior to the Effective Date on no less than three (3) days' notice to the applicable non-Debtor counterparties.

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Court within thirty (30) days after the date of entry of an order of the Court (including the Confirmation Order) approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or any Proof of Claim to the contrary**. Claims arising from the rejection of the Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B.7 of the Plan.

# REJECTION SCHEDULE

| File # | Debtor(s) | Contract Counterparty | Description of Contract or Lease | Execution Date |
|---|---|---|---|---|
| 1 | PETROQUEST ENERGY, L.L.C. | ARCHROCK SERVICES, L.P.<br>1114 HUGHES ROAD<br>BROUSSARD, LA 70518 | MASTER COMPRESSION SERVICES AGREEMENT RE UNIT NUMBER 71314 | 3/1/2018 |
| 2 | PETROQUEST ENERGY, L.L.C. | ONE HUGHES LANDING LLC *<br>DBA THE HOWARD HUGHES CORPORATION<br>C/O JONES LANG LASALLE<br>P.O. BOX 679060<br>DALLAS, TX 75267 | SERVICES AGREEMENT - G&A LEASE | 11/1/2013 |
| 3 | PETROQUEST ENERGY, L.L.C. | ONE HUGHES LANDING LLC *<br>DBA THE HOWARD HUGHES CORPORATION<br>C/O JONES LANG LASALLE<br>P.O. BOX 679060<br>DALLAS, TX 75267 | G&A LEASE AGREEMENT | 11/1/2013 |
| 4 | PETROQUEST ENERGY, L.L.C. | ONE HUGHES LANDING LLC *<br>IN CARE OF THE HOWARD HUGES CORPORATION<br>ONE GALLERIA TOWER, 22ND FLOOR<br>13355 NOEL RD<br>DALLAS, TX 75240 | REAL ESTATE LEASE AGREEMENT - THE WOODLANDS OFFICE | 11/1/2013 |

* PetroQuest Energy, L.L.C. is currently negotiating the terms of an amended lease agreement with One Hughes Landing, LLC and will remove the lease agreements from this Schedule once the Court approves any amended agreement.

# EXHIBIT E

## Schedule of Assumed Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Executory Contracts or Unexpired Leases will be deemed assumed and assigned to the Reorganized Debtors or their designated assignee in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, regardless of whether such Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, other than: (1) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (2) those that have been previously rejected by a Final Order; (3) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (4) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.

Entry of the Confirmation Order shall constitute the Court's order approving the assumptions, assumptions and assignments, or rejections, as applicable, of Executory Contracts or Unexpired Leases as set forth in the Plan or in the Schedule of Rejected Executory Contracts and Unexpired Leases and the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions, assumptions and assignments, or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors, with the consent of the Requisite Creditors, reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time prior to the Effective Date on no less than three (3) days' notice to the applicable non-Debtor counterparties.

**ALL EXECUTORY CONTRACTS OR UNEXPIRED LEASES OTHER THAN: (1) THOSE LISTED ON THE SCHEDULE OF ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (2) THOSE THAT ARE IDENTIFIED ON THE SCHEDULE OF REJECTED EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (3) THOSE THAT HAVE BEEN PREVIOUSLY REJECTED BY A FINAL ORDER; (4) THOSE THAT ARE THE SUBJECT OF A MOTION TO REJECT EXECUTORY CONTRACTS OR UNEXPIRED LEASES THAT IS PENDING ON THE EFFECTIVE DATE; OR (5) THOSE THAT ARE SUBJECT TO A MOTION TO REJECT AN EXECUTORY CONTRACT OR UNEXPIRED LEASE PURSUANT TO WHICH THE REQUESTED EFFECTIVE DATE OF SUCH REJECTION IS AFTER THE EFFECTIVE DATE WILL BE ASSUMED AND THE DEBTORS BELIEVE NO CURE AMOUNT IS DUE FOR THOSE EXECUTORY CONTRACTS OR UNEXPIRED LEASES. THE DEADLINE TO OBJECT TO THE DEBTORS' PROPOSED ASSUMPTION AND CURE AMOUNT IS JANUARY 23, 2019, AT 12:00 P.M. PREVAILING CENTRAL TIME.**

Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or assumption and assignment or the proposed Cure Claim will be deemed to have assented to such assumption or assumption and assignment and the Cure Claim. Payment in Cash, on the Effective Date or as soon as reasonably practicable thereafter, to such counterparty of the amount set forth on the applicable Cure Notice shall, as a matter of law, satisfy any and all monetary defaults under the applicable Executory Contract or Unexpired Lease. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee, to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption or assumption and assignment, such dispute shall be resolved by a Final Order of the Court.

In any case, if the Court determines that the Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the applicable Cure Notice, the Debtors or the Reorganized Debtors, as applicable, with the consent of the Requisite Creditors, will have the right to add such Executory Contract or Unexpired Lease to the Schedule of Rejected Executory Contracts and Unexpired Leases, in which case such Executory Contract or Unexpired Lease will be deemed rejected as of the Effective Date. After such Executory Contract or Unexpired Lease is added to the Schedule of Rejected Executory Contracts and Unexpired Leases, the applicable counterparty shall be served with a notice of rejection of its Executory Contract or Unexpired Lease.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Court.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, or, after the Effective Date, the Reorganized Debtors, in each case with the consent of the Requisite Creditors, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

## ASSUMPTION SCHEDULE WITH CURE AMOUNTS

| File # | Debtor(s) | Contract Counterparty | Description of Contract or Lease | Execution Date | Expiration Date | Cure Amount |
|---|---|---|---|---|---|---|
| 1 | PETROQUEST ENERGY, L.L.C. | A2D TECHNOLOGIES INC.<br>DEBRA JACKSON<br>P.O. BOX 733255<br>DALLAS, TX 75373-3255 | GEOLOGICAL AND GEOPHYSICAL SERVICES AGREEMENT | July 2017 | July 2019 | $280.00 |
| 2 | PETROQUEST ENERGY, L.L.C. | AT&T<br>P.O. BOX 5014<br>CAROL STREAM, GA 60197-5014 | UTILITY SERVICES AGREEMENT | 2/21/2018 | 2/21/2019 | $1,589.73 |
| 3 | PETROQUEST ENERGY, L.L.C. | C & S JANITORIAL SERVICE<br>4400 A AMBASSADOR CAFFERY PKWY.<br>LAFAYETTE, LA 70508-6706 | G&A SERVICE SERVICES AGREEMENT | 2/1/2003 | annual renewal | $978.66 |
| 4 | PETROQUEST ENERGY, L.L.C. | IHS MARKIT<br>SHAN GIESLER<br>1401 ENCLAVE PARKWAY<br>SUITE 500<br>HOUSTON, TX 77077 | IT-DATA SUBSCRIPTION PROVIDER SERVICES AGREEMENT | 1/9/2002 | 1/9/2020 | $40,391.08 |
| 5 | PETROQUEST ENERGY, L.L.C. | INFOSTAT SYSTEMS, INC.<br>BOB BRENNAN<br>1545 RIVER PARK DRIVE<br>SUITE 350<br>SACRAMENTO, CA 95815 | LICENCE & SOFTWARE PROVIDER CONTRACT | 7/1/2018 | 6/30/2019 | $1,200.04 |
| 6 | PETROQUEST ENERGY, L.L.C. | LUS FIBER<br>CUSTOMER SERVICE<br>P.O. BOX 4030-C<br>LAFAYETTE, LA 70502-4030 | UTILITY SERVICES AGREEMENT | 10/17/2018 | 10/16/2019 | $121.98 |
| 7 | PETROQUEST ENERGY, L.L.C. | PITNEY BOWES<br>P.O. BOX 371887<br>PITTSBURG, PA 15250-7887 | G&A LEASE AGREEMENT | 5/29/2015 | 7/9/2023 | $25.45 |
| 8 | PETROQUEST ENERGY, L.L.C. | QUORUM BUSINESS SOLUTIONS, INC.<br>SOROOSH SEYHOON<br>811 MAIN STREET<br>SUITE 2000<br>HOUSTON, TX 77002 | LICENCE & SOFTWARE PROVIDER CONTRACT | 1/19/2007 | 12/31/2019 | $1,336.50 |
| 9 | PETROQUEST ENERGY, L.L.C. | VERIZON WIRELESS<br>KYLE DRISCOLL<br>P.O. BOX 660108<br>DALLAS, TX 75266-0108 | UTILITY SERVICES AGREEMENT | 2/2/2017 | 12/12/2020 | $1,261.03 |
| 10 | PETROQUEST ENERGY, L.L.C. | XEROX CORPORATION<br>P.O. BOX 802555<br>CHICAGO, IL 60680-2555 | COPIER PROVIDER & LICENCE CONTRACT | 9/24/2015 | 1/28/2023 | $835.87 |

**ASSUMPTION SCHEDULE WITH CURE AMOUNTS**

| File # | Debtor(s) | Contract Counterparty | Description of Contract or Lease | Execution Date | Expiration Date | Cure Amount |
|---|---|---|---|---|---|---|
| 11 | PETROQUEST ENERGY, L.L.C. | XEROX CORPORATION<br>P.O. BOX 7405<br>PASADENA, CA 91109-7405 | COPIER PROVIDER & LICENCE CONTRACT | 9/24/2015 | 1/28/2023 | $10,474.78 |

* Please note that all executory contracts or unexpired leases other than: (1) those listed on this Schedule of Assumed Executory Contracts and Unexpired Leases; (2) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (3) those that have been previously rejected by a final order; (4) those that are the subject of a motion to reject executory contracts or unexpired leases that is pending on the Effective Date; or (5) those that are subject to a motion to reject an executory contract or unexpired lease pursuant to which the requested Effective Date of such rejection is after the Effective Date will be assumed and the Debtors believe no cure amount is due for those executory contracts or unexpired leases.

# EXHIBIT F

## Schedule of Retained Causes of Action

Article IV.L of the Plan provides as follows:

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII [of the Plan], the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. A schedule of the Causes of Action known by the Debtors to be retained by the Reorganized Debtors will be included as part of the Plan Supplement. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Causes of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Court order, including, without limitation, pursuant to Article VIII [of the Plan], the Debtors or Reorganized Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to this Article IV.L include any claim or Cause of Action with respect to, or against, a Released Party.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

Notwithstanding and without limiting the generality of Article IV.L of the Plan, the following Exhibit F(i) through Exhibit F(ii) (each of which is attached hereto) include specific types of Causes of Actions expressly preserved by the Debtors or the Reorganized Debtors including:

Exhibit F(i): Claims Related to Insurance Policies;

Exhibit F(ii): Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation; and

Exhibit F(iii): Claims Related to Accounts Receivable and Accounts Payable.

For the avoidance of doubt, subject to the applicable consent rights contained in the Plan, the Debtors reserve all rights to amend, revise, or supplement the list of retained Causes of Action at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Bankruptcy Court.

# EXHIBIT F(i)

## Claims Related to Insurance Policies

Exhibit F(i) includes the Debtors' insurance brokers. Unless otherwise released under Article VIII of the Plan, the Debtors expressly reserve all Causes of Action based in whole or in part upon any and all insurance contracts, insurance policies, occurrence policies, and occurrence contracts to which any Debtor or Reorganized Debtor is a party or pursuant to which any Debtor or Reorganized Debtor has any rights whatsoever, regardless of whether such contract or policy is included on Exhibit F(i), including Causes of Action against insurance carriers, reinsurance carriers, insurance brokers, underwriters, occurrence carriers, or surety bond issuers relating to coverage, indemnity, contribution, reimbursement, or any other matters. Additionally, on November 14, 2018, each of the Debtors filed its *Schedules of Assets and Liabilities*, which included, among other things, claims and Causes of Action each of the Debtors had reflected as a liability on its books and records (collectively and as amended, the "Schedules"). The Debtors expressly reserve all claims and Causes of Action related to the insurance contracts and policies listed on Schedule A/B and Schedule G for each of the Debtors to the extent the Debtors or Reorganized Debtors may have claims and Causes of Action against such insurance contracts and policies now or in the future.

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

### Claims Related to Insurance Policies

| Name of Counterparty | Nature |
|---|---|
| J H BLADES<br>520 POST OAK BLVD, SUITE 250<br>HOUSTON, TX 77027 | Claims Related to Insurance Policies |
| JLT SPECIALTY USA<br>225 WEST WACKER DRIVE<br>CHICAGO, IL 60606 | Claims Related to Insurance Policies |
| LOCKTON COMPANIES LLC<br>DEPT 3036<br>P.O. BOX 123036<br>DALLAS, TX 75312-3036 | Claims Related to Insurance Policies |
| RKH INSURANCE BROKERS<br>ONE WHITTINGTON AVENUE<br>LONDON EC3V 1LE | Claims Related to Insurance Policies |

# EXHIBIT F(ii)

## Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation

Exhibit F(ii) includes Entities that are party to or that the Debtors believe may become party to litigation, arbitration, or any other type of adversarial proceeding or dispute resolution proceeding, whether formal or informal, judicial or non-judicial. Unless otherwise released under Article VIII of the Plan, the Debtors expressly reserve all Causes of Action against or related to all Entities that are party to or that may in the future become party to litigation, arbitration, or any other type of adversarial proceeding or dispute resolution proceeding, whether formal or informal, judicial or non-judicial, regardless of whether such Entity is included on Exhibit F(ii).

In addition, Exhibit F(ii) includes claims and Causes of Action the Debtors expressly retain based in whole or in part upon any and all contracts and leases to which any Debtor or Reorganized Debtor is a party or pursuant to which any Debtor or Reorganized Debtor has any rights whatsoever. Notwithstanding the foregoing, the Debtors retain all such claims and Causes of Action regardless of whether such contract or lease is included on Exhibit F(ii). The claims and Causes of Actions reserved include, without limitation, Causes of Action against vendors, suppliers of goods or services, or any other parties: (a) for overpayments, back charges, duplicate payments, improper holdbacks, deposits, warranties, guarantees, indemnities, recoupment, or setoff; (b) for wrongful or improper termination, suspension of services or supply of goods, or failure to meet other contractual or regulatory obligations; (c) for failure to fully perform or to condition performance on additional requirements under contracts with any one or more of the Debtors; (d) for payments, deposits, holdbacks, reserves, or other amounts owed by any creditor, utility, supplier, vendor, insurer, surety, factor, lender, bondholder, lessor, or other party; (e) for any liens, including mechanic's, artisan's, materialmen's, possessory, or statutory liens held by any one or more of the Debtors; (f) arising out of environmental or contaminant exposure matters against landlords, lessors, environmental consultants, environmental agencies, or suppliers of environmental services or goods; (g) counter-claims and defenses related to any contractual obligations; (h) any turnover actions arising under section 542 or 543 of the Bankruptcy Code; and (i) for unfair competition, interference with contract or potential business advantage, breach of contract, infringement of intellectual property, or any business tort claims. Additionally, on November 14, 2018, each of the Debtors filed its Schedules, which included, among other things, claims and Causes of Action each of the Debtors had reflected as a liability on its books and records, and its *Statement of Financial Affairs*, which details certain information regarding each Debtor's property (collectively and as amended, the "SoFAs"). Unless otherwise released under Article VIII of the Plan, the Debtors expressly reserve all claims and Causes of Action against any Entity listed on (a) the Schedules, Schedule A/B, Schedule D, Schedule E, Schedule F, Schedule G and Schedule H of each Debtor and (b) the SoFA of each Debtor, in each case to the extent such Entities owe or may in the future owe money to the Debtor or Reorganized Debtor.

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

**Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation**

| Name of Counterparty | Nature |
|---|---|
| ANDREW A. GREZAFFI, ET AL<br>7555 LA HWY 418<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| ANNA MERCER V. EAGLE ROAD OIL LLC, ET AL.<br>ATTN: BILLY JOE ELLINGTON<br>PO BOX 491<br>PAWNEE,, OK 74058 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| ASPEN<br>11445 COURSEY BLVD<br>SUITE L<br>BATON ROUGE, LA 70816 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| BEFOUR OIL AND GAS, INC. V. PETROQUEST ENERGY, LLC<br>ATTN: GREGORY MAHAFFEY<br>C/O MAHAFFEY & GORE, P.C.<br>300 NE 1ST STREET<br>OKLAHOMA CITY, OK 73104 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| CHALLENGER MINERALS<br>1311 BROADFIELD BLVD.<br>SUITE 500<br>HOUSTON, TX 77084 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| CHEVRON USA, INC<br>PO BOX 730121<br>DALLAS, TX 75373-0121 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| CYNTHIA GREZAFFI DUPREE<br>115 MOSSWOOD CIR.<br>LAFAYETTE, LA 70503-5238 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| DEBRA ANN GREZAFFI TILLERY, ET AL<br>106 OAKPARK CIR<br>LAFAYETTE, LA 70506-5855 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| DOUBLE L RANCH PARTNERSHIP, L.P.<br>7701 SOUTHFORK DRIVE<br>SHREVEPORT, LA 71105 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| ENI<br>1200 SMITH, STE 1700<br>HOUSTON, TX 77002 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| FREDDY BROWNE & KAREN LIGHT<br>ATTN: TERENCE BRENNAN<br>LEVINSON, SMITH, & HUFFMAN, P.C.<br>1743 EAST 71ST STREET<br>TULSA, OK 74136-5108 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| GR WOODFORD PROPERTIES, LLC<br>700 UNIVERSE BOULEVARD<br>JUNO BEACH, FL 33400 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| IN RE KNIGHT ENERGY HOLDINGS, LLC<br>ATTN: DOUGLAS S. DRAPER<br>650 POYDRAS ST #2500<br>NEW ORLEANS, LA 70130 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

**Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation**

| Name of Counterparty | Nature |
|---|---|
| IN RE MIDWAY OILFIELD CONSTRUCTOR, INC.<br>ATTN: KIMBERLY ANNE BARTLEY<br>WALDRON & SCHNEIDER, L.L.P.<br>15150 MIDDLEBROOK DRIVE<br>HOUSTON, TX 77058 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| INTERIOR BOARD OF LAND APPEALS<br>801 N. QUINCY STREET, SUITE 300<br>ARLINGTON, VA 22203 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| JAMES ADAMS V. EAGLE ROAD OIL, LLC, ET AL<br>ATTN: BILLY JOE ELLINGTON<br>613 ILLINOIS<br>PO BOX 491<br>PAWNEE, OK 74058 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| JAMES ADAMS, ET AL<br>ATTN: BILLY JOE ELLINGTON<br>613 ILLINOIS<br>PO BOX 491<br>PAWNEE, OK 74058 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| JOHN A. GREZAFFI AND MARY LORRAINE<br>LACOUR GREZAFFI<br>14430 LA HWY 417<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| JOHN ADAM GREZAFFI, ET AL<br>14430 LA HWY 417<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| JOHNNY LEE BRYANT AND JANICE MARIE<br>BRYANT, V. EAGLE ROAD OIL LLC, ET. AL<br>ATTN: BILLY JOE ELLINGTON<br>613 ILLINOIS<br>PO BOX 491<br>PAWNEE, OK 74058 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| JOSEPH G. BEAUD JR., ET AL<br>8320 BAYOU BARRE LANE<br>MORGANZA, LA 70759 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| KENNETH WHITTEMORE V. PETROQUEST ENERGY, LLC<br>ATTN: THOMAS N. LIGHTSEY, III<br>3401 ALLEN PKWY, STE 100<br>HOUSTON, TX 77019 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| KEVIN HOOG V. PETROQUEST ENERGY, LLC ET AL.,<br>ATTN: REAGAN E. BRADFORD<br>C/O THE LANIER LAW FIRM<br>100 E CALIFORNIA AVE, STE 200<br>OKLAHOMA CITY, OK 73104 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| KNIGHT OIL TOOLS<br>P.O. BOX 52688<br>LAFAYETTE, LA 70505-2688 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

**Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation**

| Name of Counterparty | Nature |
|---|---|
| KNIGHT RESOURCES LLC<br>ATTN: THOMAS E. ST. GERMAIN<br>1414 NE EVANGELINE THRUWAY<br>LAFAYETTE, LA 70501 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| LA DEPARTMENT OF NATURAL RESOURCES<br>OFFICE OF CONSERVATION<br>LASALLE BUILDING<br>617 NORTH THIRD STREET<br>BATON ROUGE, LA 70802 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| LOUISIANA DEPARTMENT OF REVENUE<br>ATTN: SECRETARY OF REVENUE<br>617 NORTH THIRD STREET<br>BATON ROUGE, LA 70802 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| LOUISIANA DEPARTMENT OF REVENUE<br>ATTN: SECRETARY OF REVENUE<br>P.O. BOX 201<br>BATON ROUGE, LA 70821 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| MACK OIL CO. V. MANTI EQUITY PARTNERS, L.P., ET AL.<br>ATTN: JAMES L. BULLEN<br>C/O BULLEN & PLAUCHE<br>130 S. AUDUBON BLVD., STE 102<br>LAFAYETTE, LA 70503 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| MANTI EQUITY PARTNERS, L.P.<br>21245 SMITH RD<br>COVINGTON, LA 70435 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| MARY ELIZABETH BOUDREAUX LABATUR<br>7717 LA HWY 418<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| MARY LOUISE VENTRELLA BOUDREAUX, ET AL<br>7705 HIGHWAY 418<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| NAVITAS OIL & GAS LLC<br>202 RUE IBERVILLE<br>SUITE 130<br>LAFAYETTE, LA 70508 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| NEXTERA ENERGY GAS PRODUCING, LLC<br>601 TRAVIS STREET<br>SUITE 1900<br>HOUSTON, TX 77002 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| NEXTERA ENERGY GAS PRODUCING, LLC<br>700 UNIVERSE BOULEVARD<br>JUNO BEACH, FL 33408 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| NORTHSTAR OFFSHORE VENTURES LLC AKA SENARE<br>11 GREENWAY PLAZA<br>SUITE 2800<br>HOUSTON, TX 77046 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

**Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation**

| Name of Counterparty | Nature |
|---|---|
| OFFICE OF NATURAL RESOURCES(ONNR)<br>BLDG 85 - DENVER FED. CTR.<br>W. 6TH AVE. & KIPLING PKWY.<br>DENVER, CO 80225 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| OKLAHOMA TAX COMMISSION COURT OF CIVIL APPEALS<br>100 N. BROADWAY AVE.<br>SUITE 1500<br>OKLAHOMA CITY, OK 73102 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| OKLAHOMA TAX COMMISSION COURT OF CIVIL APPEALS<br>2501 NORTH LINCOLN BLVD<br>OKLAHOMA CITY, OK 73914 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| OKLAHOMA TAX COMMISSION COURT OF CIVIL APPEALS<br>440 SOUTH HOUSTON<br>5TH FLOOR<br>TULSA, OK 74127 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| OKLAHOMA TAX COMMISSION<br>ATTN: MARJORIE WELCH<br>100 N. BROADWAY AVE., SUITE 1500<br>OKLAHOMA CITY, OK 73102 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| OKLAHOMA TAX COMMISSION<br>ATTN: MARJORIE WELCH<br>C/O OKLAHOMA TAX COMMISSION<br>100 N. BROADWAY AVE., SUITE 1500<br>OKLAHOMA CITY, OK 73102 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| PAWNEE NATION OF OKLAHOMA, V. EAGLE ROAD OIL LLC, ET. AL<br>ATTN: CURTIS “MUSKRAT” BRUEHL<br>14005 N. EASTERN AVE.<br>EDMOND, OK 73013 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| PEREGRINE OIL & GAS II, LLC V NORTHSTAR OFFSHORE VENTURES, LLC AND PETROQUEST ENERGY, L.L.C.<br>ATTN: PAUL J. GOODWINE<br>LOOPER GOODWINE, P.C.<br>650 POYDRAS STREET, SUITE 2400<br>NEW ORLEANS, LA 70130 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| PETROQUEST ENERGY, LLC V. PETROLEUM FUELS<br>ATTN: DOUGLAS C LONGMAN , JR<br>JONES WALKER (LAF)<br>PO DRAWER 3408<br>LAFAYETTE, LA 70502-3408 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| PHILIP LEE V. PETROQUEST ENERGY, LLC ET AL.,<br>ATTN: REAGAN E. BRADFORD<br>C/O THE LANIER LAW FIRM<br>100 E CALIFORNIA AVE, STE 200<br>OKLAHOMA CITY, OK 73104 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

**Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation**

| Name of Counterparty | Nature |
|---|---|
| STEADFAST INSURANCE CO. V. EAGLE ROAD OIL LLC, ET AL.<br>C/O WEITZ & LUXENBERG, PC<br>ATTN: CURT MARSHALL<br>700 BROADWAY<br>NEW YORK, NY 10003 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| TAG TEAM RESOURCES, LLC<br>P.O. BOX 841<br>EUFAULA, OK 74432 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| TAYLOR PLANTATION, LLC<br>7531 LA HIGHWAY 418<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| TEXAS COMPTROLLER<br>LYNDON B JOHNSON STATE OFFICE BLDG<br>111 E 17TH ST<br>AUSTIN, TX 78774 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| THE JOHN ADAM GREZAFFI JR. TRUST, ET AL<br>C/O GLENN E. GREZAFFI, TTEE<br>14330 LA HWY 417<br>BATCHELOR, LA 70715 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| THE PARISH OF CAMERON & THE STATE OF LA<br>ATTN: TODD WIMBERLEY<br>C/O TALBOT, CARMOUCHE, & MARCELLO<br>17405 PERKINS ROAD<br>BATON ROUGE, LA 70810 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| TRANSOCEAN<br>901 THREADNEEDLE ST.<br>HOUSTON, TX 77079 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| TRI-DRILL<br>P.O. BOX 86<br>CANADIAN, OK 74425 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| U.S. DEPARTMENT OF THE INTERIOR<br>ATTN: BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT<br>1201 ELMWOOD PARK BLVD.<br>NEW ORLEANS, LA 70123-2394 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| WSGP GAS PRODUCING, LLC<br>601 TRAVIS STREET<br>SUITE 1900<br>HOUSTON, TX 77002 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| WSGP GAS PRODUCING, LLC<br>P.O. BOX 88888<br>NORTH PALM BEACH, FL 33408 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |
| WYTEX PRODUCTION COMPANY<br>ATTN: RICHARD GORE<br>C/O MAHAFFEY & GORE, P.C.<br>300 NE 1ST STREET<br>OKLAHOMA CITY, OK 73104 | Claims related to Claims, Defenses, Cross-Claims, and Counter-Claims Related to Litigation and Possible Litigation |

# EXHIBIT F(iii)

## Claims Related to Accounts Receivable and Accounts Payable

Exhibit F(iii) includes Entities that have recently or that currently owe money to the Debtors. Unless otherwise released under Article VIII of the Plan, the Debtors expressly reserve all Causes of Action against or related to all Entities that owe or that may in the future owe money to the Debtors or Reorganized Debtors regardless of whether such Entity is included on Exhibit F(iii). Additionally, on November 14, 2018, each of the Debtors filed its Schedules, which included, among other things, claims and Causes of Action each of the Debtors had reflected as a liability on its books and records. The Debtors expressly reserve all claims and Causes of Action against any Entity listed on Schedule A/B, Schedule D, and Schedule E/F of each Debtor to the extent such Entities owe or may in the future owe money to the Debtors or Reorganized Debtors. Furthermore, unless otherwise released under Article VIII of the Plan, the Debtors expressly reserve all Causes of Action against or related to all Entities who assert or may assert that the Debtors or Reorganized Debtors owe money to them.

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

### Claims Related to Accounts Receivable and Accounts Payable

| Name of Counterparty | Nature |
|---|---|
| AMES FINANCIAL, INC./D. KEITH<br>MID SOUTH TOWERS<br>416 TRAVIS, SUITE 1106<br>SHREVEPORT, LA 71101 | Claims Related to Accounts Receivable and Accounts Payable |
| APEX ROYALTIES, INC<br>P.O. BOX 1737<br>MIDLAND, TX 79702-1737 | Claims Related to Accounts Receivable and Accounts Payable |
| ASPEN<br>MATHEW RAINO<br>175 CAPIAL BLVD, SUITE 103<br>ROCKY HILL, CT 06067 | Claims Related to Accounts Receivable and Accounts Payable |
| ATLAS PIPELINE MID-CONTINENT W<br>1437 S BOULDER AVE<br>SUITE 1500<br>TULSA, OK 74119 | Claims Related to Accounts Receivable and Accounts Payable |
| BARRETT STEEL<br>2445 PEYTON RD<br>HOUSTON, TX 77032 | Claims Related to Accounts Receivable and Accounts Payable |
| BLUE CROSS BLUE SHIELD<br>CINDY LANDRY<br>5525 REITZ AVENUE<br>BATON ROUGE, LA 70809 | Claims Related to Accounts Receivable and Accounts Payable |
| BROWER OIL & GAS CO. INC.<br>505 E. MAIN ST.<br>JENKS, OK 74037 | Claims Related to Accounts Receivable and Accounts Payable |
| CANELA PETRO, LP<br>C/O WAGNER OIL COMPANY<br>500 COMMERCE ST, STE 600<br>FORT WORTH, TX 76102 | Claims Related to Accounts Receivable and Accounts Payable |
| CAPITAL PETROLEUM CONSULTANTS,<br>1119 YALE ST.<br>HOUSTON, TX 77008 | Claims Related to Accounts Receivable and Accounts Payable |
| CHARLES J. WALSH<br>543 BLACKHAWK CLUB DR<br>DANVILLE, CA 94506 | Claims Related to Accounts Receivable and Accounts Payable |
| CHEVRON USA INC<br>P.O. BOX 730436<br>DALLAS, TX 75373-0436 | Claims Related to Accounts Receivable and Accounts Payable |
| CLEAN GULF ASSOCIATES<br>P.O. BOX 3674<br>HOUMA, LA 70361 | Claims Related to Accounts Receivable and Accounts Payable |
| COMPASS ENGINEERING & CONSULTA<br>P.O. BOX 53729<br>LAFAYETTE, LA 70505 | Claims Related to Accounts Receivable and Accounts Payable |
| CUDD PRESSURE CONTROL INC<br>P.O. BOX 234<br>RINGWOOD, OK 73768 | Claims Related to Accounts Receivable and Accounts Payable |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

### Claims Related to Accounts Receivable and Accounts Payable

| Name of Counterparty | Nature |
|---|---|
| DNOW<br>P.O. BOX 200822<br>DALLAS, TX 75320-0822 | Claims Related to Accounts Receivable and Accounts Payable |
| ENERGY ONE LLC<br>950 S CHERRY ST, UNIT 1515<br>DENVER, CO 80246 | Claims Related to Accounts Receivable and Accounts Payable |
| ENI<br>TWO ALLEN CENTER<br>1200 SMITH ST<br>STE 1700<br>HOUSTON, TX 77002 | Claims Related to Accounts Receivable and Accounts Payable |
| FARMER'S GAS COMPANY, INC.<br>P.O. BOX 129<br>CARTHAGE, TX 75633 | Claims Related to Accounts Receivable and Accounts Payable |
| GEOMAP COMPANY<br>1100 GEOMAP LANE<br>PLANO, TX 75074 | Claims Related to Accounts Receivable and Accounts Payable |
| HALLIBURTON ENERGY SERVICES<br>(A DIVISION OF DRESSER INDUSTRIES)<br>PO BOX 301341<br>DALLAS, TX 75303-1341 | Claims Related to Accounts Receivable and Accounts Payable |
| HARVEST PIPELINE COMPANY<br>1111 TRAVIS STREET<br>HOUSTON, TX 77208-1229 | Claims Related to Accounts Receivable and Accounts Payable |
| HE& D OFFSHORE LP<br>TWO ALLEN CENTER<br>1200 SMITH, SUITE 2400<br>HOUSTON, TX 77002 | Claims Related to Accounts Receivable and Accounts Payable |
| HELIS OIL & GAS COMPANY, L.L.C<br>228 ST. CHARLES AVE.<br>SUITE 912<br>NEW ORLEANS, LA 70130 | Claims Related to Accounts Receivable and Accounts Payable |
| HILCORP ENERGY COMPANY<br>P.O. BOX 61529<br>HOUSTON, TX 77208-1529 | Claims Related to Accounts Receivable and Accounts Payable |
| HOUSTON ENERGY LP<br>1200 SMITH ST.<br>SUITE 2400<br>HOUSTON, TX 77002 | Claims Related to Accounts Receivable and Accounts Payable |
| IPFS CORPORATION<br>1055 BROADWAY BLVD.<br>ELEVENTH FLOOR<br>KANSAS CITY, MO 64105 | Claims Related to Accounts Receivable and Accounts Payable |
| IRS<br>PO BOX 7346<br>PHILADELPHIA, PA 19101-7346 | Claims Related to Accounts Receivable and Accounts Payable |
| JAMES W HARPEL<br>10 MARIE DRIVE<br>HUNTINGTON, NY 11743 | Claims Related to Accounts Receivable and Accounts Payable |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

### Claims Related to Accounts Receivable and Accounts Payable

| Name of Counterparty | Nature |
|---|---|
| JGC EXPLORATION EAGLE FORD LLC<br>3151 BRIARPARK DRIVE; STE 400<br>HOUSTON, TX 77042 | Claims Related to Accounts Receivable and Accounts Payable |
| LAFAYETTE WEST LLC<br>C/O RAULT RESOURCES, INC.<br>400 E. KALISTE SALOOM, SUITE 1500<br>LAFAYETTE, LA 70508 | Claims Related to Accounts Receivable and Accounts Payable |
| LINDSAY ADAMS CAPE<br>66 THE AVENUE RICHMOND<br>GREATER LONDON TW9 2AH<br>ENGLAND | Claims Related to Accounts Receivable and Accounts Payable |
| LLOLA, LLC<br>1001 OCHSNER BLVD; SUITE A<br>COVINGTON, LA 70433 | Claims Related to Accounts Receivable and Accounts Payable |
| LOCKTON INSURANCE<br>444 W. 47TH STREET<br>SUITE 900<br>KANSAS CITY, MO 64112 | Claims Related to Accounts Receivable and Accounts Payable |
| MACLI, LLC<br>C/O MARKS PANETH LLP S. BERSE<br>685 THIRD AVENUE<br>NEW YORK, NY 10017 | Claims Related to Accounts Receivable and Accounts Payable |
| MANTI, LP<br>800 N SHORELINE, SUITE 900N<br>CORPUS CHRISTI, TX 78401 | Claims Related to Accounts Receivable and Accounts Payable |
| MERIT ENERGY COMPANY<br>29360 E. 155TH ST.<br>COWETA, OK 74429 | Claims Related to Accounts Receivable and Accounts Payable |
| MIDWAY ENERGY<br>12627 N.E. HWY. 21<br>MIDWAY, TX 75852 | Claims Related to Accounts Receivable and Accounts Payable |
| MOSS PETROLEUM COMPANY<br>3838 OAK LAWN AVENUE, #1516<br>DALLAS, TX 75219 | Claims Related to Accounts Receivable and Accounts Payable |
| NEURALOG, INC<br>4800 SUGAR GROVE BOULEVARD<br>SUITE 200<br>STAFFORD, TX 77477 | Claims Related to Accounts Receivable and Accounts Payable |
| OCEANEERING INTL INC<br>131 KEATING DRIVE<br>BELLE CHASE, LA 70037 | Claims Related to Accounts Receivable and Accounts Payable |
| OIL COUNTRY TUBULAR CORP.<br>CONSULTANTS OF TEXAS, INC.<br>8845 FALLBROOK DRIVE<br>HOUSTON, TX 77064 | Claims Related to Accounts Receivable and Accounts Payable |
| ONE HUGHES LANDING LLC<br>24 WATERWAY AVE, SUITE 1100<br>THE WOODLANDS, TX 77380 | Claims Related to Accounts Receivable and Accounts Payable |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

### Claims Related to Accounts Receivable and Accounts Payable

| Name of Counterparty | Nature |
|---|---|
| ONE LAKE'S EDGE<br>1950 HUGHES LANDING BLVD.<br>THE WOODLANDS, TX 77380 | Claims Related to Accounts Receivable and Accounts Payable |
| PETER J WHELPTON<br>17431 SW 65TH CT.<br>SOUTHWEST RANCHES, FL 33331-1745 | Claims Related to Accounts Receivable and Accounts Payable |
| PETROLEUM ENGINEERS, INC.<br>500 DOVER BLVD, STE. 310<br>LAFAYETTE, LA 70503 | Claims Related to Accounts Receivable and Accounts Payable |
| PRAY WALKER, P.C.<br>100 WEST 5TH STREET<br>SUITE 900<br>TULSA, OK 74103-4292 | Claims Related to Accounts Receivable and Accounts Payable |
| RIF P, LP<br>14611 SUTTER CREEK LN<br>HUMBLE, TX 77396 | Claims Related to Accounts Receivable and Accounts Payable |
| STALLION CONSTRUCTION CO., LLC<br>P.O. BOX 842364<br>DALLAS, TX 75284-2364 | Claims Related to Accounts Receivable and Accounts Payable |
| STALLION OILFIELD SVCS<br>DOING BUSINESS AS STALLION<br>MIDSTREAM PARTNERS<br>999 EIGHTEENTH ST.,SUITE 1530<br>DENVER, CO 80202 | Claims Related to Accounts Receivable and Accounts Payable |
| STORAGE MAX SIX, LLC<br>1321 EVANGELINE THRUWAY<br>BROUSSARD, LA 70518 | Claims Related to Accounts Receivable and Accounts Payable |
| TALOS RESOURCES LLC<br>ATTN LAND<br>333 CLAY STREET STE 3300<br>HOUSTON, TX 77002 | Claims Related to Accounts Receivable and Accounts Payable |
| THOMAS ENERGY, INC.<br>320 JACQULYN STREET<br>ABBEVILLE, LA 70510 | Claims Related to Accounts Receivable and Accounts Payable |
| UNIVERSITY OF TEXAS AT AUSTIN<br>BUREAU OF ECONOMIC GEOLOGY<br>UNIVERSITY STATION, BOX X<br>ATTN: DEVIN KRIEG/BEG-RCRL1127<br>AUSTIN, TX 78713-7508 | Claims Related to Accounts Receivable and Accounts Payable |
| W & T OFFSHORE, INC.<br>9 E. GREENWAY PLAZA, STE 300<br>HOUSTON, TX 77046 | Claims Related to Accounts Receivable and Accounts Payable |
| WAGNER OIL COMPANY<br>500 COMMERCE STREET<br>SUITE 600<br>FORT WORTH, TX 76102 | Claims Related to Accounts Receivable and Accounts Payable |

# PETROQUEST ENERGY, INC., et al.

## Retained Causes of Action

### Claims Related to Accounts Receivable and Accounts Payable

| Name of Counterparty | Nature |
|---|---|
| WALTER OIL & GAS CORP<br>1100 LOUISIANA<br>SUITE 200<br>HOUSTON, TX 77002-5299 | Claims Related to Accounts Receivable and Accounts Payable |
| WILDES EXPLORATION LLC<br>3517 GILLON AVENUE<br>DALLAS, TX 75205 | Claims Related to Accounts Receivable and Accounts Payable |
| YUMA EXPLORATION AND PRODUCTIO<br>1177 W LOOP S, STE 1825<br>HOUSTON<br>TX, 77027 | Claims Related to Accounts Receivable and Accounts Payable |

# EXHIBIT G

## Form of Management Incentive Plan

# PETROQUEST ENERGY, INC.

# 2019 LONG TERM INCENTIVE PLAN

## SECTION 1

## ESTABLISHMENT; PURPOSE AND TERM OF PLAN

1.1 Establishment

The PetroQuest Energy, Inc. 2019 Long Term Incentive Plan (the "Plan") is hereby established and adopted by the Board, effective as of [DATE], 2019 (the "Effective Date").

1.2 Purpose

The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the growth and profitability of the Company.

1.3 Term of Plan

The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued and all restrictions on such shares of Stock under the terms of the Plan and the agreements evidencing Awards granted under the Plan have lapsed. However, all Awards shall be granted on or before the date which is ten (10) years from Effective Date.

## SECTION 2

## DEFINITIONS AND CONSTRUCTION

2.1 Definitions

Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person and shall include a Subsidiary. The term "control" includes, without limitation, the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. With respect to any Award that is deferred compensation subject to Code Section 409A, for the purposes of applying Code Section 409A to such Award the term Affiliate shall mean all Persons with whom the Participant's employer would be considered a single employer under Code Section 414(b) or 414(c) as defined and modified in Code Section 409A as determined by the Committee. Notwithstanding the foregoing, with respect to Stock Options, if necessary

for such Awards to be exempt from Code Section 409A, as determined by the Committee, for purposes of grants of such Awards, Affiliate shall only include an entity if the Stock would constitute "service recipient stock" within the meaning of Code Section 409A.

(b) "Award" shall mean a grant of a Stock Option or Restricted Stock Units to a Participant under this Plan.

(c) "Award Agreement" means a written agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Award granted to the Participant and any shares of Stock acquired upon the exercise thereof, and which may be in electronic form. The Award Agreement consists of the Award Agreement and the Notice of Grant of an Award incorporated therein by reference, or such other form or forms as the Committee may approve from time to time, and which may be in electronic form.

(d) "Board" means the Board of Directors of the Company.

(e) "Cashless Exercise" shall have the meaning set forth in Section 6.3(a) hereto.

(f) "Cause" shall mean, except as otherwise defined in the Participant's Award Agreement, when used in connection with the termination of a Participant's Service, the termination of the Participant's Service by the Company or any Company Affiliate by reason of (i) the conviction of the Participant by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude or a felony; (ii) the commission by the Participant of a material act of fraud upon the Company or any Company Affiliate, or any customer or supplier thereof; (iii) the misappropriation of any funds or property of the Company or any Company Affiliate, or any customer or supplier thereof; (iv) the willful, continued and unreasonable failure by the Participant to perform the material duties assigned to him that is not cured to the reasonable satisfaction of the Company within 7 days after written notice of such failure is provided to Participant by the Board or Chief Executive Officer of the Company (the "CEO") (or by another officer of the Company or a Company Affiliate who has been designated by the Board or CEO for such purpose); (v) the engagement by the Participant in any direct and material conflict of interest with the Company or any Company Affiliate without compliance with the Company's or Company Affiliate's conflict of interest policy, if any, then in effect; or (vi) the engagement by the Participant, without the written approval of the Board or CEO, in any material activity which competes with the business of the Company or any Company Affiliate or which would result in a material injury to the business, reputation or goodwill of the Company or any Company Affiliate.

(g) A "Change in Control" (unless otherwise defined in any employment agreement or termination agreement between Participant and Company or any Company Affiliate which then shall control for the purposes of this Plan) shall mean any of the following events occurring with respect to the Company:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (x) the then outstanding shares of Stock (the "Outstanding Company Stock") or (y) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change in Control: any acquisition directly from the Company or any Subsidiary, any acquisition by the Company or any Subsidiary or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving the Company (a "Merger"), if, following such Merger, the conditions described in clauses (x) and (y) in Section 2.1(i)(iii) (below) are satisfied;

(ii) Individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) A Merger, unless immediately following such Merger, (x) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to Merger beneficially own, directly or indirectly, more than 50% of the common stock of the corporation resulting from such Merger (or its parent corporation) in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to such Merger and (y) at least a majority of the members of the board of directors of the corporation resulting from such Merger (or its parent corporation) were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Merger;

(iv) The sale or other disposition of all or substantially all of the assets of the Company, unless immediately following such sale or other disposition, (x) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to the consummation of such sale or other disposition beneficially own, directly or indirectly, more than 50% of the common stock of the corporation acquiring such assets in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to the consummation of such sale or disposition, and (y) at least a majority of the members of the board of directors of such corporation (or its parent corporation) were members of the Incumbent Board at the time of execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(v) The liquidation or dissolution of the Company.

Notwithstanding the occurrence of any of the foregoing events set out in this Section 2.1(h) which would otherwise result in a Change in Control, the Board may determine in its discretion, if it deems it to be in the best interest of the Company, that an event or events otherwise constituting or reasonably leading to a Change in Control shall not be deemed a Change in Control hereunder except with respect to any Award subject to Code Section 409A. Such determination shall be effective only if it is made by the Board prior to the occurrence of an event that otherwise would be, or reasonably lead to, a Change in Control, or after such event only if made by the Board a majority of which is composed of directors who were members of the Board immediately prior to the event that otherwise would be, or reasonably lead to, a Change in Control. Notwithstanding any anything in this Plan to the contrary, with respect to settlement of any Award that constitutes "non-qualified deferred compensation" within the meaning of Code Section 409A, no transaction will constitute a Change in Control unless such transaction constitutes a "permissible payment event" within the meaning of Code Section 409A and the regulations thereunder.

(h) "Code" means the Internal Revenue Code of 1986, as amended, and any applicable notices, rulings and regulations promulgated thereunder.

(i) "Committee" means the Board or, if so appointed by the Board, the compensation committee of the Board or any other committee duly appointed by the Board to administer the Plan, which such committee may be one or more natural persons; provided however, to the extent required to comply with applicable securities laws the Committee shall consist of not less than two directors of the Board who are non-employee directors under the Rule 16b-3.

(j) "Company" means PetroQuest Energy, Inc., a Delaware corporation, or any successor corporation thereto.

(k) "Consultant" means an individual who is a natural person engaged to provide consulting or advisory services (other than as an Employee or a Director) to the Company or its Affiliates, including individuals who serve as directors of the Company or an Affiliate of the Company but who are not a Director, provided that the identity of such individual, the nature of such services or the entity to which such services are provided are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities or would not preclude the Company from offering or selling securities to such individual pursuant to the Plan in reliance on either the exemption from registration provided under the Securities Act or, if the Company is required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, registration on a Form S-8 Registration Statement under the Securities Act.

(l) "Director" means a member of the Board who is not, at the time of grant of an Award, an Employee of the Company or any Company Affiliate, Parent of the Company or a Subsidiary (within the meaning of Rule 16b-3) and who is certified by the Board as an independent director; provided, however, that a person who is a control person or director of an entity that is the beneficial owner of twenty-five percent (25%) or more of outstanding shares of Stock shall not be deemed to be a "non-employee" director.

(m) "Disability" means, unless otherwise defined in the Award Agreement, as determined by the Committee in its discretion exercised in good faith, a physical or mental condition of the Employee that would entitle him to payment of disability income payments under the Company's long term disability insurance policy or plan for employees, as then effective, if any; or in the event that the Participant is not covered, for whatever reason, under the Company's long-term disability insurance policy or plan, "Disability" means a permanent and total disability as defined in Section 22(e)(3) of the Code. A determination of Disability may be made by a physician selected or approved by the Committee and, in this respect, the Participant, by accepting an Award, agrees to submit to any reasonable examination by such physician upon request.

(n) "Dividend Equivalents" means an Award as specified in Section 8.

(o) "Effective Date" shall have the meaning set forth in Section 1.1 hereto.

(p) "Employee" means any individual treated as an employee (including a director of the Company or a Company Affiliate who is also treated as an employee) of the Company on the records of the Company or of any of the Company's Affiliates on the records of such Affiliate and, with respect to any Incentive Stock Option granted to such individual, who is an employee of the Company or a "Parent" (which is a parent corporation of the Company within the meaning of Section 424(e) of the Code, whether now or hereinafter existing) or a Subsidiary of the Company for purposes of Sections 422, 424 and 3401(c) of the Code; provided, however, that neither service as a director of the Company or of a Company Affiliate nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company, the Board, the Committee or any court of law or governmental agency subsequently makes a contrary determination.

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(r) "Fair Market Value" means as follows:

If the Company is not a publicly held corporation within the meaning of Code Section 409A or applicable securities laws at the time a determination of the Fair Market Value of a share of Stock is required to be made hereunder, the determination of Fair Market Value for purposes of the Plan shall be made by the Committee in its discretion exercised in good faith, and to the extent any Award is intended to be exempt from Code Section 409A, consistent with Code Section 409A as it shall determine. In this respect, the Committee may rely on such financial data, appraisals, valuations, experts, and other sources as, in its sole and absolute discretion, it deems advisable under the circumstances.

While the Company is a "publicly held corporation" within the meaning of Code Section 162(m), Code Section 409A or applicable securities laws, the Fair Market Value of one share of Stock on the date in question is deemed to be (i) the closing sales price on the immediately preceding trading day of a share of Stock as reported on the New York Stock Exchange or other principal securities exchange on which shares of Stock are then listed or admitted to trading, or (ii) if not quoted on the New York Stock Exchange or such other principal securities exchange, the average of the closing bid and asked prices on the immediately preceding trading day for a share of Stock as quoted by the National Quotation Bureau's "Pink Sheets" or the National Association of Securities Dealers' OTC Bulletin Board System, or (iii) any other method permitted by Code Section 409A as determined by the Committee in its discretion and consistently applied. If there was no public trade of Stock on the date in question, Fair Market Value shall be determined by reference to the last preceding date on which such a trade was so reported.

(s) "Incentive Stock Option" means a Stock Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(t) "Insider" means an Officer, a Director or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(u) "New Shares" shall have the meaning set forth in Section 4.3 hereto.

(v) "Nonstatutory Stock Option" means a Stock Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an Incentive Stock Option.

(w) "Notice of Grant of an Award" means the Notice of Grant of an Award executed by the Company and the Participant on the date of the grant of the Award. The Notice of Grant of an Award and the execution thereof may be effected by electronic form in accordance with Company policies.

(x) "Officer" means any person designated by the Board as an officer of the Company.

(y) "Stock Option" means a right to purchase Stock pursuant to the terms and conditions of the Plan. A Stock Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

(z) "Stock Option Expiration Date" shall have the meaning set forth in Section 9.1(a) hereto.

(aa) "Participant" means an Employee, Director or Consultant who has been granted one or more Awards hereunder.

(bb) "Permitted Transferee" has the meaning provided such term in Section 13.

(cc) "Person" means any individual or other natural person, partnership, corporation, limited liability company, group, trust or other legal entity.

(dd) "Plan" shall have the meaning set forth in Section 1.1 hereto.

(ee) "Retirement" means, unless otherwise defined in the Award Agreement, the Participant's termination of employment after age 65 and 10 years of service with the Company or Company Affiliate.

(ff) "Restricted Stock Unit" means an unfunded and unsecured promise to deliver shares of Stock, cash, other securities or other property, subject to certain restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 7 hereof.

(gg) "Rule 16b-3" means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(hh) "Securities Act" means the Securities Act of 1933, as amended.

(ii) "Section 409A Plan" shall have the meaning described in Section 24.

(jj) "Service" means a Participant's employment or service with the Company or any of its Affiliates, whether in the capacity of an Employee, a Director or a Consultant. A Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders Service to the Company or Affiliate (or in the case of an Incentive Stock Option the parent or Subsidiary of the Company) or a change in the Company or Affiliate (or in the case of an Incentive Stock Option the parent or Subsidiary of the Company) for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service with the Company or an Affiliate (or in the case of an Incentive Stock Option the parent or Subsidiary of the Company) shall not be deemed to have terminated if the Participant takes any military leave, temporary illness leave, authorized vacation or other bona fide leave of absence; provided, however, that if any such leave exceeds three (3) months, the Participant's Service shall be deemed to have terminated unless the Participant's right to return to Service with the Company is provided by either statute or contract or Board approval. Notwithstanding the foregoing, unless otherwise designated by the Company or provided by statute or contract, a leave of absence shall not be treated as Service. The Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the company for which the Participant performs Service ceasing to be the Company or an Affiliate (or in the case of an Incentive Stock Option the parent or Subsidiary of the Company). Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination, and provided further that respect to an Incentive Stock Option Service shall be consistent with the employment requirements of Code Sections 422 and 424 for tax treatment as an Incentive Stock Option. Notwithstanding the foregoing, with respect to any Award that is subject to 409A, separation from Service shall be determined by the Committee under the applicable rules of Code Section 409A.

(kk) "Stock" means the common stock of the Company, par value $0.01 per share, as adjusted from time to time in accordance with Section 4.3 or Section 25 hereto.

(ll) "Subsidiary" means any corporation (whether now or hereafter existing) which constitutes a "subsidiary" of the Company, as defined in Section 424(f) of the Code.

(mm) "Stock Option" means a Stock Option that is not intended to be an incentive stock option within the meaning of Section 422(b) of the Code.

(nn) "Substitute Awards" shall have the meaning in Section 4.1.

(oo) "Ten Percent Owner Participant" means a Participant who, at the time a Stock Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or parent or Subsidiary within the meaning of Section 422(b)(6) of the Code.

(pp) "Term" shall have the meaning described in Section 15.

2.2 Construction

Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Words of the masculine gender shall include the feminine and neuter, and vice versa. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise. Section headings as used herein are inserted solely for convenience and reference and do not constitute any part of the interpretation or construction of the Plan.

## SECTION 3

## ADMINISTRATION

3.1 Administration by the Committee

The Plan shall be administered by the Committee. All questions of interpretation of the Plan, construction of its terms, or of any Award shall be determined by the Committee, and such determinations shall be final and binding upon all persons having an interest in the Plan or such Award.

3.2 Authority of Officers

Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 Powers of the Committee

In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock to be subject to each Award;

(b) to designate Awards as Restricted Stock Units, as Stock Options (and to designate Stock Options as Incentive Stock Options or Nonstatutory Stock Options) or as Dividend Equivalents;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares of Stock acquired upon the exercise and/or vesting thereof, including, without limitation, (i) the exercise price of a Stock Option, (ii) the method of payment for shares of Stock purchased upon the exercise and/or vesting of an Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with the Award or such shares of Stock, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions, including but not limited to performance goals, of the exercisability of the Award or the vesting of any shares of Stock, (v) the time of the expiration of the Award, (vi) the effect of the Participant's termination of Service on any of the foregoing, (vii) the provision for electronic delivery of Awards and/or book entry, and (viii) all other terms, conditions and restrictions applicable to the Award or such shares of Stock not inconsistent with the terms of the Plan;

(e) to approve one or more forms of the Award Agreement;

(f) to amend, modify, extend, cancel, or renew any Award, or to waive any restrictions or conditions applicable to any Award or any shares acquired upon the exercise thereof; provided, however, that no such amendment, modification, extension or cancellation shall materially adversely affect a Participant's Award without a Participant's consent;

(g) to accelerate, continue, extend or defer the exercisability and/or vesting of any Award, including with respect to the period following a Participant's termination of Service;

(h) to determine to settle and award in cash rather than Stock;

(i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws of, or to accommodate the tax policy or custom of, foreign jurisdictions whose citizens may be granted Awards;

(j) to interpret and construe and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law; and

(k) notwithstanding the foregoing, except as provided in Sections 4.1, 4.3 and Section 25, the terms of an outstanding Award may not be amended by the Committee, without approval of the

Company's stockholders, to: reprice an Award or otherwise (i) reduce the exercise price of an outstanding Stock Option, (ii) cancel an outstanding Stock Option in exchange for other Stock Options with an exercise price that is less than the exercise price of the cancelled Stock Option or (iii) cancel an outstanding Stock Option with an exercise price that is greater than the Fair Market Value of a share of Stock on the date of in exchange for cash or another Award. In addition, no Stock Option reloading will be permitted.

3.4 Administration with Respect to Insiders

With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3 and all other applicable laws, including any required blackout periods. At any time the Company is required to comply with Securities Regulation BTR, all transactions under this Plan respecting the Company's securities shall comply with Securities Regulation BTR and the Company's insider trading policies, as revised from time to time, or such other similar Company policies, including but not limited to policies relating to blackout periods. Any ambiguities or inconsistencies in the construction of an Award shall be interpreted to give effect to such limitation. To the extent any provision of the Plan or Award Agreement or action by the Committee or Company fails to so comply, such provision or action shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee in its discretion.

3.5 Indemnification

EACH PERSON WHO IS OR WAS A MEMBER OF THE BOARD OR THE COMMITTEE SHALL BE INDEMNIFIED BY THE COMPANY AGAINST AND FROM ANY DAMAGE, LOSS, LIABILITY, COST AND EXPENSE THAT MAY BE IMPOSED UPON OR REASONABLY INCURRED BY HIM IN CONNECTION WITH OR RESULTING FROM ANY CLAIM, ACTION, SUIT, OR PROCEEDING TO WHICH HE MAY BE A PARTY OR IN WHICH HE MAY BE INVOLVED BY REASON OF ANY ACTION TAKEN OR FAILURE TO ACT UNDER THE PLAN (INCLUDING SUCH INDEMNIFICATION FOR A PERSON'S OWN, SOLE, CONCURRENT OR JOINT NEGLIGENCE OR STRICT LIABILITY), EXCEPT FOR ANY SUCH ACT OR OMISSION CONSTITUTING WILLFUL OR INTENTIONAL MISCONDUCT, FRAUD OR GROSS NEGLIGENCE. SUCH PERSON SHALL BE INDEMNIFIED BY THE COMPANY FOR ALL AMOUNTS PAID BY HIM IN SETTLEMENT THEREOF, WITH THE COMPANY'S APPROVAL, OR PAID BY HIM IN SATISFACTION OF ANY JUDGMENT IN ANY SUCH ACTION, SUIT, OR PROCEEDING AGAINST HIM, PROVIDED HE SHALL GIVE THE COMPANY AN OPPORTUNITY, AT ITS OWN EXPENSE, TO HANDLE AND DEFEND THE SAME BEFORE HE UNDERTAKES TO HANDLE AND DEFEND IT ON HIS OWN BEHALF. THE FOREGOING RIGHT OF INDEMNIFICATION SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS OF INDEMNIFICATION TO WHICH SUCH PERSONS MAY BE ENTITLED UNDER THE COMPANY'S CERTIFICATE OF INCORPORATION OR BYLAWS, AS A MATTER OF LAW, OR OTHERWISE, OR ANY POWER THAT THE COMPANY MAY HAVE TO INDEMNIFY THEM OR HOLD THEM HARMLESS.

**SECTION 4**

## SHARES SUBJECT TO PLAN

4.1 Maximum Number of Shares Issuable; Director Awards

Subject to adjustment as provided in Section 4.3 and Section 25, the maximum aggregate number of shares of Stock that may be issued with respect to Awards under the Plan shall be [-][1] and may consist of any of the following: shares of Stock held in treasury of the Company, shares of Stock authorized but unissued or shares of Stock reacquired by the Company or any combination of the foregoing. The maximum aggregate number of such shares of Stock authorized for issuance in the foregoing sentence may be issued as Incentive Stock Options. Subject to adjustments pursuant to Sections 4.3 and 25, the amount of an Award granted to each Director in a calendar year shall not exceed five hundred thousand dollars ($500,000) in value of the aggregate of Stock and cash Awards.

4.2 Share Counting Rules. Shares of Stock of an outstanding Award that for any reason expire or are terminated, forfeited or canceled shall again be available for issuance under the Plan; provided, however, that amounts withheld for taxes or are withheld for the purchase price of an Award shall not again be available for issuance under the Plan. Awards that by their terms are to be settled solely in cash shall not be counted against the number of shares of Stock available for the issuance of Awards under the Plan. Shares of stock issued under Awards granted in assumption, substitution or exchange for previously granted awards of a company acquired by the Company ("Substitute Awards") do not reduce the shares of Stock available under the Plan and available shares under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for Awards under the Plan and do not reduce the Plan's shares of Stock reserved as provided herein (subject to New York Stock Exchange listing requirements, as long as the Stock is listed on this exchange or the applicable other exchange requirements on which the Stock is listed).

4.3 Adjustments for Changes in Capital Structure

In the event of any stock dividend or extraordinary cash dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in the capital structure of the Company, appropriate adjustments shall be made in the number and class of shares of Stock subject to the Plan and to any outstanding Awards, and in the exercise price per share of any outstanding Awards and with respect to Stock Options, if applicable, in accordance with Code Sections 424 and 409A. If a majority of the shares of Stock, which are of the same class as the shares of Stock that are subject to outstanding Awards, are exchanged for, converted into, or otherwise become (whether or not pursuant to a Change in Control) shares of another company (the "New Shares"), the Committee may, in its sole discretion, unilaterally amend the outstanding Awards to provide that such Awards are exercisable for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the

[1] As per MIP Term Sheet: 9% (the "MIP Pool") of the outstanding shares of common stock of the Reorganized Company ("New Common Stock") at Emergence (on a fully diluted basis) with an additional reserve of 200,000 shares, which is 1.8454% ("MIP Reserve") of the New Common Stock at Emergence (on a fully diluted basis).

Committee, in its discretion, and with respect to Stock Options in accordance with Code Sections 424 and 409A and the regulations thereunder. Notwithstanding the foregoing, any fractional share resulting from an adjustment pursuant to this Section 4.3 shall be rounded down to the nearest whole number, and in no event may the exercise price of any Award be decreased to an amount less than the par value, if any, of the stock subject to the Award. The adjustments determined by the Committee pursuant to this Section 4.3 shall be final, binding and conclusive.

## SECTION 5

## ELIGIBILITY AND AWARD LIMITATIONS

5.1 Persons Eligible for Awards

Awards may be granted only to Employees, Consultants, and Directors. For purposes of the foregoing sentence, "Employees," "Consultants," and "Directors" shall include prospective Employees, prospective Consultants and prospective Directors to whom Awards are granted in connection with written offers of employment or other service relationships with the Company subject to their actual commencement of Service. Eligible Persons may be granted more than one (1) Award. Eligibility in accordance with this Section shall not entitle any Person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.2 Award Agreements

Each Participant to whom an Award is granted shall be required to enter into an Award Agreement with the Company, in such a form as is provided by the Committee. The Award Agreement shall contain specific terms as determined by the Committee, in its discretion, with respect to the Participant's particular Award. Such terms need not be uniform among all Participants or any similarly situated Participants. The Award Agreement may include, without limitation, vesting, forfeiture and other provisions specific to the particular Participant's Award, as well as, for example, provisions to the effect that the Participant (i) shall not disclose any confidential information acquired during employment with the Company or while providing service to the Company, (ii) shall abide by all the terms and conditions of the Plan and such other terms and conditions as may be imposed by the Committee, (iii) shall not interfere with the employment or other Service of any Employee or service provider of the Company, (iv) shall not compete with the Company or become involved in a conflict of interest with the interests of the Company, (v) shall forfeit an Award if terminated for Cause, (vi) shall not be permitted to make an election under Section 83(b) of the Code when applicable, (vii) shall be subject to transfer restrictions respecting the Award or Stock, (viii) shall be subject to any other agreement between the Participant and the Company regarding shares of Stock that may be acquired under an Award including, without limitation, an agreement restricting the transferability of the Award or shares of Stock by the Participant or any other restrictions or requirements of any stockholders' agreement that is in effect from time to time, or (ix) shall abide by any Company clawback policies as may be in effect from time to time, or that the Award shall be subject to any provisions or definitions the Committee deems necessary or desirable to comply with Code Section 409A. An Award Agreement shall include such terms and conditions as are determined by the Committee, in its discretion, to be appropriate with respect to any individual Participant.

5.3 Award Grant Restrictions

Any person who is not an Employee on the effective date of the grant of an Award to such person may be granted only a Nonstatutory Stock Option, Restricted Stock Unit or Dividend Equivalent Award. An Incentive Stock Option Award granted to an Employee of the Company, or its Parent or Subsidiary as defined in Code Section 424(f), or to a prospective Employee of the Company, or its Parent or its Subsidiary as defined in Code Section 424(f) upon the condition that such person become an Employee shall be deemed granted effective on the date such person commences service as an Employee with the Company, with an exercise price determined as of such date.

5.4 Fair Market Value Limitations for Incentive Stock Options

To the extent that Stock Options designated as Incentive Stock Options (granted under all stock option plans of the Company or Parent or Subsidiary as defined in Code Section 422, including the Plan) become exercisable by a Participant for the first time during any calendar year for Stock having an aggregate Fair Market Value greater than one hundred thousand dollars ($100,000), the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section 5.4, Stock Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of Stock shall be determined as of the time the Stock Option with respect to such Stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 5.4, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Stock Options as required or permitted by such amendment to the Code. If a Stock Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 5.4, the Company at the request of Participant may designate which portion of such Stock Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Stock Option first. Separate shares of Stock representing such portion shall be issued upon the exercise of the Stock Option.

5.5 Repurchase Rights, Right of First Refusal and Other Restrictions on Stock

Shares of Stock under the Plan may be subject to a right of first refusal, one or more repurchase options, or other conditions and restrictions pursuant to a contract entered into by the Company and its stockholders or otherwise as determined by the Committee or as provided in the Award Agreement, in the Committee's discretion. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement, including but not limited to, the Award Agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all shares of Stock acquired hereunder for the placement of appropriate legends evidencing any such transfer restrictions, if applicable.

**SECTION 6**

**TERMS AND CONDITIONS OF OPTIONS**

Stock Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. No Stock Option or purported Stock Option shall be a valid and binding obligation of the Company unless evidenced by an Award Agreement. Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 Exercise Price

The exercise price for each Stock Option shall be established in the discretion of the Committee; provided, however, that subject to adjustments permitted under the Plan under Section 4.3 and Section 25, and other than with respect to Substitute Awards, the exercise price per share for a Stock Option shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Stock Option. No Incentive Stock Option granted to a Ten Percent Owner Participant shall have an exercise price per share of Stock less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Stock Option. Notwithstanding the foregoing, a Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Stock Option is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of Sections 424 and 409A of the Code.

6.2 Exercisability, Vesting and Term of Stock Options

(a) Exercisability. Stock Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Stock Option; provided, however, that (i) no Stock Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Stock Option provided that a Stock Option, that is not an Incentive Stock Option, may be exercised for the thirty (30)-day period after the expiration of a limitation on the Participant's ability to exercise due to Section 16(b), the Company's insider trading policy or other applicable law which may extend beyond the ten (10)-year term for this limited purpose, and (ii) no Incentive Stock Option granted to a Ten Percent Owner Participant shall be exercisable after the expiration of five (5) years after the effective date of grant of such Stock Option, and (ii) no Stock Option granted to a prospective Employee, prospective Consultant or prospective Director may become exercisable prior to the date on which such person commences Service. Subject to the foregoing, unless otherwise specified by the Committee in the grant of a Stock Option, any Stock Option granted hereunder shall terminate ten (10) years after the effective date of grant of the Stock Option, unless earlier terminated in accordance with its provisions.

(b) Vesting. The Committee shall specify the vesting schedule, if any, in the applicable Award Agreement.

(c) Incentive Stock Options. Unless Otherwise provided in the Option Agreement with respect to death or Disability of the Participant, the Incentive Stock Options may only be exercised within three (3) months after the Participant's termination of Service.

6.3 Payment of Exercise Price

(a) Forms of Consideration Authorized. Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Stock Option shall be made in cash, by check or cash equivalent or upon approval by the Committee in its sole discretion by any of the following (i) subject to Section 6.3(b)(i) below, by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price; (ii) subject to the Company's rights set forth in Section 6.3(b)(ii) below, by causing the Company to withhold from the shares of Stock issuable upon the exercise of the Stock Option the number of whole shares of Stock having a Fair Market Value, as determined by the Company, not less than the exercise price (a "Cashless Exercise"); (iii) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law; or (iv) by any combination of cash or any of the foregoing or any combination of (i-iii) thereof. The Committee may at any time or from time to time grant Stock Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) Limitations on Forms of Consideration.

(i) Tender of Stock. Notwithstanding the foregoing, a Stock Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the shares of Stock.

(ii) Cashless Exercise. The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Stock Options by means of a Cashless Exercise in order to comply with applicable law.

## SECTION 7

## RESTRICTED STOCK UNITS

Each grant of Restricted Stock Units shall be evidenced by an Award Agreement specifying the number of shares of Stock subject to the Award. Each such grant shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The Award Agreement shall specify the vesting schedule.

7.1 Award of Restricted Stock Units

(a) Grant. In consideration of the performance of Service by any Participant who is an Employee, Consultant or Director, Restricted Stock Units may be awarded under the Plan by the Committee with such restrictions and conditions for vesting during the restriction period as the Committee may designate in its discretion, any of which restrictions may differ with respect to each particular Participant. The terms and conditions of each grant of Restricted Stock Units shall be evidenced by an Award Agreement Unit.

(b) Unless otherwise provided in an Award Agreement or an employment agreement or termination agreement between a Participant and the Company or Company Affiliate or otherwise by the Committee, upon the vesting of any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or the Participant's beneficiary, without charge, one share of Stock for each such outstanding Restricted Stock Unit; provided, however, that the Committee may, in its sole discretion, elect to (i) pay cash or part cash and part Stock in lieu of delivering only shares of Stock in respect of such Restricted Stock Units or (ii) defer the delivery of Stock (or cash or part Common Stock and part cash, as the case may be) beyond the vesting of the Restricted Stock Units as set forth in an Award Agreement. If a cash payment is made in lieu of delivering shares of Stock, the amount of such payment shall be equal to the Fair Market Value of the Stock as of the date on which the Restricted Stock Units are settled, less an amount equal to any federal, state, local and non-U.S. income and employment taxes required to be withheld.

7.2 Issuance of Stock

Subject to withholding taxes under Section 10 and to the terms of the Award Agreement, upon the lapse of the forfeiture restrictions as set forth in the Award Agreement, the unrestricted shares of Stock shall be evidenced in such manner as determined by the Committee and shall be issued to the Participant promptly after the restrictions have lapsed in a manner as determined by the Committee in its sole discretion.

## SECTION 8

## DIVIDEND EQUIVALENTS

The Participant shall not be entitled to receive, currently or on a deferred basis, dividends or Dividend Equivalents with respect to the number of shares of Stock covered by the Award unless (and to the extent) otherwise as determined by the Committee and set forth with respect to Restricted Stock Units in a separate Award Agreement. The Committee in the Award Agreement may provide such terms and conditions for the Award of Dividend Equivalents as it shall determine in its discretion. The Committee may also provide in such Award Agreement that the amounts of any Dividend Equivalent shall be deemed to have been reinvested in additional shares of Stock. No grant of a Dividend Equivalent may be granted with respect to a Stock Option.

## SECTION 9

## EFFECT OF TERMINATION OF SERVICE; EXTENSION

9.1 Stock Option Exercisability and Award Vesting

Subject to earlier termination of a Stock Option or Restricted Stock Units or Dividend Equivalent Award as otherwise provided herein, (i) an Award and Stock Option shall be vested; (ii) a Stock Option shall be exercisable, and (iii) Restricted Stock Units or a Dividend Equivalent Award shall be settled after a Participant's termination of Service as provided for in a Participant's Award Agreement.

9.2 Extension of Stock Option if Exercise Prevented by Law

Notwithstanding the foregoing, if the exercise of a Stock Option within the applicable time periods set forth in Section 9.1 is prevented by the provisions of Section 12 below, the Stock Option shall remain exercisable until thirty (30) days (or such longer period of time as determined by the Committee, in its discretion) after the date the Participant is notified by the Company that the Stock Option is exercisable, but in any event no later than the Stock Option Expiration Date subject to the limited mandatory extension as provided in Section 6.2(a)(i).

9.3 Extension if Participant Subject to Section 16(b)

Notwithstanding the foregoing, other than for termination for Cause, if a sale within the applicable time periods set forth in Section 9.1 of shares of Stock acquired upon the exercise of the Stock Option would subject the Participant to liability under Section 16(b) of the Exchange Act, the Stock Option (if exercisable) shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such shares by the Participant would no longer be subject to such liability, (ii) three (3) months after the Participant's termination of Service, or (iii) the Stock Option Expiration Date subject to the limited mandatory extension as provided in Section 6.2(a)(i).

## SECTION 10

## WITHHOLDING TAXES

10.1 Tax Withholding

All Awards are subject to, and the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan or an Award hereunder and all Awards are subject to the Company's right hereunder.

10.2 Share Withholding

With respect to tax withholding required upon the exercise of Stock Options, upon the issuance of shares of Stock pursuant to Restricted Stock Units, or upon any other taxable event arising as a result of any Awards, unless the Award Agreement provides otherwise, the Committee in its discretion, may elect to satisfy the withholding requirement, in whole or in part, by having the Company withhold shares of Stock having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction (or such higher amount if consistent with the equity treatment of the Award under the applicable accounting rules). All such elections shall be subject to any restrictions or limitations that the Committee, in its discretion, deems appropriate. Any fraction of a share of Stock required to satisfy such obligation shall be disregarded and the amount due shall instead be paid in cash by the Participant or rounded up as determined by the Committee to the extent consistent with accounting rules.

10.3 Incentive Stock Options

With respect to shares of Stock received by a Participant pursuant to the exercise of an Incentive Stock Option, if such Participant disposes of any such shares within (i) two (2) years from the date of grant of such Stock Option or (ii) one (1) year after the transfer of such shares to the Participant, the Company shall have the right to withhold from any salary, wages or other compensation payable by the Company to the Participant an amount sufficient to satisfy federal, state and local tax withholding requirements attributable to such disqualifying disposition or satisfy such withholding as provided in the Award Agreement.

## SECTION 11

## PROVISION OF INFORMATION

Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

## SECTION 12

## COMPLIANCE WITH SECURITIES LAW,

## OTHER APPLICABLE LAWS AND COMPANY POLICIES

The Plan, Award Agreements, the grant of Awards and the issuance of shares of Stock shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to securities and all other applicable laws, regulations and requirements of any stock exchange or market system upon which the stock is listed or traded. Stock Options may not be exercised and Stock may not be issued if the issuance of shares of Stock would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Stock Option may be exercised and no shares of Stock may be issued unless (a) a registration statement under the Securities Act shall at the time be in effect with respect to the shares issuable or (b) in the opinion of legal counsel to the Company, the shares issuable may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. If the shares of Stock issuable pursuant to an Award are not registered under the Securities Act, the Company may imprint on the certificate for such shares the following legend or any other legend which legal counsel for the Company considers necessary or advisable to comply with the Securities Act:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT UPON SUCH REGISTRATION OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED FOR SUCH SALE OR TRANSFER.

The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the

failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of any Stock Option or the issuance of shares of Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

Unless otherwise specifically provided in an Award Agreement, all Awards and all shares of stock issued and any payments are subject to the Company's clawback policies adopted by the Company at any time and as amended from time to time.

**SECTION 13**

**NONTRANSFERABILITY OF AWARDS AND STOCK**

During the lifetime of the Participant, an Award shall be exercisable only by the Participant or the Participant's guardian or legal representative. Subject to the provisions in this Section 13, an Award may be assignable or transferable by the Participant only by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code, and only if it is so specified in the Award Agreement; provided, however, that an Incentive Stock Option may only be assignable or transferable by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee in the Award Agreement, and in accordance with applicable law, in its discretion, and set forth in the Award Agreement evidencing such Stock Option, a Nonstatutory Stock Option shall be assignable or transferable subject to the applicable limitations, if any, under the Securities Act, and the General Instructions to Form S-8 Registration Statement under the Securities Act. However, the transferee or transferees must be any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, in each case with respect to the Participant, any person sharing the Participant's household (other than a tenant or employee of the Company), a trust in which these persons have more than fifty percent (50%) of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, or any other entity in which these persons (or the Participant) own more than fifty percent (50%) of the voting interests (collectively, "Permitted Transferees"); provided further that, (a) there may be no consideration for any such transfer and (b) subsequent transfers of Stock Options transferred as provided above shall be prohibited except subsequent transfers back to the original holder of the Stock Option and transfers to other Permitted Transferees of the original holder.

**SECTION 14**

**NONCOMPETITIVE ACTIONS**

The Committee may provide in an Award Agreement a requirement to enter into a noncompetition agreement in connection with the Award or the effect of a violation of a noncompetition agreement on an Award.

**SECTION 15**

## TERMINATION OR AMENDMENT OF PLAN

The Committee may terminate or amend the Plan at any time. However, no grant of Awards shall be made after the tenth (10th) anniversary of the Effective Date (the "Term"). Subject to changes in applicable law, regulations or rules that would permit otherwise, without the approval of the Company's stockholders within the time required, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4 and Section 25), (b) no change in the class of persons eligible to receive Awards or purchase Stock under the Plan or to extend the Term of the Plan, (c) no repricing of a Stock Option or other amendment as provided in Section 3.3(k) (except by operation of Sections 4 or 25 hereof) and (d) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule or the stock exchange or market system on which the Stock is traded. No termination or amendment of the Plan shall affect any then outstanding Award unless expressly provided by the Committee or otherwise provided in the Plan. In any event, no termination or amendment of the Plan may materially adversely affect any then outstanding Award without the consent of the Participant, unless such termination or amendment is required to enable an Award designated as an Incentive Stock Option to qualify as an Incentive Stock Option or is necessary to comply with any applicable law, regulation or rule, including Code Section 409A or as otherwise permitted under the Plan, including upon a Change in Control.

## SECTION 16

## STOCKHOLDER APPROVAL

The Plan is adopted by the Board as of the Effective Date and shall be approved by the stockholders of the Company on or within twelve (12) months of the date of adoption thereof by the Board.

## SECTION 17

## NO GUARANTEE OF TAX CONSEQUENCES

Neither the Company, the Board nor the Committee makes any commitment or guarantee that any federal, state or local tax treatment will apply or be available to any person participating or eligible to participate hereunder.

## SECTION 18

## SEVERABILITY

In the event that any provision of this Plan shall be held illegal, invalid or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal, invalid, or unenforceable provision was not included herein.

## SECTION 19

## GOVERNING LAW

The Plan and Awards shall be interpreted, construed and constructed in accordance with the laws of the State of Delaware without regard to its conflicts of law provisions, except as may be superseded by applicable laws of the United States.

## SECTION 20

## SUCCESSORS

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

## SECTION 21

## RIGHTS AS A STOCKHOLDER

The holder of an Award shall have no rights as a stockholder with respect to any shares of Stock covered by the Award until the date the stock is issued to him or her for such shares. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock is issued.

## SECTION 22

## NO SPECIAL EMPLOYMENT OR SERVICE RIGHTS

Nothing contained in the Plan or Award Agreement shall confer upon any Participant receiving a grant of any Award any right with respect to the continuation of his or her Service or interfere in any way with the right of the Company (or a Company Affiliate), subject to the terms of any separate employment agreement to the contrary, at any time to terminate such Service or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of any Award.

## SECTION 23

## REORGANIZATION OF COMPANY

The existence of an Award shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the shares of Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

## SECTION 24

**CODE SECTION 409A**

To the extent that any Award is deferred compensation subject to Code Section 409A, the Award Agreement shall comply and all such Awards shall be interpreted to comply with the requirements of Code Section 409A including, without limitation, to the extent required using applicable definitions from Code Section 409A, and to the extent required by Code Section 409A, using a more restrictive definition of Change in Control to comply with Code Section 409A or a more restrictive definition of Disability as provided in Code Section 409A. To the extent an Award is deferred compensation subject to Code Section 409A, the Award shall specify a time and form of payment schedule. In addition if any Award constitutes deferred compensation under Section 409A of the Code (a "Section 409A Plan"), then the Award shall be subject to the following requirements, if and to the extent required to comply with Code Section 409A, and as determined by the Committee and specified in the Award Agreement:

(a) Payments under the Section 409A Plan may not be made earlier than (i) the Participant's separation from service, (ii) the date of the Participant's Disability, (iii) the Participant's death, (iv) a specified time (or pursuant to a fixed schedule) specified in the Award Notice at the date of the deferral of such compensation, (v) a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, or (vi) the occurrence of an unforeseeable emergency;

(b) The time or schedule for any payment of the deferred compensation may not be accelerated, except to the extent provided in applicable Treasury Regulations or other applicable guidance issued by the Internal Revenue Service; and

(c) elections with respect to the deferral of such compensation or the time and form of distribution of such deferred compensation shall comply with the requirements of Section 409A(a)(4) of the Code.

With respect to any Award that is subject to Code Section 409A, in the case of any Participant who is specified employee, a distribution on account of a separation from service may not be made before the date which is six (6) months after the date of the Participant's separation from service (or, if earlier, the date of the Participant's death). For purposes of the foregoing, the terms "separation from service" and "specified employee", all shall be defined in the same manner as those terms are defined for purposes of Section 409A of the Code, and the limitations set forth herein shall be applied in such manner (and only to the extent) as shall be necessary to comply with any requirements of Section 409A of the Code that are applicable to the Award as determined by the Committee. If an Award is subject to Code Section 409A, as determined by the Committee, the Committee may interpret or amend any Award to comply with Code Section 409A without a Participant's consent even if such amendment would have an adverse effect on a Participant's Award. With respect to an Award that is subject to Code Section 409A, the Board may amend or interpret the Plan as it deems necessary to comply with Section 409A, including, without limitation, limiting the Committee's or Company's discretion with respect to an Award that constitutes deferred compensation to the extent it would violate Code Section 409A, and no Participant consent shall be required even if such an amendment would have an adverse effect on a Participant's Award. Notwithstanding the foregoing, none of the Company, the Committee, any Company Affiliate or their directors, members, officers, employees or agents of any of the

foregoing guarantee or are responsible for the tax consequences to a Participant for an Award including, without limitation, an excise tax under Code Section 409A.

**SECTION 25**

**ASSUMPTIONS OF AWARDS AND ADJUSTMENTS**

**UPON A CHANGE IN CONTROL**

Subject to vesting as provided herein or in the Award Agreement, the following shall apply on a Change in Control:

(a) Assumption under the Plan of Outstanding Substitute Awards. Notwithstanding any other provision of the Plan, the Committee, in its absolute discretion, may authorize the assumption and continuation under the Plan of outstanding and unexercised stock options or other types of stock-based Substitute Awards. Any such action shall be upon such terms and conditions as the Committee, in its discretion, may deem appropriate, including provisions to preserve the holder's rights under the previously granted and unexercised option or other stock-based Substitute Award, such as, for example, retaining the treatment as a Stock Option under this Plan.

(b) Assumption of Awards by a Successor. Subject to the accelerated vesting in any Award Agreement that applies in the event of a Change in Control, in the event of a Corporate Event (defined below), each Participant shall be entitled to receive, in lieu of the number of shares of Stock subject to Awards, such shares of capital stock or other securities or property as may be issuable or payable with respect to or in exchange for the number of shares of Stock which Participant would have received had he exercised the Award immediately prior to such Corporate Event, together with any adjustments (including, without limitation, adjustments to the option price and the number of Shares issuable on exercise of outstanding Stock Options). A "Corporate Event" means any of the following: (i) a dissolution or liquidation of the Company, (ii) a sale of all or substantially all of the Company's assets, (iii) a merger, consolidation or combination involving the Company (other than a merger, consolidation or combination (A) in which the Company is the continuing or surviving corporation and (B) which does not result in the outstanding shares of Stock being converted into or exchanged for different securities, cash or other property, or any combination thereof), or (iv) if so determined by the Committee, any other "corporate transaction" as defined in Code Sections 424 or Code Section 409A. The Committee shall take whatever other action it deems appropriate to preserve the rights of Participants holding outstanding Awards, including, without limitation, to continue the exemption from deferred compensation treatment under Code Section 409A.

(c) Exceptions. Notwithstanding Section 25(b) if a Change in Control occurs, except a Change in Control solely on account of Section 2.1(h)(ii), then the Committee, at its sole discretion, shall have the power and right to (but subject to any accelerated vesting specified in an Award Agreement):

(i) cancel, effective immediately prior to the occurrence of the Change in Control, each outstanding Award (whether or not then exercisable) (including the cancellation of any Stock Options for which the exercise price is greater than the consideration to be received), and with respect to Stock Options that currently have an exercise price less than the consideration to be

received immediately prior to the Change in Control, pay to the Participant an amount in cash equal to the excess of (i) the value, as determined by the Committee, of the property (including cash) received by the holders of Stock as a result of such Change in Control over (ii) the exercise price of such Award, if any; provided, however, this subsection shall be inapplicable to an Award granted within six (6) months before the occurrence of the Change in Control but only if the Participant is an Insider and such disposition is not exempt under Rule 16b-3 (or other rules preventing liability of the Insider under Section 16(b) of the Exchange Act) and, in that event, the provisions hereof shall be applicable to such Award after the expiration of six (6) months from the date of grant; or

(ii) provide for the exchange or substitution of each Award outstanding immediately prior to such Change in Control (whether or not then exercisable) for another award with respect to the Stock or other property for which such Award is exchangeable and, incident thereto, make an equitable adjustment as determined by the Committee, in its discretion, in the exercise price of the Award, if any, or in the number of shares of Stock or amount of property (including cash) subject to the Award; or

(iii) provide for assumption of the Plan and such outstanding Awards by the surviving entity or its parent.

The Committee, in its discretion, shall have the authority to take whatever action it deems to be necessary or appropriate to effectuate the provisions of this Section 25.

IN WITNESS WHEREOF, the undersigned Officer of the Company certifies that the foregoing sets forth the PetroQuest 2019 Long Term Incentive Plan as duly adopted by the Board.

PETROQUEST ENERGY, INC.

By:

Name: [_____]

Title: [_____]

# EXHIBIT H

## Identity of New Boards and Senior Management

Article IV.I of the Plan provides that as of the Effective Date, the term of the current members of the board of directors, members or managers of each of the Debtors shall expire automatically, and the New Boards and the officers of each of the Reorganized Debtors shall be appointed in accordance with the Plan, the New Organizational Documents, and other constituent documents of each Reorganized Debtor. The initial New Parent Board shall consist of five (5) members, consisting of Charles T. Goodson as the President and Chief Executive Officer of New Parent and four (4) additional Persons selected by the Requisite Creditors.

The Requisite Creditors are in the process of interviewing potential candidates for the remaining four positions on the New Parent Board. No decisions as to the identity of the remaining members of the New Parent Board have been made at this time; however, there is currently no intention for any existing insiders of the Debtors, except Charles T. Goodson, to serve as members of the New Parent Board. A list of the members of the New Parent Board will be filed prior to the Confirmation Hearing.

Charles T. Goodson, J. Bond Clement, and Art M. Mixon will remain in their current positions as President and Chief Executive Officer, Executive Vice President, Chief Financial Officer and Treasurer, and Executive Vice President Operations and Production respectively.

# EXHIBIT I

## Form of Registration Rights Agreement

# REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (including all exhibits hereto and as may be amended, supplemented or amended and restated from time to time in accordance with the terms hereof, this "***Agreement***") is made and entered into as of [●], 2019 by and among [PetroQuest Energy, Inc.], a Delaware corporation (the "***Company***"), and the other parties signatory hereto and any additional parties identified on the signature pages of any joinder agreement executed and delivered pursuant hereto.

WHEREAS, on November 6, 2018, PetroQuest Energy, Inc. and certain of its subsidiaries (collectively, the "***Debtors***") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "***Bankruptcy Court***");

WHEREAS, the Chapter 11 Plan of Reorganization of the Debtors, Case No. 18-36322 (DRJ) (including all exhibits, schedules and supplements thereto and as amended from time to time, the "***Plan***") was confirmed by the Bankruptcy Court on [●], 2019; and

WHEREAS, the Plan provides that the Company will enter into a registration rights agreement with certain recipients of the shares of Common Stock (as defined below) and Senior Secured PIK Notes (as defined below) of the Company, in accordance with the terms set forth in the Plan; and

WHEREAS, the Company and the Holders (as defined below) are entering into this Agreement in furtherance of the aforesaid provisions of the Plan.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each of the Holders agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Plan have the meanings given such terms in the Plan. As used in this Agreement, the following terms shall have the following meanings:

"***Advice***" has the meaning set forth in Section 16(c).

"***Affiliate***" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") as used in this definition means the possession, directly or indirectly (including through one or more intermediaries), of the power or authority to direct or cause the direction of management, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" has the meaning set forth in the Preamble.

"***Automatic Shelf Registration Statement***" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act, as such definition may be amended from time to time.

"***Bankruptcy Court***" has the meaning set forth in the Preamble.

"***beneficially own***" (and related terms such as "beneficial ownership" and "beneficial owner") shall have the meaning given to such term in Rule 13d-3 under the Exchange Act, and any Person's beneficial ownership of securities shall be calculated in accordance with the provisions of such Rule.

"***Board***" means the Board of Directors of the Company or any authorized committee thereof.

"***Bought Deal***" has the meaning set forth in Section 8(a).

"***Business Day***" means any day, other than a Saturday or Sunday or a day on which the commercial banks in New York City are authorized or required by law to be closed.

"***Commission***" means the Securities and Exchange Commission.

"***Common Stock***" means the Class A common stock of the Company, par value $0.01 per share, and any securities into which such shares of Class A common stock may hereinafter be reclassified.

"***Company***" has the meaning set forth in the Preamble and includes the Company's successors by merger, acquisition, reorganization or otherwise.

"***Counsel to the Holders***" means (i) with respect to the Initial Shelf Registration Statement pursuant to Section 2 or any subsequent Shelf Registration Statement pursuant to Section 3, the counsel from no more than one firm of attorneys selected by the Holders of a majority of the Registrable Securities with respect to each type of Registrable Security included in any such Registration Statement, (ii) with respect to any Demand Registration, the counsel from no more than one firm of attorneys selected by the Holders of a majority of the Registrable Securities with respect to each type of Registrable Security initially requesting such Demand Registration and (iii) with respect to any Underwritten Offering or Piggyback Offering, the counsel from no more than one firm of attorneys selected by the Majority Holders.

"***Debtors***" has the meaning set forth in the Preamble.

"***Demand Registration***" has the meaning set forth in Section 5(a).

"***Demand Registration Request***" has the meaning set forth in Section 5(a).

"***Effective Date***" means the date that a Registration Statement filed pursuant to this Agreement is first declared effective by the Commission.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Form S-1***" means Form S-1 under the Securities Act, or any other form hereafter adopted by the Commission for the general registration of securities under the Securities Act.

"***Form S-3***" means Form S-3 under the Securities Act, or any other form hereafter adopted by the Commission having substantially the same usage as Form S-3.

"***Form S-4***" means Form S-4 under the Securities Act, or any other form hereafter adopted by the Commission having substantially the same usage as Form S-4.

"***Form S-8***" means Form S-8 under the Securities Act, or any other form hereafter adopted by the Commission having substantially the same usage as Form S-8.

"***FINRA***" has the meaning set forth in Section 10.

"***Grace Period***" has the meaning set forth in Section 7(a)(ii).

"***Holder***" or "***Holders***" means the parties signatory to this Agreement, other than the Company, and any additional parties identified on the signature pages of any joinder agreement executed and delivered pursuant to this Agreement. A Person shall cease to be a Holder hereunder at such time as it ceases to hold any Registrable Securities.

"***Indemnified Party***" has the meaning set forth in Section 12(c).

"***Indemnifying Party***" has the meaning set forth in Section 12(c).

"***Initial Form 10-Q or 10-K***" has the meaning set forth in Section 2(a).

"***Initial Shelf Expiration Date***" has the meaning set forth in Section 2(f).

"***Initial Shelf Registration Statement***" has the meaning set forth in Section 2(a).

"***Lockup Period***" has the meaning set forth in Section 11(a).

"***Losses***" has the meaning set forth in Section 12(a).

"***Majority Holders***" means, with respect to any Underwritten Offering, the holders of a majority of the Registrable Securities to be included in such Underwritten Offering held by all Holders that have made the request requiring the Company to conduct such Underwritten Offering (but not including any Holders that have exercised "piggyback" rights hereunder to be included in such Underwritten Offering).

"***Opt-Out Notice***" has the meaning set forth in Section 8(e).

"***Person***" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"***Piggyback Notice***" has the meaning set forth in Section 8(a).

"***Piggyback Offering***" has the meaning set forth in Section 8(a).

"***Plan***" has the meaning set forth in the Preamble.

"***Plan Effective Date***" shall mean the date on which the Plan becomes effective.

"***Proceeding***" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"***Prospectus***" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"***Registrable Securities***" means, collectively, (a) as of the Plan Effective Date, all shares of Common Stock issued to any Holder or to any Affiliate or Related Fund of any Holder, either directly or pursuant to a joinder or assignment, and any additional shares of Common Stock acquired by any Holder or any Affiliate or Related Fund of any Holder in open market or other purchases and issued or issuable to any Holder or any Affiliate or Related Fund of any Holder upon the conversion, exchange or exercise of options, warrants and other securities convertible, exchangeable or exercisable (at any time or upon the occurrence of any event or contingency without regard to any vesting or other conditions to which such securities may be subject) for Common Stock, after the Plan Effective Date (b) as of the Plan Effective Date, all Senior Secured PIK Notes issued to any Holder or to any Affiliate or Related Fund of any Holder, either directly or pursuant to a joinder or assignment, and any additional Senior Secured PIK Notes acquired by any Holder or any Affiliate or Related Fund of any Holder in open market or other purchases after the Plan Effective Date and (c) any additional shares of Common Stock paid, issued or distributed in respect of any such shares described under clause (a) by way of a stock dividend, stock split or distribution, or in connection with a combination of shares, and any security into which such Common Stock shall have been converted or exchanged in connection with a recapitalization, reorganization, reclassification, merger, consolidation, exchange, distribution or otherwise; *provided*, *however*, that as to any Registrable Securities, such securities shall cease to constitute Registrable Securities upon the earliest to occur of: (i) the date on which such securities are sold or disposed of pursuant to an effective Registration Statement; (ii) the date on which such securities are disposed of pursuant to Rule 144 under circumstances in which all of the applicable conditions of Rule 144 (then in effect) are met; (iii) the date on which such Registrable Securities cease to be outstanding; and (iv) the ten year anniversary of the date hereof. If at any time a Holder ceases to hold Registrable Securities pursuant to the proviso in clause (c) above, such Holder shall no longer have any rights pursuant to this Agreement, regardless if any additional Registrable Securities are acquired pursuant to clause (a) or (b) above.

"***Registration Statement***" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation any Shelf Registration Statement), amendments and supplements to such Registration Statements, including post-

effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"***Related Fund***" means, with respect to any Person, any fund, account or investment vehicle that is controlled or managed by such Person, by any Affiliate of such Person, or, if applicable, such Person's investment manager.

"***Rule 144***" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"***Rule 158***" means Rule 158 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"***Rule 415***" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"***Rule 424***" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***Selling Stockholder Questionnaire***" means a questionnaire reasonably adopted by the Company from time to time.

"***Senior Secured PIK Notes***" means the Company's 10% Senior Secured PIK Notes due 2024.

"***Shelf Registration Statement***" means a Registration Statement filed with the Commission in accordance with the Securities Act for the offer and sale of Registrable Securities by Holders on a continuous or delayed basis pursuant to Rule 415.

"***Suspension Period***" has the meaning set forth in Section 9(i).

"***Trading Market***" means whichever of the New York Stock Exchange, the NYSE American, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, OTC Bulletin Board, or OTC Markets Group marketplace (including, for the avoidance of doubt, OTCQX, OTCQB and the OTC Pink Market) on which the Common Stock is listed or quoted for trading on the date in question.

"***Transfer***" has the meaning set forth in Section 14.

"***Underwritten Offering***" means an offering of Registrable Securities under a Registration Statement in which the Registrable Securities are sold to an underwriter for

reoffering to the public, which Underwritten Offering shall be, at the election of the Holder(s) requesting such Underwritten Offering, either an Underwritten Offering for Common Stock or Senior Secured PIK Notes.

"***Underwritten Takedown***" has the meaning set forth in Section 2(h).

2. Initial Shelf Registration.

(a) The Company shall prepare a Shelf Registration Statement (as may be amended from time to time, the "***Initial Shelf Registration Statement***"), and shall include in the Initial Shelf Registration Statement the Registrable Securities of each Holder who shall have requested inclusion therein of some or all of their Registrable Securities by checking the appropriate box on the signature page of such Holder hereto or by written notice to the Company no later than the earliest to occur of the date that the first Quarterly Report on Form 10-Q or Annual Report on Form 10-K after the Plan Effective Date is required to be filed according to the rules and regulations of the Commission (the "***Initial Form 10-Q or 10-K***"). The Company shall (i) file the Initial Shelf Registration Statement with the Commission no later than five (5) Business Days after the Company files the Initial Form 10-Q or 10-K, and (ii) use its reasonable best efforts to have the Initial Shelf Registration Statement declared effective by the Commission as soon as reasonably practicable after the Company files the Initial Shelf Registration Statement (but in no event later than seventy-five (75) days after it shall have filed such Shelf Registration Statement, unless it is not practicable to do so due to circumstances directly relating to outstanding comments of the Commission relating to such Shelf Registration Statement; *provided* that the Company is using its reasonable best efforts to address any such comments as promptly as possible).

(b) The Company shall include in the Initial Shelf Registration Statement all Registrable Securities whose inclusion has been timely requested as aforesaid; *provided*, *however*, that the Company shall not be required to include an amount of Registrable Securities in excess of the amount as may be permitted to be included in such Registration Statement under the rules and regulations of the Commission and the applicable interpretations thereof by the Staff of the Commission (with any Registrable Securities not permitted to be included in the Initial Shelf Registration Statement pursuant to this Section 2(b) to be allocated among the Holders on a pro rata basis based on the total amount of Registrable Securities owned by the Holders requesting their Registrable Securities be included, unless the Commission otherwise requires or such Holders otherwise agree).

(c) Subject to Section 2(b), upon the request of any Holder whose Registrable Securities are not included in the Initial Shelf Registration Statement at the time of such request, the Company shall amend the Initial Shelf Registration Statement to include the Registrable Securities of such Holder; *provided*, *however*, that the Company shall not be required to amend the Initial Shelf Registration Statement more than once every ninety (90) days.

(d) Within five (5) Business Days after receiving a request pursuant to Section 2(c), the Company shall give written notice of such request to all other Holders of Registrable Securities and shall include in such amendment all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after

the Company's giving of such notice, *provided*, that such Registrable Securities are not already covered by an existing and effective Registration Statement that may be utilized for the offer and sale of the Registrable Securities requested to be registered in the manner so requested.

(e) The Initial Shelf Registration Statement shall be on Form S-1; *provided, however*, that, upon the Company becoming eligible to register the Registrable Securities for resale by the Holders on Form S-3 (including without limitation a Form S-3 filed as an Automatic Shelf Registration Statement), the Company shall use reasonable best efforts to amend the Initial Shelf Registration Statement to a Shelf Registration Statement on Form S-3 or file a Shelf Registration Statement on Form S-3 in substitution of the Initial Shelf Registration Statement as initially filed as soon as reasonably practicable thereafter.

(f) The Company shall use reasonable best efforts to keep the Initial Shelf Registration Statement continuously effective, and not subject to any stop order, injunction or other similar order or requirement of the Commission, until the earlier of (i) the date the Company (A) is eligible to register the Registrable Securities for resale by Holders on Form S-3 and (B) has filed such Registration Statement with the Commission and which is effective and (ii) the date that all Registrable Securities covered by the Initial Shelf Registration Statement shall cease to be Registrable Securities (such earlier date, the "***Initial Shelf Expiration Date***").

(g) If the Initial Shelf Registration Statement is on Form S-1, then for so long as any Registrable Securities covered by the Initial Shelf Registration Statement remain unsold, the Company will file any supplements to the Prospectus or post-effective amendments required to be filed by applicable law in order to incorporate into such Prospectus any Current Reports on Form 8-K necessary or required to be filed by applicable law, any Quarterly Reports on Form 10-Q or any Annual Reports on Form 10-K filed by the Company with the Commission, or any other information necessary so that (i) the Initial Shelf Registration Statement shall not include any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein not misleading, and (ii) the Company complies with its obligations under Item 512(a)(1) of Regulation S-K; *provided, however*, that these obligations remain subject to the Company's rights under Section 7 of this Agreement.

(h) Upon the demand of one or more Holders, the Company shall facilitate a "takedown" of Registrable Securities in the form of an Underwritten Offering (each, an "***Underwritten Takedown***"), in the manner and subject to the conditions described in Section 6 of this Agreement, *provided*, that the number of shares of Common Stock or Senior Secured PIK Notes included in such "takedown" shall equal at least [five percent (5%)] of all outstanding shares of Common Stock or [twenty percent (20%)] of the aggregate principal amount outstanding of Senior Secured PIK Notes, as applicable, at such time.

3. Subsequent Shelf Registration Statements.

(a) After the Effective Date of the Initial Shelf Registration Statement and for so long as any Registrable Securities remain outstanding, the Company shall use its reasonable best efforts to (A) become eligible and/or to maintain its eligibility to register the Registrable Securities on Form S-3 and (B) meet the requirements of General Instruction VII of Form S-1.

(b) After the Initial Shelf Expiration Date and for so long as any Registrable Securities remain outstanding, if there is not an effective Registration Statement which includes the Registrable Securities that are currently outstanding, the Company shall (i) if the Company is eligible to register the Registrable Securities on Form S-3, promptly file a Shelf Registration Statement on Form S-3 and use its reasonable best efforts to cause such Registration Statement to be declared effective as promptly as practicable or (ii) if the Company is not eligible at such time to register the Registrable Securities on Form S-3, promptly file a Shelf Registration Statement on Form S-1 and use its reasonable best efforts to cause such Registration Statement to be declared effective as promptly as practicable and for so long as any Registrable Securities covered by such Shelf Registration Statement on Form S-1 remain unsold, the Company will file any supplements to the Prospectus or post-effective amendments required to be filed by applicable law in order to incorporate into such Prospectus any Current Reports on Form 8-K necessary or required to be filed by applicable law, any Quarterly Reports on Form 10-Q or any Annual Reports on Form 10-K filed by the Company with the Commission, or any other information necessary so that (x) such Shelf Registration shall not include any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein not misleading, and (y) the Company complies with its obligations under Item 512(a)(1) of Regulation S-K; *provided, however*, that the Company shall not be required to include an amount of Registrable Securities in excess of the amount as may be permitted to be included in such Shelf Registration Statement under the rules and regulations of the Commission and the applicable interpretations thereof by the Staff of the Commission (with any Registrable Securities not permitted to be included in such Shelf Registration Statement pursuant to this Section 3(b) to be allocated among the Holders on a pro rata basis based on the total amount of Registrable Securities owned by the Holders requesting their Registrable Securities be included, unless the Commission otherwise requires or such Holders otherwise agree); *provided, further*, that these obligations remain subject to the Company's rights under Section 7 of this Agreement.

4. Quotation.

(a) If on the Plan Effective Date, the shares of Common Stock are not quoted on one of OTCQX or OTCQB, the Company shall use commercially reasonable efforts to cause all shares of Common Stock to be quoted on the OTC Pink Market as soon possible after the Plan Effective Date and shall thereafter use its commercially reasonable efforts to maintain such quotation.

5. Demand Registration.

(a) At any time and from time to time beginning on the date the Company is eligible to use Form S-3 for the offer and sale of the Registrable Securities, any Holder or group of Holders (together with any of their respective Affiliates or Related Funds) that hold, in the aggregate, at least five percent (5%) of the outstanding shares of Common Stock or [twenty percent (20%)] of the aggregate principal amount outstanding of Senior Secured PIK Notes, as applicable, at such time, may request in writing ("***Demand Registration Request***") that the Company effect the registration of all or part of such Holder's or Holders' applicable Registrable Securities with the Commission under and in accordance with the provisions of the Securities Act (each, a "***Demand Registration***"). The Company will file a Registration Statement covering

such Holder's or Holders' Registrable Securities requested to be registered, and shall use its reasonable best efforts to cause such Registration Statement to be declared effective, as promptly as practicable after receipt of such request; *provided*, *however*, that the Company will not be required to file a Registration Statement pursuant to this Section 5(a):

(i) if the Registrable Securities requested to be registered are already covered by an existing and effective Registration Statement and such Registration Statement may be utilized for the offer and sale of the Registrable Securities requested to be registered; or

(ii) if the number of Demand Registration Requests previously made pursuant to this Section 5(a) shall equal or exceed [four (4)] in any twelve (12)-month period [irrespective of whether the Demand Registration relates to Common Stock or Senior Secured PIK Notes]; *provided*, *however*, that a Demand Registration Request shall not be considered made for purposes of this clause (ii) unless the requested Registration Statement has been declared effective by the Commission for more than 75% of the full amount of Registrable Securities for which registration has been requested.

(b) A Demand Registration Request shall specify (i) the then-current name and address of such Holder or Holders, (ii) the aggregate number of Registrable Securities requested to be registered, (iii) the total number of Registrable Securities then beneficially owned by such Holder or Holders, and (iv) the intended means of distribution.

(c) The Company may satisfy its obligations under Section 5(a) hereof by amending (to the extent permitted by applicable law) any registration statement previously filed by the Company under the Securities Act, so that such amended registration statement will permit the disposition (in accordance with the intended methods of disposition specified as aforesaid) of all of the Registrable Securities for which a Demand Registration Request has been properly made under Section 5(b) hereof. If the Company so amends a previously filed registration statement, it will be deemed to have effected a registration for purposes of Section 5(a) hereof.

(d) Within five (5) Business Days after receiving a Demand Registration Request, the Company shall give written notice of such request to all other Holders of Registrable Securities and shall, subject to the provisions of Section 6(c) in the case of an Underwritten Offering, include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after the Company's giving of such notice, *provided*, that such Registrable Securities are not already covered by an existing and effective Registration Statement that may be utilized for the offer and sale of the Registrable Securities requested to be registered in the manner so requested.

(e) The Company will use its reasonable best efforts to keep a Registration Statement that has become effective as contemplated by this Section 5 continuously effective, and not subject to any stop order, injunction or other similar order or requirement of the Commission:

(i) in the case of a Registration Statement other than a Shelf Registration Statement on Form S-3, until all Registrable Securities registered thereunder have been sold pursuant to such Registration Statement; and

(ii) in the case of a Shelf Registration Statement on Form S-3, until the earlier of: (x) three (3) years following the Effective Date of such Shelf Registration Statement on Form S-3; and (y) the date that all Registrable Securities covered by such Shelf Registration Statement on Form S-3 shall cease to be Registrable Securities.

(f) The Holder or Holders making a Demand Registration Request may, at any time prior to the Effective Date of the Registration Statement relating to such registration, revoke their request for the Company to effect the registration of all or part of such Holder's or Holders' Registrable Securities by providing a written notice to the Company. If, pursuant to the preceding sentence, the entire Demand Registration Request is revoked, then, at the option of the Holder or Holders who revoke such request, either (i) such Holder or Holders shall reimburse the Company for all of its reasonable and documented out-of-pocket expenses incurred in the preparation, filing and processing of the Registration Statement, which out-of-pocket expenses, for the avoidance of doubt, shall not include overhead expenses and which requested registration shall not count as one of the permitted Demand Registration Requests hereunder or (ii) the requested registration that has been revoked will be deemed to have been effected for purposes of Section 5(a).

(g) If a Registration Statement filed pursuant to this Section 5 is a Shelf Registration Statement, then upon the demand of one or more Holders, the Company shall facilitate a "takedown" of Registrable Securities in the form of an Underwritten Offering, in the manner and subject to the conditions described in Section 6 of this Agreement, *provided*, that the number of shares of Common Stock or Senior Secured PIK Notes, as applicable, included in such "takedown" shall equal at least [five percent (5%)] of all outstanding shares of Common Stock or [twenty percent (20%)] of the aggregate principal amount outstanding of Senior Secured PIK Notes, as applicable, at such time.

6. Procedures for Underwritten Offerings. The following procedures shall govern Underwritten Offerings pursuant to Section 2(h) or Section 5(g), whether in the case of an Underwritten Takedown or otherwise.

(a) The Majority Holders shall send a request to the Company specifying the type of Registrable Security (either Common Stock or Senior Secured PIK Notes, but not both) for which an Underwritten Offering is being requested, and in such notice shall specify one or more investment banking firm(s) of national standing to be the managing underwriter or underwriters for any Underwritten Offering pursuant to a Demand Registration Request or an Underwritten Takedown with the consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) All Holders proposing to distribute their Registrable Securities through an Underwritten Offering, as a condition for inclusion of their Registrable Securities therein, shall agree to enter into an underwriting agreement with the underwriters; *provided*, *however*, that the underwriting agreement is in customary form and reasonably acceptable to the Majority Holders and *provided*, *further*, that no Holder of Registrable Securities included in any Underwritten Offering shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding (i) such Holder's ownership of its Registrable Securities to be sold or transferred, (ii) such Holder's power and authority to

effect such transfer and (iii) such matters pertaining to compliance with securities laws as may be reasonably requested).

(c) If the managing underwriter or underwriters for an Underwritten Offering pursuant to a Demand Registration or an Underwritten Takedown advises the Holders that the total amount of Registrable Securities proposed to be included in such offering is such as to materially adversely affect the price, timing or distribution of the securities being offered pursuant to such Underwritten Offering, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows: *first*, the Company shall reduce or eliminate any securities of the Company to be included by the Company; and *second*, the Company shall reduce the number of Registrable Securities to be included by Holders on a pro rata basis based on the total amount of Registrable Securities owned by the Holders requesting their Registrable Securities be included in the Underwritten Offering.

(d) Within three (3) Business Days after receiving a request for an Underwritten Offering constituting a "takedown" from a Shelf Registration Statement, the Company shall give written notice of such request to all other Holders, including the type of Registrable Security to be included in such "takedown," and subject to the provisions of Section 6(c) hereof, include in such Underwritten Offering all such Registrable Securities that are the subject of such "takedown" with respect to which the Company has received written requests for inclusion therein within five (5) days after the Company's giving of such notice; *provided*, *however*, that such Registrable Securities are covered by an existing and effective Shelf Registration Statement that may be utilized for the offering and sale of the Registrable Securities requested to be sold.

(e) The Company will not be required to undertake an Underwritten Offering pursuant to Section 2(h) or Section 5(g) if the number of Underwritten Offerings previously made pursuant to Section 2(h) or Section 5(g) in the immediately preceding twelve (12)-month period shall exceed three (3); *provided*, *however*, that an Underwritten Offering shall not be considered made for purposes of this Section 6(e) unless the offering has resulted in the disposition by the Holders of at least 75% of the amount and type of Registrable Securities requested to be sold.

7. Grace Periods.

(a) Notwithstanding anything to the contrary herein—

(i) the Company shall be entitled to postpone the filing or effectiveness of, or, at any time after a Registration Statement has been declared effective by the Commission suspend the use of, a Registration Statement (including the Prospectus included therein) if in the good faith judgment of the Board, such registration, offering or use would reasonably be expected to materially affect in an adverse manner or materially interfere with any bona fide material financing of the Company or any material transaction under consideration by the Company or would require the disclosure of information that has not been, and is not otherwise required to be, disclosed to the public and the premature disclosure of which would materially affect the Company in an adverse manner; *provided*, *however*, that in the event such Registration Statement relates to a Demand Registration Request or an Underwritten Offering pursuant to Section 2(h) or Section

5(g), then the Holders initiating such Demand Registration Request or such Underwritten Offering shall be entitled to withdraw the Demand Registration Request or request for the Underwritten Offering and, if such request is withdrawn, it shall not count against the limits imposed pursuant to Section 5(a)(ii) or Section 6(e) and the Company shall pay all registration expenses in connection with such registration; and

(ii) at any time after a Registration Statement has been declared effective by the Commission and there is no duty to disclose under applicable law, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time would, in the good faith judgment of the Board, adversely affect the Company (the period of a postponement or suspension as described in clause (i) and/or a delay described in this clause (ii), a "***Grace Period***").

(b) The Company shall promptly (i) notify the Holders in writing of the existence of the event or material non-public information giving rise to a Grace Period (*provided*, that the Company shall not disclose the content of such material non-public information to any Holder, without the express consent of such Holder) or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use reasonable best efforts to terminate a Grace Period as promptly as practicable and (iii) notify the Holders in writing of the date on which the Grace Period ends.

(c) The duration of any one Grace Period shall not exceed sixty (60) days, the aggregate of all Grace Periods in total during any three hundred sixty-five (365) day period shall not exceed ninety (90) days, and the maximum number of Grace Periods that may be declared by the Company in any fiscal year shall not exceed three (3). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) of Section 7(b) and shall end on and include the later of the date the Holders receive the notice referred to in clause (iii) of Section 7(b) and the date referred to in such notice. In the event the Company declares a Grace Period, the period during which the Company is required to maintain the effectiveness of an Initial Shelf Registration Statement or a Registration Statement filed pursuant to a Demand Registration Request shall be extended by the number of days during which such Grace Period is in effect.

8. Piggyback Registration.

(a) If at any time, and from time to time, the Company proposes to—

(i) file a registration statement under the Securities Act with respect to an underwritten offering of Common Stock of the Company or any securities convertible or exercisable into Common Stock of the Company (other than with respect to a registration statement (x) on Form S-8 (or other registration solely relating to an offering or sale to employees, directors or consultants of the Company and its subsidiaries pursuant to any employee stock plan or other employee benefit arrangement), (y) on Form S-4 that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto or (z) on another form not available for registering the Registrable Securities for sale to the public), whether or not for its own account; or

(ii) conduct an underwritten offering constituting a "takedown" of a class of Common Stock or any securities convertible or exercisable into Common Stock registered under a Shelf Registration Statement previously filed by the Company;

the Company shall give written notice (the "***Piggyback Notice***") of such proposed filing or underwritten offering to the Holders at least ten (10) Business Days before the anticipated filing date (*provided*, that in the case of a "bought deal," "registered direct offering" or "overnight transaction" (a "***Bought Deal***"), such Piggyback Notice shall be given not less than three (3) Business Days prior to the expected date of commencement of the public announcement of the transaction. Such notice shall include the number and class of securities proposed to be registered or offered, the proposed date of filing of such registration statement or the conduct of such underwritten offering, any proposed means of distribution of such securities, any proposed managing underwriter of such securities and a good faith estimate by the Company of the proposed maximum offering price of such securities as such price is proposed to appear on the front cover page of such registration statement, and shall offer the Holders the opportunity to register such amount of Registrable Securities (including, for the avoidance of doubt, the Holders' Common Stock but excluding the Holders' Senior Secured PIK Notes) as each Holder may request on the same terms and conditions as the registration of the Company's and/or the holders of other securities of the Company securities, as the case may be (a "***Piggyback Offering***"). Subject to Section 8(b), the Company will include in each Piggyback Offering all Registrable Securities for which the Company has received written requests for inclusion within seven (7) Business Days after the date the Piggyback Notice is given (*provided*, that in the case of a Bought Deal, such written requests for inclusion must be received within two (2) Business Days after the date the Piggyback Notice is given); *provided, however*, that the Company will either (i) include such Registrable Securities in such underwritten offering in such registration statement or (ii) if such Registrable Securities are otherwise registered pursuant to an existing and effective Shelf Registration Statement under this Agreement, include such Registrable Securities in such underwritten offering under such Shelf Registration Statement.

(b) The Company will cause the managing underwriter or underwriters of the proposed offering to permit the Holders that have requested Registrable Securities to be included in the Piggyback Offering to include all such Registrable Securities on the same terms and conditions (*provided*, that no Holder shall be required to make any representations or warranties except as provided in Section 6(b)) as any similar securities, if any, of the Company. Notwithstanding the foregoing, if the managing underwriter or underwriters of such underwritten offering advises the Company and the selling Holders in writing that, in its view, the total amount of securities that the Company and such Holders propose to include in such offering is such as to materially adversely affect the price, timing or distribution of the securities being offered pursuant to such underwritten offering, then the Company will include in such Piggyback Offering: (i) *first*, all securities to be offered by the Company, (ii) *second*, up to the full amount of securities requested to be included in such Piggyback Offering by the Holders and (iii) *third*, up to the full amount of securities requested to be included in such Piggyback Offering by any other holders, if any, entitled to participate in such offering, such that, in each case, the total amount of securities to be included in such Piggyback Offering is the full amount that, in the view of such managing underwriter, can be sold without materially adversely affecting the price, timing or distribution of the securities being offered in such underwritten offering.

(c) If at any time after giving the Piggyback Notice and prior to the time sales of securities are confirmed pursuant to the Piggyback Offering, the Company determines for any reason not to register or delay the registration of the Piggyback Offering, the Company may, at its election, give notice of its determination to all Holders, and in the case of such a determination, will be relieved of its obligation to register any Registrable Securities in connection with the abandoned or delayed Piggyback Offering, without prejudice.

(d) Any Holder of Registrable Securities requesting to be included in a Piggyback Offering may withdraw its request for inclusion by giving written notice to the Company, at least three (3) Business Days prior to the anticipated Effective Date of the Registration Statement filed in connection with such Piggyback Offering (in the case that the Registration Statement requires acceleration of effectiveness), or in all other cases, two (2) Business Days prior to the anticipated date of the filing by the Company under Rule 424 of a supplemental prospectus (which shall be the preliminary supplemental prospectus, if one is used in the "takedown") with respect to such offering, of its intention to withdraw from that registration; *provided*, *however*, that (i) the Holder's request be made in writing and (ii) the withdrawal will be irrevocable and, after making the withdrawal, a Holder will no longer have any right to include its Registrable Securities in that Piggyback Offering.

(e) Notwithstanding the foregoing, any Holder may deliver written notice (an "***Opt-Out Notice***") to the Company at any time requesting that such Holder not receive notice from the Company of any proposed underwritten offering; *provided*, *however*, that such Holder may later revoke any such Opt-Out Notice in writing.

9. Registration Procedures. If and when the Company is required to effect any registration under the Securities Act as provided in this Agreement, the Company shall use its reasonable best efforts to:

(a) prepare and file with the Commission the requisite Registration Statement to effect such registration and thereafter use its reasonable best efforts to cause such Registration Statement to be declared or become effective as soon as reasonably practicable and in any event within the time periods set forth within this Agreement, and remain effective, subject to the limitations contained herein;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by such Registration Statement until such time as all of such Registrable Securities have been disposed of in accordance with the method of disposition set forth in such Registration Statement, subject to the limitations contained herein;

(c) (i) before filing a Registration Statement or Prospectus or any amendments or supplements thereto, at the Company's expense, furnish to the Holders whose securities are covered by the Registration Statement copies of all such documents, other than documents that are incorporated by reference into such Registration Statement or

Prospectus, proposed to be filed and such other documents reasonably requested by such Holders (which may be furnished by email), and afford Counsel to the Holders a reasonable opportunity to review and comment on such documents; and (ii) in connection with the preparation and filing of each such Registration Statement pursuant to this Agreement, (A) upon reasonable advance notice to the Company, give each of the foregoing such reasonable access to all financial and other records, corporate documents and properties of the Company as shall be necessary, in the reasonable opinion of Counsel to the Holders and such underwriters, to conduct a reasonable due diligence investigation for purposes of the Securities Act and Exchange Act, and (B) upon reasonable advance notice to the Company and during normal business hours, provide such reasonable opportunities to discuss the business of the Company with its officers, directors, employees and the independent public accountants who have certified its financial statements as shall be necessary, in the reasonable opinion of Counsel to the Holders and such underwriters, to conduct a reasonable due diligence investigation for purposes of the Securities Act and the Exchange Act;

(d) notify each selling Holder of Registrable Securities, promptly after the Company receives notice thereof, of the time when such Registration Statement has been declared effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed;

(e) with respect to any offering of Registrable Securities, furnish to each selling Holder of Registrable Securities, and the managing underwriters for such Underwritten Offering, if any, without charge, such number of copies of the applicable Registration Statement, each amendment and supplement thereto, the Prospectus included in such Registration Statement (including each preliminary Prospectus, final Prospectus, and any other Prospectus (including any Prospectus filed under Rule 424, Rule 430A or Rule 430B promulgated under the Securities Act and any "issuer free writing prospectus" as such term is defined under Rule 433 promulgated under the Securities Act), all exhibits and other documents filed therewith and such other documents as such seller or such managing underwriters may reasonably request including in order to facilitate the disposition of the Registrable Securities owned by such seller, and upon request, a copy of any and all transmittal letters or other correspondence to or received from, the Commission or any other governmental authority relating to such offer;

(f) (i) register or qualify all Registrable Securities covered by such Registration Statement under such other securities or blue sky laws of such states or other jurisdictions of the United States of America as the Holders covered by such Registration Statement shall reasonably request in writing, (ii) keep such registration or qualification in effect for so long as such Registration Statement remains in effect and (iii) take any other action that may be necessary or reasonably advisable to enable such Holders to consummate the disposition in such jurisdictions of the securities to be sold by such Holders, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subsection (f) be obligated to be so qualified, to subject itself to taxation in such jurisdiction or to consent to general service of process in any such jurisdiction;

(g) cause all Registrable Securities included in such Registration Statement to be registered with or approved by such other federal or state governmental agencies or authorities as necessary upon the opinion of counsel to the Company or Counsel to the Holders to enable such Holder or Holders thereof to consummate the disposition of such Registrable Securities in accordance with their intended method of distribution thereof;

(h) with respect to any Underwritten Offering, obtain and, if obtained, furnish to each Holder that is named as an underwriter in such Underwritten Offering and each other underwriter thereof, a signed

(i) opinion of outside counsel for the Company (including a customary 10b-5 statement), dated the date of the closing under the underwriting agreement and addressed to the underwriters, reasonably satisfactory (based on the customary form and substance of opinions of issuers' counsel customarily given in such an offering) in form and substance to such underwriters, if any, and

(ii) "comfort" letter, dated the date of the Underwriting Agreement and another dated the date of the closing under the underwriting agreement and addressed to the underwriters and signed by the independent public accountants who have certified the Company's financial statements included or incorporated by reference in such registration statement, reasonably satisfactory (based on the customary form and substance of "cold comfort" letters of issuers' independent public accountant customarily given in such an offering) in form and substance to such Holder and such underwriters, if any,

in each case, covering substantially the same matters with respect to such Registration Statement (and the Prospectus included therein) and, in the case of the accountants' comfort letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' comfort letters delivered to underwriters in such types of offerings of securities;

(i) notify each Holder of Registrable Securities included in such Registration Statement at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made and for which the Company chooses to suspend the use of the Registration Statement and Prospectus in accordance with the terms of this Agreement, and promptly prepare and furnish (at the Company's expense) to it a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such Prospectus, as supplemented or amended, shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made (the period of time in between such notification and receipt

of such Prospectus, as supplemented or amended, or the Advice delivered by the Company under Section 16(c), referred to herein as the "***Suspension Period***");

(j) notify the Holders of Registrable Securities included in such Registration Statement promptly of any written comments from the Commission or any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus or for additional information;

(k) advise the Holders of Registrable Securities included in such Registration Statement promptly after the Company receives notice or obtains knowledge of any order suspending the effectiveness of a registration statement relating to the Registrable Securities at the earliest practicable moment and promptly use its reasonable best efforts to obtain the withdrawal of such order;

(l) otherwise comply with all applicable rules and regulations of the Commission and any other governmental agency or authority having jurisdiction over the offering of Registrable Securities, and make available to its stockholders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first ($1^{st}$) full calendar month after the Effective Date of such Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder and which requirement will be deemed satisfied if the Company timely files complete and accurate information on Form 10-Q and 10-K and Current Reports on Form 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

(m) provide and cause to be maintained a transfer agent and registrar for the Registrable Securities included in a Registration Statement no later than the Effective Date thereof;

(n) enter into such agreements (including an underwriting agreement in customary form) and take such other actions as the Holders beneficially owning a majority of the Registrable Securities with respect to each type of Registrable Security included in a Registration Statement or the underwriters, if any, shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including customary indemnification; and provide reasonable cooperation, including causing at least one (1) executive officer and a senior financial officer to attend and participate in "road shows" and other information meetings organized by the underwriters, if any, as reasonably requested; *provided*, *however*, that the Company shall have no obligation to participate in more than two (2) "road shows" in any twelve (12)-month period and such participation shall not unreasonably interfere with the business operations of the Company;

(o) if requested by the managing underwriter(s) or the Majority Holders in connection with an Underwritten Offering, promptly incorporate in a prospectus supplement or post-effective amendment such information relating to the plan of distribution for such Registrable Securities provided to the Company in writing by the

managing underwriters and the Majority Holders and that is required to be included therein relating to the plan of distribution with respect to such Registrable Securities, including without limitation, information with respect to the number of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the Underwritten Offering of the Registrable Securities to be sold in such offering, and make any required filings with respect to such information relating to the plan of distribution as soon as practicable after notified of the information;

(p) cooperate with the Holders of Registrable Securities included in a Registration Statement and the managing underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends, and enable such Registrable Securities to be in such share amounts and registered in such names as the managing underwriters, or, if none, the Holders beneficially owning a majority of the Registrable Securities with respect to each type of Registrable Security being offered for sale, may reasonably request at least three (3) Business Days prior to any sale of Registrable Securities to the underwriters;

(q) cause all Registrable Securities included in a Registration Statement to be listed on a Trading Market on which similar securities issued by the Company are then listed or quoted;

(r) permit any Holder of Registrable Securities who, in the reasonable judgment of the Company upon advice of counsel, might be deemed to be an underwriter or controlling person of the Company, to participate in the preparation of such Registration Statement; and

(s) otherwise use its reasonable best efforts to take all other steps necessary to effect the registration of such Registrable Securities contemplated hereby.

In addition, prior to the first anticipated filing date of a Registration Statement for any registration under this Agreement, the Company may from time to time reasonably request each Holder for information the Company requires from that Holder, including any update to or confirmation of the information contained in the Selling Stockholder Questionnaire, which Questionnaire shall be completed and delivered to the Company not later three (3) Business Days before such filing date. Each Holder agrees to furnish such information to the Company and cooperate with the Company as reasonably requested by the Company to enable it to comply with all applicable requirements of the Securities Act, the Exchange Act and any applicable regulatory or self-regulatory authority in connection with its obligations under this Agreement. Each Holder acknowledges that the Company may not name a Holder as a selling securityholder if such Holder has failed to furnish information, which in the opinion of counsel to the Company, is reasonably required to be furnished in order for the Registration Statement or Prospectus related thereto, as applicable, to comply with the applicable requirements of the Securities Act or the Exchange Act. Each Holder acknowledges and agrees that the information in the Selling Stockholder Questionnaire or request for further information as described in this Section 9 will be used by the Company in the preparation of the Registration Statement and hereby consents to the inclusion of such information in the Registration Statement.

10. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts, fees or selling commissions or broker or similar commissions or fees, or transfer taxes of any Holder) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading or quoted, if any, (B) with respect to compliance with applicable state securities or blue sky laws (including, without limitation, fees and disbursements of counsel for the Company in connection with blue sky qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (C) if not previously paid by the Company, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with the Financial Industry Regulatory Authority ("***FINRA***") pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) the reasonable fees and expenses incurred in connection with any road show for Underwritten Offerings, (vi) Securities Act liability insurance, if the Company so desires such insurance, and (vii) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company will pay the reasonable fees and disbursements of the Counsel to the Holders, including, for the avoidance of doubt, any expenses of the Counsel to the Holders in connection with the filing or amendment of any Registration Statement, Prospectus or free writing prospectus hereunder or any Underwritten Offering.

11. Lockups.

(a) In connection with any Underwritten Takedown or underwritten registration pursuant to a Demand Registration Request or other underwritten public offering of equity securities by the Company, to the extent requested by any underwriter(s) managing such offering, except with the written consent of such underwriter(s), no Holder who participates in such offering or, together with its Affiliates and Related Funds, beneficially owns five percent (5%) or more of the outstanding shares of Common Stock shall effect any public sale or distribution (including sales pursuant to Rule 144) of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, for up to a sixty (60)-day period beginning on the date of the final prospectus filed in connection with such offering (as such period may be extended or waived by the underwriters, the "***Lockup Period***"), except as part of such offering, *provided*, that such Lockup Period restrictions are applicable on substantially similar terms to the Company and all of its and its subsidiaries' executive officers and directors; *provided, further*, that such Lockup Period shall include customary carve-outs, including that a Holder may make a distribution of Registrable Securities to any of its partners,

members or stockholders thereof or a transfer of Registrable Securities to an Affiliate or Related Fund that is otherwise in compliance with the applicable securities laws, so long as such distributees or transferees, as applicable, agree to be bound by the restrictions set forth in this Section 11(a). To the extent requested by the underwriter(s) managing such offering, each Holder agrees to execute a lock-up agreement in favor of the underwriter(s) managing such offering to such effect. The provisions of this Section 11(a) will no longer apply to a Holder once such Holder ceases to hold Registrable Securities.

(b) In connection with any Underwritten Offering, the Company agrees not to effect any public sale or distribution of any of its securities, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-4 or Form S-8 or any successor thereto or as part of any registration of securities of offering and sale to employees, directors or consultants of the Company and its subsidiaries pursuant to any employee stock plan or other employee benefit plan arrangement), during the Lockup Period, except as part of such offering, without the prior written consent from the Majority Holders. To the extent requested by any underwriter managing such offering, the Company agrees to execute a lock-up agreement in favor of the underwriter managing such offering to such effect.

12. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder, the officers, directors, agents, partners, members, investment manager, managers, stockholders, Affiliates and employees of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, investment manager, managers, stockholders, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable attorneys' fees) and expenses (collectively, "***Losses***"), to which any of them may become subject, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in strict conformity with information furnished in writing to the Company by such Holder expressly for use therein or (B) such Losses are incurred by a seller of Registrable Securities as a result of selling such Registrable Securities under a defective or outdated Prospectus during a Suspension Period after receiving actual notice of such Suspension Period from the Company. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 12(c)), shall survive the transfer of the Registrable Securities by the Holders, and shall be in addition to any liability which the Company may otherwise have.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its respective directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or that are based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading to the extent, but only to the extent, that (A) such untrue statements or omissions are based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in strict conformity with information furnished in writing to the Company by such Holder expressly for use therein or (B) to the extent, and only to the extent such Losses are incurred by the Company as a result of a Holder selling such Registrable Securities under a defective or outdated Prospectus during a Suspension Period after receiving actual notice of such Suspension Period from the Company. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 12(c)), shall survive the transfer of the Registrable Securities by the Holders, and shall be in addition to any liability which the Holder may otherwise have.

(c) Conduct of Indemnification Proceedings.

(i) If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "***Indemnified Party***"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "***Indemnifying Party***") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable fees and expenses incurred in connection with defense thereof; *provided*, *however*, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party.

(ii) An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that in the reasonable judgment of

such counsel there may be reasonable defenses available to the Indemnified Party that are in addition to or different from those available to the Indemnified Party or a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; *provided*, *however*, that the Indemnifying Party shall not be liable for the reasonable and documented fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

(iii) Subject to the terms of this Agreement, all reasonable and documented fees and expenses of the Indemnified Party (including reasonable and documented fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 12(c)) shall be paid to the Indemnified Party, as incurred, with reasonable promptness after receipt of written notice thereof to the Indemnifying Party; *provided*, *however*, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder. The failure to deliver written notice to the Indemnifying Party within a reasonable time of the commencement of any such action shall not relieve such Indemnifying Party of any liability to the Indemnified Party under this Section 12, except to the extent that the Indemnifying Party is materially and adversely prejudiced in its ability to defend such action.

(d) Contribution.

(i) If a claim for indemnification under Section 12(a) or (b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 12(d) were determined by pro rata allocation or by

any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 12(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

13. Section 4(a)(7), Rule 144 and Rule 144A; Other Exemptions. With a view to making available to the Holders of Registrable Securities the benefits of Rule 144 and Rule 144A promulgated under the Securities Act and other rules and regulations of the Commission that may at any time permit a Holder of Registrable Securities to sell securities of the Company without registration, until such time as when no Registrable Securities remain outstanding, the Company covenants that it will (i) if it is subject to the reporting requirement of 13 or 15(d) of the Exchange act, file in a timely manner all reports and other documents required, if any, to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted thereunder or (ii) if it is not subject to the reporting requirement of 13 or 15(d) of the Exchange Act, make available information necessary to comply with Section 4(a)(7) of the Securities Act and Rule 144 and Rule 144A, if available, with respect to resales of the Registrable Securities under the Securities Act, at all times, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (x) Section 4(a)(7) of the Securities Act and Rule 144 and Rule 144A promulgated under the Securities Act (if available with respect to resales of the Registrable Securities), as such rules may be amended from time to time or (y) any other rules or regulations now existing or hereafter adopted by the Commission. Upon the reasonable request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such information requirements, and, if not, the specific reasons for non-compliance.

14. Transfer of Registration Rights. Any Holder may freely assign its rights hereunder on a pro rata basis in connection with any sale, transfer, assignment, or other conveyance (any of the foregoing, a "***Transfer***") of Registrable Securities to any transferee or assignee, including any Affiliate of any Holder; *provided*, that all of the following additional conditions are satisfied: (a) such Transfer is effected in accordance with applicable securities laws; (b) such transferee or assignee executes a joinder to this Agreement substantially in the form attached as Exhibit A hereto; and (c) the Company is given written notice by such Holder of such Transfer, stating the name and address of the transferee or assignee and identifying the Registrable Securities with respect to which such rights are being transferred or assigned and provide the amount of any other capital stock of the Company beneficially owned by such transferee or assignee; *provided*, *further*, that (i) any rights assigned hereunder shall apply only in respect of Registrable Securities that are Transferred and not in respect of any other securities that the transferee or assignee may hold and (ii) any Registrable Securities that are Transferred may cease to constitute Registrable Securities following such Transfer in accordance with the terms of this Agreement.

15. Further Assurances. Each of the parties hereto shall execute all such further instruments and documents and take all such further action as any other party hereto may reasonably require in order to effectuate the terms and purposes of this Agreement.

16. Miscellaneous.

(a) Remedies. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to any Registration Statement and shall sell the Registrable Securities pursuant to any Registration Statement only in accordance with a method of distribution described in each Registration Statement.

(c) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of a Grace Period or any event of the kind described in Section 9(i), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing by the Company (the "***Advice***") that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop transfer orders to its transfer agent to enforce the provisions of this paragraph.

(d) No Inconsistent Agreements; Limitation on Subsequent Registration Rights. The Company has not entered, as of the date hereof, and the Company shall not enter, after the date of this Agreement without the prior written consent of the Holders of a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the Registrable Securities outstanding at such time, into any agreement that is inconsistent with or grants registration rights that have parity with or are more favorable than the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the Registrable Securities outstanding at such time file or have declared effective a registration statement for equity securities before the Initial Shelf Registration Statement is declared effective. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the Registrable Securities outstanding at such time, enter into any agreement with any current or future holder of any securities of the Company that would allow such current or

future holder to require the Company to include securities in the Initial Shelf Registration Statement, or in any Piggyback Offering on a basis that is on parity with, or superior in any material respect to, the Piggyback Offering rights granted to the Holders pursuant to Section 8 of this Agreement.

(e) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Holders holding at least a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the then outstanding Registrable Securities; *provided, however*, that any party may give a waiver as to itself; *provided, further*, that no amendment, modification, supplement, or waiver that disproportionately and adversely affects, alters, or changes the interests of any Holder shall be effective against such Holder without the prior written consent of such Holder; *provided further*, that the definition of "Holders" in Section 1 and the provisions of Section 2(c) may not be amended, modified or supplemented, or waived unless in writing and signed by all the signatories to this Agreement; *provided, further*, that the waiver of any provision with respect to any Registration Statement or offering may be given by Holders holding at least a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the then outstanding Registrable Securities entitled to participate in such offering or, if such offering shall have been commenced, having elected to participate in such offering. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of certain Holders and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority (with respect to each of the shares of Common Stock and Senior Secured PIK Notes, calculated separately) of the Registrable Securities outstanding at such time to which such waiver or consent relates; *provided, however*, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. No waiver of any terms or conditions of this Agreement shall operate as a waiver of any other breach of such terms and conditions or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. No written waiver hereunder, unless it by its own terms explicitly provides to the contrary, shall be construed to effect a continuing waiver of the provisions being waived and no such waiver in any instance shall constitute a waiver in any other instance or for any other purpose or impair the right of the party against whom such waiver is claimed in all other instances or for all other purposes to require full compliance with such provision. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms.

(f) Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be sent by certified or regular mail (return receipt requested, postage prepaid), by private national courier service, by personal delivery, by electronic mail or by facsimile transmission. Such notice or communication shall be deemed given (i) if mailed, two days after the date of mailing, (ii) if sent by national courier service, one Business Day after being sent, (iii) if delivered personally, when so delivered, (iv) if sent by electronic mail, on the Business Day such electronic mail is transmitted (if delivered prior to 5 p.m. Lafayette, Louisiana time, or, if thereafter, then as of the next day), or (v) if sent by

facsimile transmission, on the Business Day such facsimile is transmitted, in each case as follows:

(i) If to the Company:

[PetroQuest Energy, Inc.]
400 E. Kaliste Saloom Road, Suite 6000
Lafayette, Louisiana 70508
Attention: Charles T. Goodson and J. Bond Clement
E-mail address: [●]; [●]

with copies (which shall not constitute notice) to:

[●]

(ii) If to the Holders (or to any of them), at their addresses as they appear in the records of the Company or the records of the transfer agent or registrar, if any, for the Common Stock.

If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or legal holiday in the State of New York or the jurisdiction in which the Company's principal office is located, the time period shall automatically be extended to the Business Day immediately following such Saturday, Sunday or legal holiday.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including any trustee in bankruptcy). In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the Holders of Registrable Securities (or any portion thereof) as such shall be for the benefit of and enforceable by any subsequent holder of any Registrable Securities (or of such portion thereof); *provided, however,* that such subsequent holder of Registrable Securities shall be required to execute a joinder to this Agreement substantially in the form attached as Exhibit A hereto. No assignment or delegation of this Agreement by the Company, or any of the Company's rights, interests or obligations hereunder, shall be effective against any Holder without the prior written consent of such Holder.

(h) Execution and Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

(i) Delivery by Electronic Means. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic means (including electronic mail), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or

instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(j) Governing Law; Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) to the extent such rules or provisions would cause the application of the laws of any jurisdiction other than the State of New York. Each of the parties to this Agreement consents and agrees that any action to enforce this Agreement or any dispute, whether such dispute arises in law or equity, arising out of or relating to this Agreement shall be brought exclusively in the United States District Court for the Southern District of New York or any New York State Court sitting in New York City. The parties hereto consent and agree to submit to the exclusive jurisdiction of such courts. Each of the parties to this Agreement waives and agrees not to assert in any such dispute, to the fullest extent permitted by applicable law, any claim that (i) such party and such party's property is immune from any legal process issued by such courts or (ii) any litigation or other proceeding commenced in such courts is brought in an inconvenient forum. The parties hereby agree that mailing of process or other papers in connection with any such action or proceeding to an address provided in writing by the recipient of such mailing, or in such other manner as may be permitted by law, shall be valid and sufficient service thereof and hereby waive any objections to service in the manner herein provided.

(k) Waiver of Jury Trial. Each of the parties to this Agreement hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement, including contract claims, tort claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into this Agreement that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 16(k) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

(l) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or the effectiveness or validity of any provision in any other

jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(m) Descriptive Headings; Interpretation; No Strict Construction. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and, if applicable, hereof. The words "include", "includes" or "including" in this Agreement shall be deemed to be followed by "without limitation". The use of the words "or," "either" or "any" shall not be exclusive. All references to laws, rules, regulations and forms in this Agreement shall be deemed to be references to such laws, rules, regulations and forms, as amended from time to time or, to the extent replaced, the comparable successor thereto in effect at the time. All references to agencies, self-regulatory organizations or governmental entities in this Agreement shall be deemed to be references to the comparable successors thereto from time to time. All Registrable Securities held by a Holder, its Affiliates and its Related Funds shall be aggregated together for purposes of determining the availability of any rights under this Agreement. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(n) Entire Agreement. This Agreement and any certificates, documents, instruments and writings that are delivered pursuant hereto, constitutes the entire agreement and understanding of the parties in respect of the subject matter hereof and supersedes all prior understandings, agreements or representations by or among the parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(o) Termination. The obligations of the Company and of any Holder, other than those obligations contained in Section 12 and this Section 16, shall terminate with respect to the Company and such Holder as soon as such Holder no longer beneficially owns any Registrable Securities.

(p) No Third Party Beneficiaries. Except as provided in Section 12 with respect to indemnification of certain third parties hereunder, nothing in this Agreement shall confer any rights upon any Person other than the parties hereto and their respective heirs, successors and permitted assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**[PETROQUEST ENERGY, INC.]**

By: _____
Name:
Title:

HOLDERS:

**[Holder Name]**

By: _____
Name:
Title:

☐ By checking this box, the Holder signing above hereby requests the inclusion of all of its Registrable Securities in the Initial Shelf Registration Statement.

☐ By checking this box, the Holder signing above hereby requests the inclusion of _____ of its Registrable Securities in the Initial Shelf Registration Statement, constituting less than all of its Registrable Securities.

Exhibit A

FORM OF JOINDER

THIS JOINDER (this "Joinder") to the Registration Rights Agreement dated as of [●], 2019, by and among [PetroQuest Energy, Inc.], a Delaware corporation (the "Company"), and the holders party thereto (the "Registration Rights Agreement"), is made and entered into as of [ ], 20[ ] by the undersigned [ ] (the "Assuming Holder"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Registration Rights Agreement.

As a condition to the acquisition of rights under the Registration Rights Agreement in accordance with the terms thereof, the Assuming Holder represents and agrees as follows:

1. Transfer or Assignment: The Assuming Holder has acquired certain Registrable Securities from [ ] as set forth on the signature page.

2. Agreement to be Bound. The Assuming Holder hereby agrees that upon execution of this Joinder, it shall become a party to the Registration Rights Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Registration Rights Agreement as though an original party thereto and shall be deemed a Holder for all purposes thereof.

3. Successors and Assigns. Except as otherwise provided herein, this Joinder shall bind and inure to the benefit of and be enforceable by the Company and its successors, heirs and assigns and the Assigning Holder and its successors, heirs and assigns.

4. Governing Law. The Joinder is governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to any conflicts of law principles that would result in the application of the laws of any law other than the law of the State of New York.

5. Descriptive Headings. The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.

[*Signature Page Follows*]

**IN WITNESS WHEREOF,** the parties hereto have executed this Joinder to the Registration Rights Agreement as of the date first written above.

**[ASSUMING HOLDER]**

By: _____
Name:
Title:

Address: _____

_____

_____

_____

Email: _____

Amount and type of Registrable Securities Acquired:

_____

# EXHIBIT J

## Employment Agreements

**Exhibit J**

**SEVERANCE AGREEMENT**

THIS SEVERANCE AGREEMENT (this "Agreement"), dated as of _____, 2018, is made and entered into by and between PetroQuest Energy, Inc., a Delaware corporation, with its principal office at 400 East Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508 (the "Company"), and Jonathan D. Sprague ("Employee").

R E C I T A L S

1) On December 12, 2011, a Severance Agreement was made and entered into by and between the Company and Employee (the "Prior Agreement").

B. In connection with the restructuring of the Company contemplated by the Restructuring Support Agreement dated as of _____, 2018, the Company and Employee desire to enter into a new agreement whereby severance benefits will be paid to Employee on a Change in Control of the Company, as defined in Section 3 of this Agreement, and consequent termination of Employee's employment.

C. This Agreement sets forth the severance benefits which the Company agrees that it will pay to the Employee if Employee's employment with the Company terminates under one of the circumstances described herein following a Change in Control of the Company.

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

a) Term of Agreement. This Agreement shall be effective immediately on the date hereof and shall continue in effect through December 31, 2018; *provided, however*, that commencing on January 1, 2019 and each January 1 thereafter, the term of this Agreement shall automatically be extended for one additional year unless not later than October 31 of the preceding year, the Company shall have given notice that it does not wish to extend this Agreement; *provided, further*, that notwithstanding any such notice by the Company not to extend, this Agreement shall automatically be extended for 12 months beyond the term provided herein if a Change in Control, as defined in Section 3 of this Agreement, has occurred during the term of this Agreement.

b) Effect on Employment Rights. This Agreement is not part of any employment agreement that the Company and Employee may have entered. Nothing in this Agreement shall confer upon Employee any right to continue in the employ of the Company or interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the Employee for any reason, with or without Cause, as defined in Section 4 of this Agreement.

Employee agrees that, subject to the terms and conditions of this Agreement, in the event of a potential change in control of the Company (as defined below), Employee will remain in the

employ of the Company during the pendency of any such potential change in control and for a period of one year after the occurrence of an actual Change in Control. For this purpose, a "potential change in control of the Company" shall be deemed to have occurred if (a) the Company enters into an agreement the consummation of which would result in the occurrence of a Change in Control, (b) any person (including the Company) publicly announces an intention to take or consider taking action which if consummated would constitute a Change in Control or (c) the Board of Directors of the Company (the "Board") adopts a resolution to the effect that a potential change in control of the Company has occurred.

c) Change in Control. For purposes of this Agreement, a "Change in Control" of the Company shall be deemed to have occurred if any of the events set forth in any one of the following paragraphs shall occur:

i) any "person" (as defined in section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and as such term is modified in sections 13(d) and 14(d) of the Exchange Act), excluding the Company or any of its subsidiaries, a trustee or any fiduciary holding securities under an employee benefit plan of the Company of any of its subsidiaries, an underwriter temporarily holding securities pursuant to an offering of such securities or a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities; or

(b) during any period of not more than two consecutive years, individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in paragraphs (a), (c) or (d) of this Section 3) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the consummation of a merger or consolidation of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holder of securities under an employee benefit plan of the Company, at least 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50% of the combined voting power of the Company's then outstanding securities; or

(d) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

Notwithstanding the foregoing, no Change in Control shall be deemed to occur (i) if there is consummated any transaction or series of integrated transactions immediately following which, in the judgment of the Compensation Committee of the Board, the holders of the common stock, par value $.001 per share (the "Common Stock"), immediately prior to such transaction or series of transactions continue to have the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (ii) under paragraphs (a), (b), (c) and (d) of this Section 3 with respect to any of the following transactions: (A) any restructuring of the Company under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"); (B) any liquidation of the Company under Chapter 7 of the Bankruptcy Code; (C) any other reorganization or restructuring of the Company while the 10% Second Lien Senior Secured PIK Notes due 2023 issued pursuant to that certain Indenture dated as of the date hereof (as amended or supplemented from time to time) among the Company, the guarantors party thereto, and Wilmington Trust, National Association as the Trustee and Collateral Trustee (the "Notes") remain outstanding; or (D) due to the acquisition of additional voting securities of the Company by investment funds, financing vehicles or discretionary accounts for which Mackay Shields LLC or Corre Partners Management LLC has the power to vote, or to direct the voting of, such voting securities, and/or the power to dispose, or to direct the disposition of, such voting securities following the restructuring of PetroQuest Energy, Inc. and certain of its affiliates under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (Case No. [-]) while the Notes remain outstanding.

d) Termination of Employment Following a Change in Control. Employee shall be entitled to the benefits provided in Section 5 hereof upon the subsequent termination of Employee's employment by the Company within two years after a Change in Control which occurs during the term of this Agreement, provided such termination is (a) by the Company other than for Cause, or (b) by Employee for Good Reason, as defined below. Employee shall not be entitled to the benefits of Section 5, any other provision hereof to the contrary notwithstanding, if Employee's employment terminates: (i) pursuant to Employee retiring at age 65, (ii) by reason of Employee's total and permanent disability, or (iii) by reason of Employee's death. As used herein, "total and permanent disability" means a condition which prevents Employee from performing to a significant degree the essential duties of his or her position and is expected to be of long-term duration or result in death. A determination of total and permanent disability must be based on competent medical evidence.

i) Cause.

(1) *Definition.* For purposes of this Agreement, "Cause" means (A) the conviction of the Employee of a felony (which, through lapse of time or otherwise, is not subject to appeal), (B) the Employee's willful refusal, without

proper legal cause, to perform the duties and responsibilities consistent with those of employees in a public company considered a peer company with a similar title, and such other or additional duties as may from time to time be assigned to the Employee by the Board (or a committee thereof) and agreed to by the Employee or (C) the Employee's willful engaging in activities which would (i) constitute a breach of any term of this Agreement, the Company's Code of Ethics, the Company's policies regarding trading in the Common Stock or reimbursement of business expenses or any other applicable policies, rules or regulations of the Company, or (ii) result in a material injury to the business, condition (financial or otherwise), results of operations or prospects of the Company or its affiliates (as determined in good faith by the Board or a committee thereof). Notwithstanding the foregoing, Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to Employee a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose of making a determination of whether Cause for termination exists (after reasonable notice to Employee and an opportunity for Employee to be heard before the Board), finding that in the good faith opinion of the Board, Employee was guilty of misconduct as set forth above in this subsection 4(a)(i) and specifying the particulars thereof in detail.

(2) *Remedy by Employee*. If the Company gives Employee a Notice of Termination, as defined in Section 4(b) below, which states that the basis for terminating Employee's employment is Cause, Employee shall have ten days after receipt of such Notice to remedy the facts and circumstances which provided Cause. The Board (or any duly authorized Committee thereof) shall make a good faith reasonable determination immediately after such ten-day period whether such facts and circumstances have been remedied and shall communicate such determination in writing to Employee. If the Board determines that an adequate remedy has not occurred, then the initial Notice of Termination shall remain in effect.

ii) Good Reason. After a Change in Control, Employee may terminate employment with the Company at any time during the term of this Agreement if Employee has made a good faith reasonable determination that Good Reason exists for this termination.

(1) *Definition*. For purposes of this Agreement, "Good Reason" shall mean any of the following actions, if taken without the express written consent of Employee:

(a) any material change by the Company in Employee's functions, duties, or responsibilities as Vice President - ArkLaTex, which change would cause Employee's position with the Company to become of less dignity, responsibility, importance, or scope from the position and

attributes that applied to Employee immediately prior to the Change in Control;

B. any material reduction in Employee's base salary, other than a reduction effected as part of an across-the-board reduction affecting all executive employees of the Company;

C. any material failure by the Company to comply with any of the provisions of this Agreement (or of any employment agreement between the parties);

D. the Company's requiring Employee to be based at any office or location more than 45 miles from the home at which Employee resides on the date immediately preceding the Change in Control, except for travel reasonably required in the performance of Employee's responsibilities and commensurate with the amount of travel required of Employee prior to the Change in Control; or

E. any failure by the Company to obtain the express assumption of this Agreement by any successor or assign of the Company;

Employee's right to terminate employment for Good Reason pursuant to this subsection 4(b)(i) shall not be affected by Employee's incapacity due to physical or mental illness.

(2) *Remedy by Company*. If Employee gives the Company a Notice of Termination which states that the basis for Employee's termination of employment is Good Reason, the Company shall have ten days after receipt of such Notice to remedy the facts and circumstances which provided Good Reason. Employee shall make a good faith reasonable determination immediately after such ten-day period whether such facts and circumstances have been remedied and shall communicate such determination in writing to the Company. If Employee determines that adequate remedy has not occurred, then the initial Notice of Termination shall remain in effect.

(3) *Determination by Employee Presumed Correct*. Any determination by Employee pursuant to this Section 4(b) that Good Reason exists for Employee's termination of employment and that adequate remedy has not occurred shall be presumed correct and shall govern unless the party contesting the determination shows by a clear preponderance of the evidence that it was not a good faith reasonable determination.

(4) *Severance Payments Made Notwithstanding Dispute*. Notwithstanding any dispute concerning whether Good Reason exists for termination of employment or whether adequate remedy has occurred, the

Company shall initiate paying to Employee, as specified in Section 5, any amounts otherwise due under this Agreement.

iii) Notice of Termination. Any termination of Employee's employment by the Company or by Employee hereunder shall be communicated by a Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provisions in this Agreement relied upon any which sets forth (i) in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provision so indicated and (ii) the date of Employee's termination of employment, which shall be no earlier than 10 days after such Notice is received by the other party. Any purported termination of the Employee's employment by the Company which is not effected pursuant to a Notice of Termination satisfying the requirements of this Agreement shall not be effective. In the case of a termination for Cause, the Notice of Termination shall also satisfy the requirements set forth in Section 4(a)(i).

e) Severance Payments Upon Termination of Employment. If Employee's employment with the Company is terminated during the term of this Agreement and after a Change in Control (a) by the Company other than for Cause, or (b) by Employee for Good Reason, then Employee shall be entitled to the following:

(a) Lump-Sum Severance Payment. In lieu of any further salary payments to the Employee for periods subsequent to the date of termination, the Company shall pay to the Employee a lump sum severance payment, in cash, equal to one (1) times the Employee's annual base salary in effect on the date of termination (the "Severance Compensation"), subject to such payroll and withholding deductions as are required by law. The Severance Compensation will be paid no later than sixty (60) days after the Employee's date of termination subject to Employee's execution and delivery of a release of claims in favor of the Company, its affiliates, and their successors and the benefit plans, the employees, officers, directors, fiduciaries and agents of all of the foregoing in a form provided by the Company or its successor and such release having been signed and not revoked within the time period provided in such release of claims. Employee acknowledges that receipt of the Severance Compensation or the Welfare Benefits (as defined below) shall not deem Employee to be an employee of Company at any time after the date of termination and that, except for such Severance Compensation, Welfare Benefits and COBRA benefits or any other severance benefits that are required by law, all rights of the Employee to any other compensation or benefits of the Company shall cease as of the date of termination.

(b) Continued Benefits. For a twelve (12) month period (or, if less, the number of months from the date of termination until the Employee would have reached age sixty-five (65)) after the date of termination, the Company shall continue to pay the Company portion of any premiums and otherwise provide the Employee with medical, dental and vision benefits ("Welfare Benefits") substantially similar in all respects to those which the Employee is receiving immediately prior to the Notice of Termination in

accordance with the Company's normal payroll practices (without giving effect to any reduction in such benefits subsequent to the potential change in control of the Company preceding the Change in Control or the Change in Control which reduction constitutes or may constitute Good Reason). With respect to benefits set forth in this subsection 5(b), all insurance premiums and/or benefit payments by the Company, to the extent possible, shall be made so as to be exempt from Section 409A under the Internal Revenue Code of 1986, as amended, and the regulations, notices and rulings thereunder (collectively, the "Code"), and for the purposes thereof, each payment shall be treated as a separate payment under Code Section 409A. Benefits otherwise receivable by an Employee pursuant to this subsection 5(b) shall be reduced to the extent substantially similar benefits are actually received by or made available to the Employee by any other employer during the same time period for which such benefits would be provided pursuant to this subsection 5(b) at a cost to the Employee that is commensurate with the cost incurred by the Employee immediately prior to the Employee's date of termination (without giving effect to any increase in costs paid by the Employee after the potential change in control of the Company preceding the Change in Control or the Change in Control which constitutes or may constitute Good Reason); provided, however, that if the Employee becomes employed by a new employer which maintains a medical plan that either (i) does not cover the Employee or a family member or dependent with respect to a preexisting condition which was covered under the applicable Company medical plan, or (ii) does not cover the Employee or a family member or dependent for a designated waiting period, the Employee's coverage under the applicable Company medical plan shall continue (but shall be limited in the event of noncoverage due to a preexisting condition, to such preexisting condition) until the earlier of the end of the applicable period of noncoverage under the new employer's plan or the first anniversary of the Employee's date of termination. The Employee agrees to report to the Company any coverage and benefits actually received by the Employee or made available to the Employee from such other employer(s). The Employee shall be entitled to elect to change his level of coverage and/or his choice of coverage options (such as Employee only or family medical coverage) with respect to the Welfare Benefits to be provided by the Company to the Employee to the same extent that actively employed employees of the Company are permitted to make such changes; provided, however, that in the event of any such changes the Employee shall pay the amount of any cost increase that would actually be paid by an actively employed employee of the Company by reason of making the same change in his level of coverage or coverage options. With respect to any benefits that are for medical expenses, dental or vision under a self-insured plan, the Employee shall pay the premiums for such coverage and the Company shall reimburse the Employee for the Company portion of the cost of such premiums by the 15th day of the month following the month such premiums are paid by the Employee. After the group health benefits provided hereunder have expired, the Employee and his dependents shall be eligible to elect continuation of health insurance coverage under COBRA and shall be responsible for the applicable premiums under COBRA. With respect to any premiums or amounts payable under this subsection 5(b), to the extent that such amounts are taxable and not otherwise exempt from deferred compensation under Code Section 409A, the Employee shall pay the premiums or expenses, the Company shall promptly reimburse Employee for such amounts and the Company's reimbursement payments shall

be subject to the following: (i) all amounts to be paid under this paragraph and that are includable in Employee's income shall only be paid if such premiums or expenses are incurred during the 2 year period after the Employee's termination date; (ii) any amount reimbursable or paid in one tax year shall not affect the amount to be reimbursed or paid in another tax year; (iii) if Employee is reimbursed for any premiums or expenses hereunder, he must provide the Company with reasonable documentation of such premiums or expenses; (iv) payments for such premiums or expenses will be made in cash promptly after the expenses are incurred but in no event later than the end of Employee's taxable year following the tax year in which the expenses are incurred; and (v) the payments under this paragraph cannot be substituted for another benefit.

f) Damages. Employee shall not be required to mitigate damages with respect to the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided under this Agreement be reduced by retirement benefits, deferred compensation or any compensation earned by Employee as a result of employment by another employer.

7. Successor to Company. The Company shall require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Employee, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. A used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assign to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

8. Heirs of Employee. This Agreement shall inure to the benefit of and be enforceable by Employee's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Employee should die while any amounts are still payable to Employee hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee, or other designee or, if there be no such designee, to Employee's estate.

9. Arbitration. Any dispute, controversy or claim arising under or in connection with this Agreement, or the breach thereof, shall be settled exclusively by arbitration in accordance with the commercial arbitration Rules of the American Arbitration Association then in effect. Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Any arbitration held pursuant to this section in connection with Employee's termination of employment shall take place in Houston, Texas at the earliest possible date. If any proceeding is necessary to enforce or interpret the terms of this Agreement, or to recover damages for breach thereof, the prevailing party shall be entitled to reasonable attorneys' fees and necessary costs and disbursements, not to exceed in the aggregate one percent (1%) of the net worth of the other party, in addition to any other relief to which he or it may be entitled. All such expenses shall be paid only if incurred prior to the last day of the second

calendar year following the calendar year in which the Employee's separation from service occurs.

10. Notice. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by messenger or in person, or when mailed by United States registered mail, return receipt requested, postage prepaid, as follows:

If to the Company: 400 E. Kaliste Saloom Road, Suite 6000
Lafayette, Louisiana 70508
Attention: Chief Executive Officer

If to the Employee: Jonathon D. Sprague
400 E. Kaliste Saloom Road, Suite 6000
Lafayette, Louisiana 70508

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11. General Provisions.

i) Employee's rights and obligations under this Agreement shall not be transferable by assignment or otherwise, nor shall Employee's rights be subject to encumbrance or subject to the claims of the Company's creditors. Nothing in this Agreement shall prevent the consolidation of the Company with, or its merger into, any other corporation, or the sale by the Company of all or substantially all of its properties or assets; and this Agreement shall inure to the benefit of, be binding upon and be enforceable by, any successor surviving or resulting corporation, or other entity to which such assets shall be transferred. This Agreement shall not be terminated by the voluntary or involuntary dissolution of the Company.

ii) This Agreement and any employment agreement with Employee plus terms of any equity grants constitutes the entire agreement between the parties hereto in respect to the rights and obligations of the parties following a Change in Control. This Agreement supersedes and replaces the Prior Agreement and all prior oral and written agreements, understandings, commitments, and practices between the parties (whether or not fully performed by Employee prior to the date hereof), which shall be of no further force or effect.

iii) The provisions of this Agreement shall be regarded as divisible, and if any of said provisions or any part thereof are declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remainder of such provisions or parts thereof and the applicability thereof shall not be affected thereby.

iv) This Agreement may not be amended or modified except by a written instrument executed by the Company and Employee.

v) This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Louisiana.

12. Code Section 409A. This Agreement and the amounts payable hereunder are not intended to be deferred compensation under Code Section 409A. The parties agree to amend this Agreement to the extent necessary to insure that this Agreement is not deferred compensation under Code Section 409A or to comply with Code Section 409A in order to maintain, to the extent reasonable, the economic terms of this Agreement. This Agreement shall be interpreted and construed in accordance with the applicable requirements and exemptions from Code Section 409A and to the extent necessary to comply with or be exempt therefrom the defined terms as provided therein shall be used.

13. Specified Employee Status. In the event that, as of the date of Employee's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h), Employee is a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), to the extent that any of the payments under this Agreement payable on account of a separation from service, including without limitation, any payments in Sections 5 and 9 are subject to, and not exempt from, Code Section 409A, such amounts shall be paid not earlier than (1) six months after the date of the Employee's separation from service within the meaning of Code Section 409A, or (2) the date of Employee's death, as required in accordance with Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-3(i)(2) ("Waiting Period"); any payments withheld during the Waiting Period will be paid in a lump sum amount on the first business day of the seventh month following the Employee's separation from service and payments thereafter shall be otherwise paid as provided herein.

14. Termination of Employment. For the purposes of Code Section 409A, to the extent any payment under this Agreement is deferred compensation subject to and not exempt from Code Section 409A, the Employee's termination and termination date from the Company shall mean a separation from service within the meaning of Code Section 409A.

15. No Guarantee of Tax Consequences. None of the Company, its affiliates or any of their officers, directors, employees or agents are responsible for or guarantee the tax consequences to Employee with respect to any payments or benefits provided under this Agreement including, without limitation, any excise tax, interest or penalties that may be imposed under Code Section 409A.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PETROQUEST ENERGY, INC.

By:_____
[_____]
[_____]

_____
Jonathon D. Sprague

**PETROQUEST ENERGY, INC.**
**AMENDED AND RESTATED**
**CHANGE IN CONTROL**
**SEVERANCE BENEFIT PLAN**

**(Effective [-], 2018)**

**FINAL VERSION**

# PETROQUEST ENERGY, INC.
# AMENDED AND RESTATED
# CHANGE IN CONTROL
# SEVERANCE BENEFIT PLAN

## INTRODUCTION

The purpose of this Plan is to provide financial assistance to certain Employees of PetroQuest Energy, Inc. or an Affiliated Employer who is terminated from an Employer on or after a Change in Control under the conditions and terms of the Plan. The benefits of this Plan are designed to help eligible Employees who have been terminated by an Employer to economically maintain themselves and their families during the period immediately following their terminations on or after a Change in Control.

## DEFINITIONS

The following words and phrases have the following meanings when used in this Plan, unless a different meaning is clearly required by the context.

"Affiliated Employer" means any corporation which is or has been after the Effective Date a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Company; any trade or business (whether or not incorporated) which is or has been after the Effective Date under common control (as defined in Code Section 414(c)) with the Company; an organization (whether or not incorporated) which is or has been after the Effective Date a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; and any other entity which is or has been after the Effective Date required to be aggregated with the Company pursuant to regulations under Code Section 414(o), including any successor to the Affiliated Employer after a Change in Control of PetroQuest Energy, Inc.

"Change in Control" means the occurrence of any one or more of the following events with respect to PetroQuest Energy, Inc:

The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (i) the then outstanding shares of common stock of PetroQuest Energy, Inc. (the "Outstanding Company Stock") or (ii) the combined voting power of the then outstanding voting securities of PetroQuest Energy, Inc. entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from PetroQuest Energy,

Inc. or any Subsidiary, (ii) any acquisition by PetroQuest Energy, Inc. or any Subsidiary or by any employee benefit plan (or related trust) sponsored or maintained by PetroQuest Energy, Inc. or any Subsidiary, or (iii) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving PetroQuest Energy, Inc. (a "Merger"), if, following such Merger, the conditions described in clauses (i) and (ii) of subparagraph (c) (below) are satisfied;

Individuals who, as of the Effective Date, constitute the board of directors of PetroQuest Energy, Inc. (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by PetroQuest Energy Inc.'s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the board of directors of PetroQuest Energy, Inc.;

A Merger, unless immediately following such Merger, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to Merger beneficially own, directly or indirectly, more than 50% of the common stock of the corporation resulting from such Merger (or its parent corporation) in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to such Merger and (ii) at least a majority of the members of the board of directors of the corporation resulting from such Merger (or its parent corporation) were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Merger;

The sale or other disposition of all or substantially all of the assets of PetroQuest Energy, Inc., unless immediately following such sale or other disposition, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to the consummation of such sale or other disposition beneficially own, directly or indirectly, more than 50% of the common stock of the corporation acquiring such assets in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to the consummation of such sale or disposition, and (ii) at least a majority of the members of the board of directors of such corporation (or its parent corporation) were members of the Incumbent Board at the time of execution of the initial agreement or action of the board of directors of PetroQuest Energy, Inc. providing for such sale or other disposition of assets of PetroQuest Energy, Inc.; or

The liquidation or dissolution of PetroQuest Energy, Inc.

Notwithstanding the occurrence of any of the foregoing events set out in this Section 6.7 which would otherwise result in a Change in Control, the board of directors of PetroQuest Energy, Inc. may determine in its discretion, if it deems it to be in the best interest of PetroQuest Energy, Inc., that an event or events otherwise constituting or reasonably leading to a Change in Control shall not be deemed a Change in Control hereunder. Such determination shall be effective only if it is

made by the board of directors of PetroQuest Energy, Inc. prior to the occurrence of an event that otherwise would be, or reasonably lead to, a Change in Control, or after such event only if made by the board of directors of PetroQuest Energy, Inc. a majority of which is composed of directors who were members of the board of directors of PetroQuest Energy, Inc. immediately prior to the event that otherwise would be, or reasonably lead to, a Change in Control. Notwithstanding anything in this Plan to the contrary, no Change in Control will be deemed to occur under any prong of the definition of "Change in Control" with respect to any of the following transactions: (A) any restructuring of PetroQuest Energy, Inc. under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"); (B) any liquidation of PetroQuest Energy, Inc. under Chapter 7 of the Bankruptcy Code; (C) any other reorganization or restructuring of PetroQuest Energy, Inc. while the 10% Second Lien Senior Secured PIK Notes due 2023 issued pursuant to that certain Indenture dated as of the date hereof (as amended or supplemented from time to time) among PetroQuest Energy, Inc., the guarantors party thereto, and Wilmington Trust, National Association as the Trustee and Collateral Trustee (the "Notes") remain outstanding; or (D) due to the acquisition of additional voting securities of the Company by investment funds, financing vehicles or discretionary accounts for which Mackay Shields LLC or Corre Partners Management LLC has the power to vote, or to direct the voting of, such voting securities, and/or the power to dispose, or to direct the disposition of, such voting securities following the restructuring of PetroQuest Energy, Inc. and certain of its affiliates under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (Case No. [-]) while the Notes remain outstanding. "Subsidiary" means any corporation (whether now or hereafter existing) which constitutes a Subsidiary of PetroQuest Energy, Inc., as defined in Section 424(f) of the Code.

"COBRA" shall have the meaning as provided in Section 4.1.

"COBRA Premium Benefit" shall have the meaning as provided in Section 4.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means PetroQuest Energy, Inc. and any successor after a Change in Control of PetroQuest Energy, Inc.

"Effective Date" means [-], 2018.

"Employee" means a United States based individual who was an employee of the Company or an Affiliated Employer who is as of their Termination Date employed by the Employer on a Full-time basis. Notwithstanding the above, the following individuals shall not be considered Employees under the Plan:

(a) individuals who are leased employees as defined in Code Section 414(n);

individuals who are classified by the Employer as independent contractors, notwithstanding any subsequent reclassification by a court or administrative agency;

individuals whose employment is governed by the terms of a collective bargaining agreement between Employee representatives and the Employer under which salary

continuation benefits were the subject of good faith bargaining between the parties, unless such collective bargaining agreement expressly provides for coverage by this Plan; and

individuals described in Section 3.7 below.

"Employer" means the Company or the applicable Affiliated Employer that employs the Employee.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Full-time" means an Employee scheduled to work for at least thirty (30) hours each week. The Plan Administrator may, in its discretion, count regularly scheduled hours, taking into account actual absences, rather than counting actual hours worked.

“Other CIC Plan” shall have the meaning provided in Section 4.5.

"Participant" means an Employee who has satisfied the conditions of Section 3.1.

"Plan" means this PetroQuest Energy, Inc. Amended and Restated Change in Control Severance Benefit Plan, as it may be amended from time to time in the Company's sole discretion as provided herein.

"Plan Administrator" means the Company or any successor thereto after a Change in Control of PetroQuest Energy, Inc. or the committee of two or more person appointed by the board of directors of the foregoing to administer the Plan.

"Plan Year" means the calendar year ending each December 31st.

"Separation and Release Agreement" means the agreement required in Section 4.2.

"Service" means the period of actual Full-time employment with the Employer reflected on the Employer’s records and any successor thereto after a Change in Control of PetroQuest Energy, Inc.; provided, however, subject to Section 3.7 below, service shall include leave of absence periods of up to six (6) months and shall specifically exclude leave of absence time in excess of six (6) months.

“Severance Benefit” means all amounts payable collectively under section 4.1.

"Severance Pay" means the benefits described in Section 4.1.

“Target Bonus” means the target bonus under the Company’s annual cash bonus plan, as in effect from time to time.

"Termination Date" means, except as set forth in Section 3.6, the date fixed by the Employer for termination of employment. This date may be communicated to the Participant in any manner deemed appropriate by the Employer.

“WARN” shall have the meaning provided in Section 8.14.

"Week of Pay" shall have the meaning as provided in Section 4.1.

## PARTICIPATION

Eligibility. Subject to Sections 3.3 and 3.7 below, any Employee who (a) is terminated by an Employer under Section 3.2 on or (b) who terminates his or her employment with the Employer for Good Reason within twenty-four (24) months after a Change in Control is eligible to participate in this Plan.

Events of Termination. An Employee who is otherwise eligible to participate under Section 3.1 and is not otherwise ineligible under Section 3.3, shall be entitled to receive the benefits as determined under Article 4 upon his or her termination of employment by the Employer, provided that the Employee first agrees to and signs a Separation and Release Agreement to be provided by the Employer, subject to the terms and conditions as provided by the Employer in its sole discretion, and the time period for revocation as provided in such agreement has expired.

Ineligibility for Benefits. A Participant shall not be entitled to the benefits under Article 4 if the Participant's employment is terminated or is not continued due to any of the following:

voluntary resignation or voluntary termination of employment by a Participant other than for "Good Reason" as defined in Section 3.6 below;

retirement;

death;

disability;

dishonesty or other similar conduct prejudicial to the Company, Employer, an Affiliated Employer or any subsidiary, or affiliate of any of the foregoing;

material violation of any rule, policy, or procedure of the Company, Employer, an Affiliated Employer or any subsidiary, or affiliate of any of the foregoing;

an arrest, indictment, conviction or other determination by the Employer, in its sole discretion, that a Participant has committed a criminal act or otherwise engaged in behavior that may subject the Company, the Employer, any Affiliated Employer or any subsidiary, or affiliate of any of the foregoing, or any of its directors, officers or employees to civil or criminal liability;

Participant's breach of the terms of any written agreement, specifically including any employment agreement, between the Participant and the Company and/or the Employer; or

Participant's refusal of a job transfer to another job at the same or higher pay grade at a location within sixty (60) miles of the previous work location.

Participant's Benefits Not Vested. No one under any circumstances is automatically entitled to any benefits under this Plan. The Plan Administrator has the sole discretion to determine whether any one or more of the exclusions listed in Section 3.3 apply to a Participant's termination of employment.

Return of Property. Notwithstanding any other provisions of the Plan, a Participant will not be eligible for benefits under the Plan until such Participant returns all files and information and any other property of the Employer.

Good Reason Termination. A Participant voluntarily terminates his or her employment for "Good Reason" if such employment is terminated upon (a) the occurrence of (i) a material diminution of a Participant's annual base salary, (ii) a material diminution of a Participant's authorities, duties and responsibilities, or (iii) the Participant is required to relocate his or her primary place of employment to a new location that is more than sixty (60) miles from its current location, (b) the Participant notifies the Employer of the occurrence of such event within twenty-five (25) days of the initial existence of such event and (c) the Employer does not remedy the event within at least thirty (30) days from date of its receipt of such notification. The Termination Date shall be the thirty-first (31st) day after such notification upon the Employer's failure to remedy the event.

Re-hires. Notwithstanding other provisions in this Plan, any individual who terminates employment with an Employer after the Change in Control for any reason (whether or not any benefits were paid pursuant to this Plan or any other severance plan, or any other post-termination pay severance policy, plan, arrangement or program, including, without limitation an employment contract maintained by the Company or any Affiliated Employer) and who is subsequently re-hired by the Company or an Affiliated Employer shall not be an Employee who is eligible to participate in this Plan and shall not become a Participant in this Plan or otherwise be entitled to any benefits under this Plan after the re-hire date.

## CHANGE IN CONTROL SEVERANCE BENEFITS

Amount of Benefits. (a) A Participant who becomes eligible for benefits under Article 3 shall be eligible to receive a Severance Benefit as follows:

(i) A cash amount equal to 2 Weeks of Pay for each year of Service;

(ii) A cash amount equal to 1 Week of Pay for each ten thousand dollars ($10,000) of annual base salary;

(iii) A cash amount equal to the prorated portion of the Target Bonus the Participant would have earned for the year of his or her termination based upon the period the Participant was employed from the applicable of (x) the date of the Change in Control through the Termination Date, if the termination occurs in the same calendar year

in which the Change in Control occurs, or (y) if the termination occurs after the end of the calendar year of the Change in Control, the period of employment from January 1 of the calendar year of the Participant's termination through the Termination Date; the amount payable under this Section 4.1(a)(iii) is exclusive of and shall not replace any amounts payable to an Employee under the Company's annual cash bonus plan with respect to a Target Bonus or other bonus amount including, without limitation, amounts payable upon a Change in Control or without a termination of employment; and

(iv) If a Participant elects continuation of group health care coverage under the consolidated Omibus Budget Reconciliation Act of 1985, as amended ("COBRA") the Company will pay directly to the insurance provider an amount equal to the Employer-paid portion of the premium for group health coverage as paid for active Employees for a period of twelve (12) months ("COBRA Premium Benefit") to be paid on a monthly basis commencing the first month after the Participant's Termination Date, and thereafter, the Participant may continue COBRA coverage, however, the Participant shall be responsible for the total COBRA premium.

(b) With respect to the total amount of Severance Benefits payable the following shall apply:

(i) the minimum amount payable to a Participant under items 4.1(a)(i) and (ii) collectively will be twelve (12) Weeks of Pay;

(ii) a "Week of Pay" for purposes of this Article 4 will be determined based upon the Employee's last weekly rate of base pay if the Employee is paid on a weekly basis. If the Employee is paid on a biweekly basis, a Week of Pay will be determined based upon the Employee's last biweekly rate of pay divided by two (2). If, however, the Employee is paid on a commissioned or partially commissioned basis, a Week of Pay for such Employee shall be the average weekly pay over the lesser of the Employee's prior twelve (12) months of employment or actual period of employment with the Employer. Notwithstanding the foregoing, a Week of Pay shall in no event be based upon an amount greater than 40 hours of work time. A Week of Pay shall be calculated using the pay from the applicable predecessor Employer prior to a Change in Control to the extent that it is or is part of a Week of Pay based on the time periods calculated in accordance with this paragraph;

(iii) for a partial year of Service the amount payable for such Service will be prorated based upon the actual period of employment in the twelve (12) month period;

(iv) the annual base salary shall be the amount as in effect on the Employee's Termination Date determined in accordance with the Employer's records, and for amounts of annual base salary that are less than ten thousand dollars ($10,000) the amount payable with respect to such amount will be prorated; and

(v) the total cash amounts payable to Participant under items 4.1(a)(i) – (iii) shall be referred to collectively as the "Severance Pay."

Payment of Benefits Under Section 4.1 Subject to Separation and Release Agreement. The Severance Pay shall be paid in a cash lump sum on the regularly scheduled payroll following fifteen (15) days after the Company has received the Participant's executed Separation and Release Agreement, as described below (which has not been revoked in the applicable time period as provided in such agreement), but in no event later then seventy (70) days after the Participant's Termination Date subject to any applicable requirements under Section 8.13. The COBRA Premium shall be paid monthly subject to the Participant's execution of an enforceable Separation and Release Agreement as described herein that has not been revoked within the applicable time period for revocation. Notwithstanding anything herein to the contrary, a Participant's entitlement to and the actual payment of the benefits under Section 4.1 are subject to a Participant's execution and delivery to the Company a Separation and Release Agreement in a form and substance as determined by the Company in its sole discretion within forty-five (45) days of the Participant's termination of employment releasing the Plan Administrator, Plan Sponsor, the Plan fiduciaries, the Company, the Employer, and their parents, subsidiaries, affiliates, divisions partnerships and all of their predecessors, successors and assigns and the shareholders, members, insurers, employee benefit plan or programs and their fiduciaries, partners, and the officers, directors, employees and agents of any of the foregoing from any and all claims and from any and all causes of action of any kind or character including, but not limited to, all claims or causes of action arising out of such Participant's employment with the Employer or the termination of such employment. The performance of the Company's obligations hereunder and the receipt of any benefits provided hereunder by such Participant shall constitute full settlement of all such claims and causes of action.

Withholding Obligation. Any benefits otherwise payable under this Article 4 will be reduced as necessary to satisfy the Company and/or Employer's withholding obligations under any applicable laws or regulations, whether foreign or domestic, imposed by any governmental entities. Additionally, any amounts owed by a Participant to Employer shall be off-set against any benefits otherwise payable under this Article 4.

Funding. All benefits under this plan will be paid by the Employer from its general assets. No specific amount shall be set aside in advance for this purpose.

Other Severance Plans. A Participant under this Plan who is also a "participant" under any of the other severance plan or any other post termination pay severance policy, plan, agreement, arrangement, or program (including without limitation any severance agreement, termination agreement or employment contract) that provides severance-type benefits after a Change in Control maintained by the Company or any Affiliated Employer (collectively, "Other CIC Plan") shall receive the additional amounts of the Severance Benefits under this Plan, if any, to the extent, but only to the extent that they exceed the amount of benefits or the total cash payments provided under such Other CIC Plan, but there shall be no duplication of benefits or payments, and all payments and benefits under this Plan shall be subject to Participant's execution of an enforceable Separation and Release Agreement. In addition, the time and form of payment in such Other CIC Plan shall remain as provided in the Other CIC Plan and shall not be modified by this Plan. This Plan does not replace or supersede any CIC Plan or any other severance agreement or termination agreement provided by an Employer with respect to an Employee that provides severance-type benefits for a termination of employment prior to or after a Change in Control.

No Mitigation. A Participant shall not be required to mitigate the amount of any payment or benefit provided for in this Article 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Article 4 be reduced by any compensation or benefit earned by the Participant as the result of employment by another employer. The benefits under Article 4 of the Plan are in addition to any other benefits to which a Participant is otherwise entitled from the Company, an Affiliated Employer or any of their divisions subsidiaries or affiliates.

## ADMINISTRATION

The Plan Administrator shall serve as named fiduciary until its resignation and the appointment of a successor. The Plan Administrator has authority and sole discretion to interpret and construe the terms of the Plan and to control and manage the operation and administration of this Plan including, but not limited to the power:

To make rules, regulations and bylaws for the administration of the Plan which are not inconsistent with the terms and provisions hereof; provided such rules, regulations and bylaws are evidenced in writing;

To construe all terms, provisions, conditions and limitations of the Plan;

To determine all questions relating to eligibility for participation in the Plan;

To determine the amount, manner and time of any payment of any benefit thereunder;

To maintain records required for proper administration of the Plan; and

To make a determination as to the right of any person to a benefit under the Plan.

- The Plan Administrator, however, may delegate or allocate this responsibility to other persons**.**

## CLAIMS PROCEDURES

Procedure for Granting or Denying Claims. An Employee, or his or her duly authorized representative, may file a claim for benefits under the Plan. Such a claim must be made in writing and be delivered to the Plan Administrator at the address provided in Article IX in person or by mail, postage paid within 60 days after his or her termination of employment. Within 90 days after receipt of a claim for benefits, the Plan Administrator shall notify the claimant of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed 90 days from the end of the initial 90-day period. If such extension is necessary, the claimant will be given a written notice to this effect prior to the expiration of the initial 90-day period, and such written

notice shall set forth the special circumstances requiring the extension and the date by which the Plan expects to render the benefit determination. The Plan Administrator shall have full discretion to deny or grant a claim in whole or in part.

For purposes of calculating the 90 day period, the time period shall begin at the time a claim is filed in accordance with this Article 6, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that the 90 day period is extended, as permitted in the above paragraph, due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

Requirement for Notice of Claim Denial. The Plan Administrator shall provide to every claimant who is denied a claim for benefits a written or electronic notice setting forth in a manner calculated to be understood by the claimant:

the specific reason or reasons for the denial;

specific reference to pertinent Plan provisions on which the denial is based;

a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary; and

an explanation of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review.

Any electronic notification shall comply with the standards imposed by 29 C.F.R. §2520.104b-1(c)(1)(i),(iii), and (iv).

Right to Request Hearing on Claim Denial. Within 60 days after receipt by the claimant of written or electronic notification of the denial (in whole or in part) of his or her claim, the claimant or his or her duly authorized representative may make a written application to the Plan Administrator, in person or by certified mail, postage prepaid, to be afforded a full and fair review of such denial. The claimant or his or her duly authorized representative may submit written comments, documents, records, and other information relating to the claim for benefits. Moreover, the claimant or his or her duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and not protected by any applicable privilege (e.g. the attorney-client privilege).

A document, record, or other information shall be considered relevant to a claim if it:

was relied upon in making the benefit determination;

was submitted, considered, or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; or

demonstrates compliance with the administrative processes and safeguards designed to ensure and to verify that benefit determinations are made in accordance with Plan documents and that Plan provisions have been applied consistently with respect to all claimants.

Disposition of Disputed Claims. Upon receipt of a request for review, the Plan Administrator shall make a prompt decision on the review matter. The review shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision on review shall be made not later than 60 days after the Plan Administrator's receipt of a request for a review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered not later than 120 days after receipt of the request for review. If an extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial 60-day period, and such written notice shall set forth the special circumstances requiring the extension and the date by which the Plan expects to render the benefit determination.

For purposes of calculating the 60 day period, the time period shall begin at the time the request for review is filed in accordance with this Article 6, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that the 60 day period is extended, as permitted in the above paragraph, due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

The Plan Administrator shall provide the claimant with written or electronic notification of the Plan's determination on review. Any electronic notification shall comply with the standards imposed by 29 C.F.R. §2520.104b-1(c)(1)(i),(iii), and (iv). In the case of an adverse determination, the notification shall set forth, in a manner calculated to be understood by the claimant, the specific reason or reasons for the decision as well as specific references to the pertinent Plan provisions on which the decision was based. The notification shall also include a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. Moreover, the decision shall contain a statement of the claimant's right to bring an action under Section 502(a) of ERISA.

Preservation of Other Remedies. Notwithstanding anything to the contrary in the Plan, completion of the claims review procedures described herein shall be a condition precedent to the commencement of any external proceeding in connection with a claim for Plan benefits by a claimant or by any other person or entity claiming rights individually or through a claimant. After exhaustion of the claims procedures provided under this Plan, nothing shall prevent any person from pursuing any other legal or equitable remedy otherwise available.

Judicial Review. The Company and any persons acting in a fiduciary capacity at the direction of the Company shall have the maximum legal discretion to make decisions concerning the administration, operation and interpretation of the Plan including, but not limited to, the provision or denial of benefits, and such decisions shall not be subject to further review unless determined to be an abuse of the Company's discretion.

## AMENDMENT AND TERMINATION OF PLAN

Permanency. Subject to Section 7.2, this Plan is intended to continue until the expiration of twenty-four (24) months after a Change in Control; provided, however, the permanency of this Plan will be subject to the Company's right to amend or terminate the Plan in its sole discretion as provided in Section 7.2.

Employer's Right to Amend or Terminate. The Company reserves the right to amend or terminate this Plan at any time, in whole or in part, by written instrument signed by the President of the Company; provided, however, if a Change in Control of PetroQuest Energy, Inc. has occurred, the Plan may not be terminated or amended in a manner that is adverse to Employees until the expiration of twenty-four (24) months after the Change in Control of PetroQuest Energy, Inc.

Effective Date of Amendment or Termination. Any amendment, discontinuance or termination shall be effective as of the date determined by the Company.

## GENERAL PROVISIONS

Not an Employment Contract. Neither this Plan nor any action taken with respect to it shall confer upon any person the right to continued employment with the Company, the Employer or any Affiliated Employer or any subsidiary or affiliate of the foregoing.

Other Employee Benefit Plans. Except as otherwise expressly provided herein, this Plan shall not affect the benefits an Employee is entitled to receive, if any, under other benefit plans of the Company, the Employer or Affiliated Employer in effect on the Termination Date. Except as otherwise expressly provided herein, the provisions of this Plan shall be construed and applied independently of any other benefit plan the Company, the Employer or an Affiliated Employer may provide to Employees.

Inability to Locate Payee. If the Plan Administrator is unable to make payments to any Participant or other person to whom a payment may be due under the Plan because he or she cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person (including a notice of the payment so due) mailed to the last known address of such Participant or other person (as shown on the records of the Employer), such payment and all subsequent payments which may otherwise be due to such Participant or other person shall be forfeited six (6) months after the date any such payment first may have been due.

Requirement for Proper Forms. All communications in connection with the Plan made by a Participant shall become effective only when duly executed and filed with the Plan Administrator on any forms as may be required and furnished by the Plan Administrator.

Reimbursement of Employer. If any person or entity receives any benefits that are not authorized by this Plan or the relevant provisions of any federal or state statute or regulation, the Employer shall be entitled to reimbursement of such benefits from any person or entity to whom, or for whom, such benefits were paid. If unauthorized benefits were paid to any person or entity as a result of fraud or misrepresentation on behalf of the payee, the Employer shall be entitled to (a) interest on such unauthorized benefits at the highest rate allowable by law, from the date of payment until the date of recovery, and (b) reasonable attorneys' fees and costs for any suit brought to recover unauthorized benefits.

Nonassignability. This Plan, and the rights, interest, and benefits receivable under it may not be assigned, transferred, pledged, sold, conveyed, or encumbered in any way by the Participant and may not be subject to execution, attachment, or similar process. Any attempted sale, conveyance, transfer, assignment, pledge, or encumbrance of any rights, interest, or benefit receivable under this Plan, contrary to the foregoing provisions, or the levy of any attachment or similar process thereupon, shall be null and void and without effect.

Multiple Functions. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

Taxes and Tax Effects. All payments hereunder are subject to all federal, state, local and foreign taxes and tax withholding requirements. None of the Company, Employer, any Affiliated Employer or the Plan Administrator makes any warranty or other representation as to whether any payments made to or on behalf of any Participant hereunder will be treated as excludable from gross income for federal, state, local or foreign income tax purposes or will not be subject to additional taxes, penalties and interest as may be required by applicable law including, without limitation, any such excise tax and interest imposed under Code Section 409A with respect to any amounts payable hereunder. Participants are advised to consult their own tax advisor with respect to the possible tax impact of any payments or benefits under this Plan.

Gender or Number. Masculine pronouns include the feminine as well as the neuter genders, and the singular shall include the plural, unless indicated otherwise by the context.

Headings. The Article and Section headings contained herein are for convenience of reference only, and shall not be construed as defining or limiting the matter contained thereunder.

Governing Law. This Plan, as a severance pay arrangement within the meaning of Section 3(2)(B)(i) of ERISA, is intended to be and shall be administered and maintained as an unfunded welfare benefit plan under Section 3(1) of ERISA. The Plan has been drafted so that its contents and wording will also be a summary plan description (as required and defined by ERISA). To the extent this Plan is not governed by federal law, the provisions of this Plan shall be construed and applied in accordance with the laws of the State of Louisiana. Any action or proceeding shall be held in the state of Louisiana.

Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included in the Plan.

Code Section 409A Compliance. This Plan is intended to comply with Section 409A of the Code so that no excise tax or penalties will apply to the Severance Benefits and any ambiguous provisions will be construed in a manner so that the Plan is compliant with Code Section 409A but only to the extent that it is applicable or so that the Plan is exempt from the application of Section 409A of the Code. If a provision of the Plan would result in the imposition of earlier or additional taxes under Section 409A of the Code, the Company and Participants agree that such provision shall be interpreted or otherwise reformed to avoid imposition of such taxes. No Participant shall have any right to determine the date of the payment of any amount under this Plan. Notwithstanding anything herein to the contrary, for any amounts payable hereunder that are deferred compensation subject to Code Section 409A, any amount payable to a Participant who is a specified employee on account of a Separation from Service will be withheld and will not be paid until the first business day that is six (6) months after the Participant's Separation from Service within the meaning of Code Section 409A. For purposes of Section 409A of the Code, each payment or amount due under this Plan shall be considered a separate payment. To the extent required under Code Section 409A, a "termination of employment" shall mean Participant's "separation from service" as defined in Section 1.409A-1(h) of the Final Treasury Regulations promulgated under Section 409A of the Code, including the default presumptions thereof.

Notwithstanding anything in this Plan to the contrary, the Severance Benefits will be paid as follows: (i) to the extent required by Code Section 409A on the first business day following the date which is six (6) months following a Participant's Termination Date with respect to all or the portion of the Severance Benefit that is subject to Code Section 409A if the Participant is a "specified employee" under Code Section 409A, provided, however, that if the Participant has not executed the Separation and Release Agreement (which has not been revoked in the time period specified in such agreement) prior to this date no Severance Benefits will be paid or payable to such a Participant, or (ii) if the Severance Benefit is subject to the requirements of Code Section 409A, but is not subject to the requirements of clause (i) above, on the first scheduled payroll date following 15 days from Company's receipt of an executed Separation and Release (which has not been revoked in the applicable time period as provided in such agreement) provided that if the period during which the Participant has discretion to execute and revoke the Separation and Release Agreement straddles two calendar years the payment will only be paid in the second calendar year, but in no event later than seventy (70) days after the Participant's Termination Date.

The following rules shall apply to payments of any amounts under this Agreement that are treated as "reimbursement payments" or "in kind payments" that are subject to Section 409A of the Code: (i) the amount of expenses eligible for reimbursement or paid in kind benefits in one calendar year shall not limit the available reimbursements or paid in kind for any other calendar year; (ii) Participant shall file a claim for all reimbursement payments not later than thirty (30) days following the end of the calendar year during which the expenses were incurred, (iii) the Company shall make such reimbursement within thirty (30) days following the date Participant delivers written notice of the expenses to the Company; (iv) Participant's right to such reimbursement payments or in kind benefits shall not be subject to liquidation or exchange for any other payment or benefit; and (v) all reimbursements will be made no later than the end of the calendar year following calendar year of the Participant's Termination Date .

WARN. Notwithstanding the above, the amount of benefit otherwise determined under Section 4.1 shall be reduced by any amount paid to a Participant relating to the Worker Adjustment and Retraining Notification Act ("WARN") or other notice pay obligations required by contract or statute.

## GENERAL PLAN INFORMATION

Plan Name: PetroQuest Energy, Inc. Change in Control Severance Benefit Plan.

Plan Sponsor/Plan Administrator: PetroQuest Energy, Inc. is the Plan Sponsor, 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508. PetroQuest Energy, Inc. is the Plan Administrator and keeps records of the Plan and is responsible for the administration of the Plan. The Plan Administrator will also answer any questions a Participant may have about the Plan. The address of the Plan Administrator and the Plan Sponsor is 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508 and the telephone number is 337-232-7028.

Employer I.D.: 72-1440714

Plan Number: 505

Type of Plan: Employee Welfare Severance Benefit Plan

Plan Year: Calendar year ending December 31

Funding Medium: Program benefits are paid from the general assets of the Company.

Agent for Service for Legal Process:

PetroQuest Energy, Inc.
c/o Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE 19808
800-927-9801

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have to work to get a right to a retirement benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the best interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may request the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court after you have exhausted your administrative remedies. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. This Plan is unfunded and benefits are payable solely out of the general assets of the Company. This Plan is not covered by any termination insurance from the Pension Benefit Guaranty Corporation. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

## Assistance with Your Questions

If you have questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-3272 (or as superseded from time to time).

IN WITNESS WHEREOF, the Company has caused this Plan to be executed in its corporate name this ___ day of _____, 2018.

PETROQUEST ENERGY, INC.

By: _____
Print Name: _____
Title: _____

# TERMINATION AGREEMENT

The TERMINATION AGREEMENT, dated as of _____, 2018 (this "Agreement"), is made and entered into by and between PetroQuest Energy, Inc., a Delaware corporation with its principal office at 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508 (the "Company"), and _____[8] ("Executive").

## R E C I T A L S

A. Company desires to enter into an agreement with Executive whereby severance benefits will be paid to Executive on a change in control of the Company and consequent actual or constructive termination of Executive's employment..

B. This Agreement sets forth the severance benefits which the Company agrees that it will pay to the Executive if Executive's employment with the Company terminates under one of the circumstances described herein following a Change in Control of the Company and supersedes the prior [Amended Termination Agreement between Executive and the Company, dated as of December 31, 2018][9]/[Severance Agreement between Executive and PetroQuest Energy, L.L.C., dated as of August 6, 2015][10] (the "Prior Agreement").

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

1. Term of Agreement. This Agreement shall be effective immediately on the date hereof and shall continue in effect through December 31, 2019; provided, however, that commencing on January 1, 2020 and each January 1 thereafter, the term of this Agreement shall automatically be extended for one additional year unless not later than September 30 of the preceding year, the Company shall have given notice that it does not wish to extend this Agreement; provided, further, that notwithstanding any such notice by the Company not to extend, this Agreement shall automatically be extended for 24 months beyond the term provided herein if a Change in Control, as defined in Section 3 of this Agreement, has occurred during the term of this Agreement.

2. Effect on Employment Rights. This Agreement is not part of any employment agreement that the Company and Executive may have entered. Nothing in this Agreement shall confer upon Executive any right to continue in the employ of the Company or interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate for any reason, with or without Cause (as defined below).

Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control of the Company (as defined below), Executive will remain in the employ of the Company during the pendency of any such potential change in control and for a period of one year after the occurrence of an actual Change in Control. For this purpose, a

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[8] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III, Stephen H. Green and Edgar Anderson.
[9] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III and Stephen H. Green.
[10] NTD: Edgar Anderson.

"Potential Change in Control of the Company" shall be deemed to have occurred if (a) the Company enters into an agreement the consummation of which would result in the occurrence of a Change in Control, (b) any person (including the Company) publicly announces an intention to take or consider taking action which if consummated would constitute a Change in Control or (c) the Board of Directors of the Company (the "Board") adopts a resolution to the effect that a potential change in control of the Company has occurred.

3. Change in Control. For purposes of this Agreement, a "Change in Control" of the Company shall be deemed to have occurred if any of the events set forth in any one of the following paragraphs shall occur:

(a) any "person" (as defined in section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as such term is modified in sections 13(d) and 14(d) of the Exchange Act), excluding the Company or any of its subsidiaries, a trustee or any fiduciary holding securities under an employee benefit plan of the Company of any of its subsidiaries, an underwriter temporarily holding securities pursuant to an offering of such securities or a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(b) during any period of not more than two consecutive years, individuals who at the beginning of much period constitute the Board and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c) or (d) of this paragraph) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the consummation of a merger or consolidation of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holder of securities under an employee benefit plan of the Company, at least 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50% of the combined voting power of the Company's then outstanding securities; or

(d) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

Notwithstanding the foregoing and for the avoidance of doubt, no Change in Control will be deemed to occur (i) if there is consummated any transaction or series of integrated transactions immediately following which, in the judgment of the Compensation Committee of the Board, the holders of the Company's Common Stock immediately prior to such transaction or series of transactions continue to have the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately prior to such transaction or series of transactions; and (ii) under paragraphs (a), (b), (c) and (d) of this Section 3 with respect to any of the following transactions: (A) any restructuring of the Company under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"); (B) any liquidation of the Company under Chapter 7 of the Bankruptcy Code; (C) any other reorganization or restructuring of the Company while the 10% Second Lien Senior Secured PIK Notes due 2023 issued pursuant to that certain Indenture dated as of the date hereof (as amended or supplemented from time to time) among the Company, the guarantors party thereto, and Wilmington Trust, National Association as the Trustee and Collateral Trustee (the "Notes") remain outstanding; or (D) due to the acquisition of additional voting securities of the Company by investment funds, financing vehicles or discretionary accounts for which Mackay Shields LLC or Corre Partners Management LLC has the power to vote, or to direct the voting of, such voting securities, and/or the power to dispose, or to direct the disposition of, such voting securities following the restructuring of PetroQuest Energy, Inc. and certain of its affiliates under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (Case No. [-]) while the Notes remain outstanding.

4. Termination of Employment Following a Change in Control. Executive shall be entitled to the benefits provided in Section 5 hereof upon the subsequent termination of Executive's employment by the Company within two (2) years after a Change in Control which occurs during the term of this Agreement, provided such termination is (a) by the Company other than for Cause, or (b) by Executive for Good Reason, as defined below. Executive shall not be entitled to the benefits of Section 5, any other provision hereof to the contrary notwithstanding, if Executive's employment terminates: (i) pursuant to Executive retiring at age 65, (ii) by reason of Executive's total and permanent disability, or (iii) by reason of Executive's death. As used herein, "total and permanent disability" means a condition which prevents Executive from performing to a significant degree the essential duties of his or her position and is expected to be of long-term duration or result in death. A determination of total and permanent disability must be based on competent medical evidence.

(a) Cause.

(i) *Definition*. Termination by the Company of Executive's employment for "Cause" shall mean termination upon Executive's willful engaging in misconduct which is demonstrably and materially injurious to the Company and its subsidiaries taken as a whole. No act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of the Company or its subsidiaries. Notwithstanding the foregoing, Executive shall not be deemed to have been

terminated for Cause unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose of making a determination of whether Cause for termination exists (after reasonable notice to Executive and an opportunity for Executive to be heard before the Board), finding that in the good faith opinion of the Board Executive was guilty of misconduct as set forth above in this subsection 4(a)(i) and specifying the particulars thereof in detail.

(ii) *Remedy by Executive*. If the Company gives Executive a Notice of Termination which states that the basis for terminating Executive's employment is Cause, Executive shall have ten days after receipt of such Notice to remedy the facts and circumstances which provided Cause. The Board (or any duly authorized Committee thereof) shall make a good faith reasonable determination immediately after such ten-day period whether such facts and circumstances have been remedied and shall communicate such determination in writing to Executive. If the Board determines that an adequate remedy has not occurred, then the initial Notice of Termination shall remain in effect.

(b) Good Reason. After a Change in Control, Executive may terminate employment with the Company at any time during the term of this Agreement if Executive has made a good faith reasonable determination that Good Reason exists for this termination.

(i) *Definition*. For purposes of this Agreement, "Good Reason" shall mean any of the following actions, if taken without the express written consent of Executive:

A. any material change by the Company in Executive's functions, duties, or responsibilities which change would cause Executive's position with the Company to become of less dignity, responsibility, importance, or scope from the position and attributes that applied to Executive immediately prior to the Change in Control;

B. any significant reduction in Executive's base salary, other than a reduction effected as part of an across-the-board reduction affecting all executive employees of the Company;

C. any material failure by the Company to comply with any of the provisions of this Agreement (or of any employment agreement between the parties);

D. the Company's requiring Executive to be based at any office or location more than 45 miles from the home at which the Executive resides on the date immediately preceding the Change in Control, except for travel reasonably required in the performance of

Executive's responsibilities and commensurate with the amount of travel required of Executive prior to the Change in Control; or

E. any failure by the Company to obtain the express assumption of this Agreement by any successor or assign of the Company.

Executive's right to terminate employment for Good Reason pursuant to this subsection 4(b)(i) shall not be affected by Executive's incapacity due to physical or mental illness.

(ii) *Remedy by Company*. If Executive gives the Company a Notice of Termination which states that the basis for Executive's termination of employment is Good Reason, the Company shall have ten days after receipt of such Notice to remedy the facts and circumstances which provided Good Reason. Executive shall make a good faith reasonable determination immediately after such ten-day period whether such facts and circumstances have been remedied and shall communicate such determination in writing to the Company. If Executive determines that adequate remedy has not occurred, then the initial Notice of Termination shall remain in effect.

(iii) *Determination by Executive Presumed Correct.* Any determination by Executive pursuant to this Section 4(b) that Good Reason exists for Executive's termination of employment and that adequate remedy has not occurred shall be presumed correct and shall govern unless the party contesting the determination shows by a clear preponderance of the evidence that it was not a good faith reasonable determination.

(iv) *Severance Payment Made Notwithstanding Dispute.* Notwithstanding any dispute concerning whether Good Reason exists for termination of employment or whether adequate remedy has occurred, the Company shall immediately pay to Executive, as specified in Section 5, any amounts otherwise due under this Agreement.

(c) Notice of Termination. Any termination of Executive's employment by the Company or by Executive hereunder shall be communicated by a Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provisions in this Agreement relied upon any which sets forth (i) in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (ii) the date of Executive's termination of employment, which shall be no earlier than 10 days after such Notice is received by the other party. Any purported termination of the Executive's employment by the Company which is not effected pursuant to a Notice of Termination satisfying the requirements of this Agreement shall not be effective. In the case of a termination for Cause, the Notice of Termination shall also satisfy the requirements set forth in Section 4(a)(i).

5. Severance Payment Upon Termination of Employment. If Executive's employment with the Company is terminated during the term of this Agreement and after a Change in Control (a) by the Company other than for Cause, or (b) by Executive for Good Reason, then Executive shall be entitled to the following:

(a) Lump-Sum Severance Payment. In lieu of any further salary payments to the Executive for periods subsequent to the date of termination, the Company shall pay to the Executive a lump sum severance payment, in cash, equal to two (2) times the sum of (a) the Executive's annual base salary in effect on date of termination and (b) the Executive's most recent annual bonus. If the most recent Annual Bonus was an equity award, the value of the bonus will be deemed to be the fair market value of the equity securities constituting such award immediately prior to termination as reasonably determined by the Compensation Committee of the Board in accordance with the award agreement or plan governing the equity award.

(b) Continued Benefits. For a twenty-four (24) month period after the date of termination, the Company shall continue to pay the Company portion of any premiums and otherwise provide the Executive with life insurance, health, disability and other welfare benefits ("Welfare Benefits") substantially similar in all respects to those which the Executive is receiving immediately prior to the Notice of Termination in accordance with the Company's normal payroll practices (without giving effect to any reduction in such benefits subsequent to the Potential Change in Control of the Company preceding the Change in Control or the Change in Control which reduction constitutes or may constitute Good Reason). With respect to benefits set forth in this subsection (b), all insurance premium and/or benefit payments by the Company, to the extent possible, shall be made so as to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended and the rules, notices and regulations thereunder (the "Code"), and for the purposes thereof, each payment shall be treated as a separate payment under Code Section 409A. Benefits otherwise receivable by an Executive pursuant to this Section shall be reduced to the extent substantially similar benefits are actually received by or made available to the Executive by any other employer during the same time period for which such benefits would be provided pursuant to this Section at a cost to the Executive that is commensurate with the cost incurred by the Executive immediately prior to the Executive's date of termination (without giving effect to any increase in costs paid by the Executive after the Potential Change in Control of the Company preceding the Change in Control or the Change in Control which constitutes or may constitute Good Reason); provided, however, that if the Executive becomes employed by a new employer which maintains a medical plan that either (i) does not cover the Executive or a family member or dependent with respect to a preexisting condition which was covered under the applicable Company medical plan, or (ii) does not cover the Executive or a family member or dependent for a designated waiting period, the Executive's coverage under the applicable Company medical plan shall continue (but shall be limited in the event of noncoverage due to a preexisting condition, to such preexisting condition) until the earlier of the end of the applicable period of noncoverage under the new employer's plan or the second anniversary of the Executive's date of termination. The Executive agrees to report to the Company any coverage and benefits actually received by the Executive or made available to the Executive from such other employer(s). The Executive shall be

entitled to elect to change his level of coverage and/or his choice of coverage options (such as Executive only or family medical coverage) with respect to the Welfare Benefits to be provided by the Company to the Executive to the same extent that actively employed senior executives of the Company are permitted to make such changes; provided, however, that in the event of any such changes the Executive shall pay the amount of any cost increase that would actually be paid by an actively employed executive of the Company by reason of making the same change in his level of coverage or coverage options. With respect to any benefits that are for medical, dental or vision expenses under a self-insured plan, the Executive shall pay the premiums for such coverage and the Company shall reimburse the Executive for the Company portion of the cost of such premiums by the 15th day of the month following the month such premiums are paid by the Executive. After the group health benefits provided hereunder have expired, the Executive and his dependents shall be eligible to elect continuation of health insurance coverage under COBRA and shall be responsible for the applicable premiums under COBRA. With respect to any premiums or amounts payable under this Section, to the extent that such amounts are taxable and not otherwise exempt from deferred compensation under Code Section 409A, the Executive shall pay the premiums or expenses, the Company shall promptly reimburse Executive for such amounts and the Company's reimbursement payments shall be subject to the following: (i) all amounts to be paid under this paragraph and that are includable in Executive's income shall only be paid if such premiums or expenses are incurred during the two (2) year period after the Termination Date; (ii) any amount reimbursable or paid in one tax year shall not affect the amount to be reimbursed or paid in another tax year; (iii) if Executive is reimbursed for any premiums or expenses hereunder, he must provide the Company with reasonable documentation of such premiums or expenses; (iv) payments for such premiums or expenses will be made in cash promptly after the expenses are incurred but in no event later than the end of Executive's taxable year following the tax year in which the expenses are incurred; and (v) the payments under this paragraph cannot be substituted for another benefit.

(c) Gross-Up Payment. In the event that the Executive becomes entitled to the severance benefits described in Sections 5(a) and 5(b) or any other benefits or payments under this Agreement or any other agreement, plan, instrument or obligation in whatever form of the Company or its subsidiaries or affiliates (other than pursuant to this Section) including by reason of the accelerated vesting of equity awards or thereunder (together, the "Total Benefits"), and in the event that any of the Total Benefits will be subject to the excise tax under Code Section 4999, including interest, penalties or other excise tax thereon (the "Excise Tax"), then either (i) the amount of the Total Benefits shall be reduced if the Executive would retain a greater after-tax amount by virtue of such reduction than the Executive would retain if the Excise Tax were imposed (the "Reduction Scenario") or (ii) if the Reduction Scenario does not apply because the Executive would not retain a greater amount under the Reduction Scenario, the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Benefits and any federal, state and local income tax, Excise Tax and FICA and Medicare withholding taxes upon the payment provided for by this Section, shall be equal to the Total Benefits.

For purposes of determining whether any of the Total Benefits will be subject to the Excise Tax and the amount of such Excise Tax, (i) any other payments or benefits received or to be received by the Executive in connection with a Change in Control or the Executive's termination of employment (whether pursuant to the terms of this Agreement or any other agreement, plan or arrangement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning the Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel ("Tax Counsel") selected by the Company's independent auditors and acceptable to the Executive, such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the Base Amount (as defined in the Code), or are otherwise not subject to the Excise Tax, (ii) the amount of the Total Benefits which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Total Benefits reduced by the amount of such Total Benefits that in the opinion of Tax Counsel are not parachute payments, or (B) the amount of excess parachute payments within the meaning of Section 280G(b)(1) (after applying clause (i), above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the date of termination, net of the reduction in federal income taxes which could be obtained from deduction of such state and local taxes (calculated by assuming that any reduction under Section 68 of the Code in the amount of itemized deductions allowable to the Executive applies first to reduce the amount of such state and local income taxes that would otherwise be deductible by the Executive).

(d) Timing of Payments. The payments provided for in Sections 5(a) and 5(c) shall be made not later than the fifth (5th) day following the date of termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (the "Underpayment") as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the date of termination, and if it is determined there is an Underpayment in any tax audit or proceeding under Code Section 4999, such Underpayment amount shall be paid within 5 days after the conclusion of such tax audit or proceeding under Code Section 4999. Notwithstanding anything to the contrary in the foregoing provisions of this Section 5(d), in no event shall payment of any Gross-Up Payment and any Underpayment be made later than December 31 of the year next following the year in which the Excise Tax is remitted to the taxing authority. Reimbursement of any costs or expenses incurred by the Executive due to a tax audit or litigation related to "parachute payments," "excess

parachute payments," Excise Tax or the Gross-Up Payments or other payments in Section 5(c) and Section 6 below shall be made by December 31 of the year following the year in which the taxes that are the subject of the audit or litigation are remitted to the taxing authority, or where as a result of such audit or litigation no taxes are remitted, by December 31 of the year following the year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation. The Executive's right to payment or reimbursement pursuant to Section 5(c) or (d) shall not be subject to liquidation or exchange for any other benefit.

(e) Specified Employee Status. In the event that, as of the date of Executive's "Separation from Service," as defined in Treasury Regulation Section 1.409A-1(h), Executive is a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), to the extent that any of the payments under this Agreement payable on account of a Separation from Service, including without limitation, any payments in Sections 5 and 6 are subject to, and not exempt from, Code Section 409A, such amounts shall be paid not earlier than (1) six months after the date of the Executive's Separation from Service within the meaning of Code Section 409A, or (2) the date of Executive's death, as required in accordance with Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-3(i)(2) ("Waiting Period"); any payments withheld during the Waiting Period will be paid in a lump sum amount on the first business day of the seventh month following the Executive's Separation from Service and payments thereafter shall be otherwise paid as provided herein.

(f) Termination of Employment. For the purposes of Code Section 409A, to the extent any payment under this Agreement is deferred compensation subject to and not exempt from Code Section 409A, Executive's termination and termination date from the Company shall mean a Separation from Service within the meaning of Code Section 409A.

6. Reimbursement of Legal Costs. The Company shall pay to the Executive all legal fees and expenses incurred by the Executive as a result of a termination which entitles the Executive to any payments under this Agreement including all such fees and expenses, if any, incurred in contesting or disputing any Notice of Termination under Section 4(a) hereof or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit provide hereunder. Such payments shall be made within five (5) business days after delivery of the Executive's respective written requests for payment accompanied by such evidence of fees and expenses incurred as the Company reasonably may require.

Notwithstanding the foregoing, to the extent that Code Section 409A is applicable to the expenses under this Section 6 as deferred compensation, to the extent that no exception under Code Section 409A is applicable the following shall apply (and to the extent such expenses are not reimbursements for tax audit or litigation expenses which are subject to the reimbursement provisions of Section 5(d)): (a) all expenses to be paid under this Section 6 and that are taxable and includable in Executive's income shall only be paid for a period not to exceed 25 years from the Executive's Separation from Service; (b) any amount reimbursable or paid in one tax year

shall not affect the amount to be reimbursed or paid in another tax year; (c) the Executive must provide the Company with reasonable documentation of such expenses; (d) payments for such expenses will be made in cash within 30 days after the reasonable documentation of the expenses incurred is provided but in no event later than the end of Executive's taxable year following the Executive's tax year in which the expenses are incurred; and (e) the payments under this Section 6 cannot be substituted for another benefit.

7. Damages. Executive shall not be required to mitigate damages with respect to the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided under this Agreement be reduced by retirement benefits, deferred compensation or any compensation earned by Executive as a result of employment by another employer.

8. Successor to Company. The Company shall require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assign to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

9. Heirs of Executive. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to Executive hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be so much designee, to Executive's estate.

10. Arbitration. Any dispute, controversy or claim arising under or in connection with this Agreement, or the breach thereof, shall be settled exclusively by arbitration in accordance with the Rules of the American Arbitration Association then in effect. Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Any arbitration held pursuant to this Section in connection with Executive's termination of employment shall take place in Houston, Texas at the earliest possible date. If any proceeding is necessary to enforce or interpret the terms of this Agreement, or to recover damages for breach thereof, the prevailing party shall be entitled to reasonable attorneys' fees and necessary costs and disbursements, not to exceed in the aggregate one percent (1%) of the net worth of the other party, in addition to any other relief to which he or it may be entitled. All such expenses shall be paid only if incurred prior to the last day of the second calendar year following the calendar year in which the Executive's Separation from Service occurs.

11. Notice. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given

when delivered by messenger or in person, or when mailed by United States registered mail, return receipt requested, postage prepaid, as follows:

If to the Company: 400 E. Kaliste Saloom Road
Suite 6000
Lafayette, Louisiana 70508
Attention: President

If to the Executive: 400 E. Kaliste Saloom Road
Suite 6000
Lafayette, Louisiana 70508

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12. General Provisions.

(a) Executive's rights and obligations under this Agreement shall not be transferable by assignment or otherwise, nor shall Executive's rights be subject to encumbrance or subject to the claims of the Company's creditors. Nothing in this Agreement shall prevent the consolidation of the Company with, or its merger into, any other corporation, or the sale by the Company of all or substantially all of its properties or assets; and this Agreement shall inure to the benefit of, be binding upon and be enforceable by, any successor surviving or resulting corporation, or other entity to which such assets shall be transferred. This Agreement shall not be terminated by the voluntary or involuntary dissolution of the Company.

(b) This Agreement and any employment agreement with Executive plus terms of any equity grants constitutes the entire agreement between the parties hereto in respect to the rights and obligations of the parties following a Change in Control. This Agreement supersedes and replaces the Prior Agreement and all prior oral and written agreements, understandings, commitments, and practices between the parties (whether or not fully performed by Executive prior to the date hereof), which shall be of no further force or effect.

(c) The provisions of this Agreement shall be regarded as divisible, and if any of said provisions or any part thereof are declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remainder of such provisions or parts thereof and the applicability thereof shall not be affected thereby.

(d) This Agreement may not be amended or modified except by a written instrument executed by the Company and Executive.

(e) This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Lousiana.

13. Code Section 409A. This Agreement shall be interpreted in accordance with the applicable requirements of, and exemptions from, Section 409A of the Code and the Treasury Regulations thereunder.

14. No Guarantee of Tax Consequences. None of the Company, its Affiliates or any of their officers, directors, employees or agents are responsible for or guarantee the tax consequences to Executive with respect to any payments or benefits provided under this Agreement including, without limitation, any excise tax, interest or penalties that may be imposed under Code Section 409A.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PetroQuest Energy, Inc.,
a Delaware Corporation

_____
[Name]
[Name]

Executive

_____
[Name][11]

[11] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III, Stephen H. Green and Edgar Anderson.

# EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "Agreement") is made and entered into effective as of [_____], 2018 (the "Effective Date"), between PetroQuest Energy, Inc., a Delaware corporation having its principal executive office at 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508 (the "Company"), and [_____][12] (the "Employee")

W I T N E S E T H:

WHEREAS, [an amended executive employment agreement was made and entered into effective as of December 31, 2008, between the Company and the Employee][13]/[an employment agreement was made and entered into effective as of August 6, 2015, between PetroQuest Energy, L.L.C. and the Employee][14] (the "Prior Agreement");

WHEREAS, the Company and the Employee desire to enter into an new employment agreement in connection with the restructuring of the Company contemplated by the Restructuring Support Agreement dated as of [_____], 2018.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Employee hereby agree as follows:

**1. Certain Definitions. As used in this Agreement, the following terms have the meanings prescribed below:**

Affiliate is used in this Agreement to define a relationship to a person or entity and means a person or entity who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity.

Annual Bonus shall have the meaning assigned thereto in Section 4.2 hereof.

Base Salary shall have the meaning assigned thereto in Section 4.1 hereof.

Cause shall have the meaning assigned thereto in Section 5.3 hereof.

Code shall mean the Internal Revenue Code of 1986, as amended, and the applicable rules, notices and regulations thereunder, as amended from time to time.

Common Stock means the Company's common stock, par value $.001 per share.

Company means PetroQuest Energy, Inc., a Delaware corporation, the principal executive office of which is located at 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508.

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[12] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III, Stephen H. Green and Edgar Anderson.
[13] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III and Stephen H. Green.
[14] NTD: Edgar Anderson.

Confidential Information shall have the meaning assigned thereto in Section 8.2 hereof.

Date of Termination means the earliest to occur of (i) the date of the Employee's death, (ii) the date on which the Employee terminates this Agreement and his employment for any reason or (iii) the date of receipt of the Notice of Termination, or such later date as may be prescribed in the Notice of Termination in accordance with Section 5.5 hereof; provided, however, notwithstanding anything herein to the contrary, for the purposes of Code Section 409A, with respect to any amounts payable hereunder that are deferred compensation subject to Code Section 409A or that are intended to be exempt from Code Section 409A that require Employee's termination, the Employee's termination shall mean a "Separation from Service" within the meaning of Code Section 409A.

Disability means an illness or other disability which prevents the Employee from discharging his responsibilities under this Agreement for a period of 180 consecutive calendar days, or an aggregate of 180 calendar days in any calendar year, during the Employment Period, all as determined in good faith by the Board of Directors of the Company (or a committee thereof).

Employee means [_____][15]whose business address is 400 E. Kaliste Saloom Road, Suite 6000, Lafayette, Louisiana 70508.

Employment Period means the period from the Effective Date through the Date of Termination.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder, all as in effect from time to time during the Employment Period.

Notice of Termination shall have the meaning assigned thereto in Section 5.5 hereof.

Termination Agreement means the Termination Agreement dated as of the date hereof, between the Company and the Employee, as amended from time to time.

Voting Stock means all outstanding shares of capital stock of the Company entitled to vote generally in an election of directors; provided, however, that if the Company has shares of Voting Stock entitled to more or less than one vote per share, each reference to a proportion of the issued and outstanding shares of Voting Stock shall be deemed to refer to the proportion of the aggregate votes entitled to be cast by the issued and outstanding shares of Voting Stock.

Without Cause shall have the meaning assigned thereto in Section 5.4 hereof.

## 2. General Duties of Company and Employee.

2.1 The Company agrees to employ the Employee, and the Employee agrees to accept employment by the Company and to serve the Company as [_____][16][, and shall also serve

[15] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III, Stephen H. Green and Edgar Anderson.

as a director of the Company][17]. The authority, duties and responsibilities of the Employee shall be consistent with those of executive officers in a public company with a similar title, and such other or additional duties as may from time to time be assigned to the Employee by the Board of Directors (or a committee thereof) and agreed to by the Employee. While employed hereunder, the Employee shall devote his full time and attention during normal business hours to the affairs of the Company and use his best efforts to perform faithfully and efficiently his duties and responsibilities. The Employee may (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's duties and responsibilities.

2.2 The Employee agrees and acknowledges that he owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Company and to do no act and to make no statement, oral or written, which would injure Company's business, its interests or its reputation.

2.3 The Employee agrees to comply at all times during the Employment Period with all applicable policies, rules and regulations of the Company, including, without limitation, the Company's code of ethics and the Company's policy regarding trading in the Common Stock, as each is in effect from time to time during the Employment Period.

**3. Term. Unless sooner terminated pursuant to other provisions hereof, the Employee's period of employment under this Agreement shall be a period of one year beginning on the Effective Date; which shall be automatically renewed for successive one-year terms on each anniversary of the Effective Date, unless either party provides the other with at least 60 days advance written notice of non-renewal.**

**4. Compensation and Benefits.**

4.1 Base Salary. As compensation for services to the Company, the Company shall pay to the Employee until the Date of Termination an annual base salary of $[_____][18], including any increases thereon from time to time (the "Base Salary"). The Board of Directors (or a committee thereof), in its discretion, may increase the Base Salary based upon relevant circumstances. The Base Salary shall be payable in equal semi-monthly installments or in accordance with the Company's established policy, subject only to such payroll and withholding deductions as may be required by law and other deductions applied generally to employees of the Company for insurance and other employee benefit plans.

4.2 Bonus. In addition to the Base Salary, the Employee may be awarded, for each fiscal year until the Date of Termination, an annual bonus (either pursuant to a bonus or incentive plan or program of the Company or otherwise) in an amount to be determined by the

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[16] NTD: Mr. Goodson: President and Chief Executive Officer; Mr. Clement: Executive Vice President, Chief Financial Officer and Treasurer; Mr. Mixon: Executive Vice President – Exploration and Production; Mr. Green: Senior Vice President – Exploration; and Mr. Anderson: Vice President of the ArkLaTex Region.

[17] NTD: Mr. Goodson only.

[18] NTD: Current salaries - Mr. Goodson: $668,367; Mr. Clement: $394,747; Mr. Mixon: $394,747; Mr. Green: $287,397.76; and Mr. Anderson $296,309.

Board of Directors (or a committee thereof), in its sole discretion (the "Annual Bonus"). Each such Annual Bonus shall be payable at a time to be determined by the Board of Directors (or a committee thereof) in its sole discretion.

4.3 Incentive, Savings and Retirement Plans. Until the Date of Termination, the Employee shall be eligible to participate in and shall receive all benefits under all executive incentive, savings and retirement plans (including 401(k) plans) and programs currently maintained or hereinafter established by the Company for the benefit of its executive officers and/or employees.

4.4 Welfare Benefit Plan. Until the Date of Termination, the Employee and/or the Employee's family, as the case may be, shall be eligible to participate in and shall receive all benefits under each welfare benefit plan of the Company currently maintained or hereinafter established by the Company for the benefit of its employees. Such welfare benefit plans may include, without limitation, medical, dental, disability, group life, accidental death and travel accident insurance plans and programs.

4.5 Reimbursement of Expenses. The Employee may from time to time until the Date of Termination incur various business expenses customarily incurred by persons holding positions of like responsibility, including, without limitation, travel, entertainment and similar expenses incurred for the benefit of the Company, and will receive a Company credit card for use for such expenses. Subject to the Company's policy regarding the reimbursement of such expenses as in effect from time to time during the Employment Period, which does not necessarily allow reimbursement of all such expenses, the Company shall reimburse the Employee for such expenses from time to time, at the Employee's request, and the Employee shall account to the Company for all such expenses by providing reasonable written documentation thereof to the Company and all such expenses shall be paid promptly, but in no event, later than 2½ months after the end of Employee's tax year in which such expenses were incurred.

4.6 Life Insurance. The Company shall provide to the Employee life insurance on terms that are mutually agreeable to the Company and the Employee.

4.7 Relocation. The Company and the Employee agree that if the Employee is asked to relocate from Lafayette, Louisiana to Houston, Texas, the Company will provide to Employee reimbursement for out of pocket moving expenses incurred in connection with such move, and it will also reimburse the Employee for any loss incurred by the Employee on the sale of his personal residence in Lafayette, Louisiana, with such loss being calculated on the basis of the difference between the Employee's actual costs less the net sales price.

## 5. Termination.

5.1 Death. This Agreement shall terminate automatically upon the death of the Employee.

5.2 Disability. The Company may terminate this Agreement and Employee's employment, upon written notice to the Employee delivered in accordance with Sections 5.5 and 12.1 hereof, upon the Disability of the Employee.

5.3 Cause. The Company may terminate this Agreement and Employee's employment, upon written notice to the Employee delivered in accordance with Sections 5.5 and 12.1 hereof, for Cause. For purposes of this Agreement, "Cause" means (i) the conviction of the Employee of a felony (which, through lapse of time or otherwise, is not subject to appeal), (ii) the Employee's willful refusal, without proper legal cause, to perform his duties and responsibilities as contemplated in this Agreement or (iii) the Employee's willful engaging in activities which would (A) constitute a breach of any term of this Agreement, the Company's code of ethics, the Company's policies regarding trading in the Common Stock or reimbursement of business expenses or any other applicable policies, rules or regulations of the Company, or (B) result in a material injury to the business, condition (financial or otherwise), results of operations or prospects of the Company or its Affiliates (as determined in good faith by the Board of Directors of the Company or a committee thereof).

5.4 Without Cause. The Company may terminate this Agreement Without Cause and Employee's employment, upon written notice to the Employee delivered in accordance with Sections 5.5 and 12.1 hereof. For purposes of this Agreement, the Employee will be deemed to have been terminated "Without Cause" if the Employee is terminated by the Company for any reason (including by the Company issuing a notice of non-renewal in accordance with Section 3 thereof) other than Cause, Disability or death.

5.5 Notice of Termination. Any termination of this Agreement and Employee's employment by the Company for Cause, Without Cause or as a result of the Employee's Disability shall be communicated by Notice of Termination to the Employee given in accordance with this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) specifies the termination date, if such date is other than the date of receipt of such notice (which termination date shall not be more than 15 days after the giving of such notice).

**6. Obligations of Company upon Termination.**

6.1 Cause or by Employee. If this Agreement shall be terminated either by the Company for Cause or by the Employee for any reason, the Company shall pay to the Employee, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the Employee's Base Salary (as in effect on the Date of Termination) through the Date of Termination, if not theretofore paid, and, in the case of compensation previously deferred by the Employee, all amounts of such compensation previously deferred shall be paid in accordance with the plan documents governing such deferrals. All other obligations of the Company and rights of the Employee hereunder shall terminate effective as of the Date of Termination.

6.2 Death or Disability.

(a) Subject to the provisions of this Section 6.2, if this Agreement is terminated as a result of the Employee's death or Employee's termination in connection with a Disability, the Company shall pay to the Employee or his estate, in equal semi-monthly installments, the Employee's Base Salary (as in effect on the Date of

Termination) for 12 months after such Date of Termination. The Company may purchase insurance (which shall be owned by the Company) to cover all or any part of the obligation contemplated in the foregoing sentence, and the Employee agrees to submit to a physical examination to facilitate the procurement of such insurance.

(b) Whenever compensation is payable to the Employee hereunder during a period in which he is partially or totally disabled, and such Disability would (except for the provisions hereof) entitle the Employee to Disability income or salary continuation payments from the Company according to the terms of any plan or program presently maintained or hereafter established by the Company but prior to Employee's Disability that is a bona fide disability plan under Treasury Regulation 1.409A-1(a)(5), the Disability income or salary continuation paid to the Employee pursuant to any such plan or program shall be considered a portion of the payment to be made to the Employee pursuant to this Section 6.2 and shall not be in addition hereto. If Disability income is payable directly to the Employee by an insurance company under the terms of an insurance policy paid for by the Company that is a bona fide disability plan under Treasury Regulation 1.409A-1(a)(5), the amounts paid to the Employee by such insurance company shall be considered a portion of the payment to be made to the Employee pursuant to this Section 6.2 and shall not be in addition hereto.

6.3 Without Cause. If this Agreement shall be terminated by the Company Without Cause:

(a) the Company shall pay to the Employee, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the following amounts:

(1) if not theretofore paid, the Employee's Base Salary (as in effect on the Date of Termination) through the Date of Termination; and

(2) in the case of compensation previously deferred by the Employee, all amounts of such compensation previously deferred and not yet paid by the Company shall be paid in accordance with the plan documents governing such deferrals;

(b) the Company shall, promptly upon submission by the Employee of supporting documentation, pay or reimburse to the Employee any costs and expenses (including moving and relocation expenses) paid or incurred by the Employee which would have been payable under Section 4.5 of this Agreement if the Employee's employment had not terminated, to be paid no later than 2½ months after the end of the calendar year in which such expenses were incurred; and

(c) subject to satisfaction of the Release Requirement under Section 6.6, for the 12-month period commencing on the Date of Termination, the Company shall pay the Company portion of any premiums and shall otherwise continue benefits to the Employee and/or the Employee's family in accordance with the Company's normal payroll practices at least equal to those which would have been provided to them under Section 4.4 if the Employee's employment had not been terminated. With respect to benefits set

forth in this subsection (c), to the extent possible, all insurance premium and/or benefit payments by the Company shall be made so as to be exempt from Code Section 409A, and for the purposes thereof, each payment shall be treated as a separate payment under Code Section 409A. Notwithstanding the foregoing, with respect to any benefits that are for medical, dental or vision expenses under a self-insured plan, the Employee shall pay the premiums for such coverage and the Company shall reimburse the Employee for the Company portion of the cost of such premiums by the 15th day of the month following the month such premiums are paid by the Employee. After the group health benefits hereunder have expired, the Employee and his dependents shall be eligible to elect continuation of health insurance coverage under COBRA and shall be responsible for the applicable premiums under COBRA. With respect to any other premiums or amounts payable under this Section 6.3(c), to the extent that such amounts are taxable and not otherwise exempt from deferred compensation under Code Section 409A, the Employee shall pay the premiums for such coverage and the Company shall promptly reimburse the Employee upon Employee's submission of reasonable documentation of such premiums, and the Company's payment of such reimbursements or any other benefits under this Section 6.3(c) shall be subject to the following: (i) all amounts to be paid under this paragraph and that are includable in Employee's income shall only be paid if such expenses are incurred during the 2 year period after the Termination Date; (ii) any amount reimbursable or paid in one tax year shall not affect the amount to be reimbursed or paid in another tax year; (iii) if Employee is reimbursed for any expenses hereunder, he must provide the Company with reasonable documentation of such expenses; (iv) payments for such expenses will be made in cash promptly after the expenses are incurred but in no event later than the end of Employee's taxable year following the tax year in which the expenses are incurred; and (v) the payments under this paragraph cannot be substituted for another benefit.

(d) subject to satisfaction of the Release Requirement under Section 6.6, the Company shall pay to the Employee, in equal semi-monthly installments, the Employee's Base Salary (as in effect on the Date of Termination) for 12 months after the Date of Termination, with the first payment commencing on the 60th day following the Date of Termination (the "Release Delay") and with such first payment including the amounts that would have been previously paid but for the Release Delay.

6.4 Termination of Employment Following a Change in Control. Notwithstanding the provisions of Section 6.3 hereof to the contrary, if the Employee's employment by the Company is terminated by the Company in accordance with the terms of Section 4 of the Termination Agreement and the Employee is entitled to benefits provided in Section 5 of the Termination Agreement, the Company shall pay to the Employee, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the Employee's Base Salary (as in effect on the Date of Termination) through the Date of Termination, if not theretofore paid, and, in the case of compensation previously deferred by the Employee, all amounts of such compensation previously deferred shall be paid in accordance with the plan documents governing such deferral. Except with respect to the obligations set for forth in the Termination Agreement, notwithstanding any provisions herein to the contrary, all other obligations of the Company and rights of the Employee hereunder shall terminate effective as of the Date of Termination.

6.5 Specified Employee Status. In the event that, as of the date of Employee's Separation from Service, as defined in Treasury Regulation Section 1.409A-1(h), Employee is a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), to the extent that any of the payments under this Agreement payable on account of a Separation from Service, including without limitation, Sections 6.2, 6.3 or 6.4 are subject to, and not exempt from, Code Section 409A, such amounts shall be paid not earlier than (1) six months after the date of the Employee Separation from Service, or (2) the date of Employee's death, as required in accordance with Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-3(i)(2) ("Waiting Period"); any payments withheld during the Waiting Period will be paid in a lump sum amount on the first business day of the seventh month following the Employee's Separation from Service and payments thereafter shall be otherwise paid as provided herein.

6.6 Release Requirement. It shall be a condition of the Employee's entitlement to the severance benefits and payments under Sections 6.3(c) and (d), that the Employee execute a release of all claims against the Company and its Affiliates in the form reasonably determined by the Company, which (i) shall be delivered to employee within 5 business days following the Date of Termination, (ii) the Employee shall have either 21 or 45 days to review (as required by applicable law) prior to execution and (iii) shall be revocable by the Employee for 7 days following execution. In the event of the Employee's failure to execute such release, or the Employee's revocation after execution, no benefits or payments shall be due pursuant to Sections 6.3(c) and (d).

**7. Employee's Obligation to Avoid Conflicts of Interest.**

7.1 In keeping with the Employee's fiduciary duties to the Company, the Employee agrees that he shall not knowingly become involved in a conflict of interest with the Company, or upon discovery thereof, allow such a conflict to continue. The Employee further agrees to disclose to the Company, promptly after discovery, any facts or circumstances which might involve a conflict of interest with the Company.

7.2 The Company and the Employee recognize that it is impossible to provide an exhaustive list of actions or interests which constitute a "conflict of interest." Moreover, the Company and the Employee recognize that there are many borderline situations. In some instances, full disclosure of facts by the Employee to the Company is all that is necessary to enable the Company to protect its interests. In others, if no improper motivation appears to exist and the Company's interests have not suffered, prompt elimination of the outside interest will suffice. In still others, it may be necessary for the Company to terminate the employment relationship. The Company and the Employee agree that the Company's determination as to whether or not a conflict of interest exists shall be conclusive. The Company reserves the right to take such action as, in its judgment, will end the conflict of interest.

7.3 In this connection, it is agreed that any direct or indirect interest in, connection with or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect the Company or its Affiliates, involves a possible conflict of interest. Circumstances in which a conflict of interest on the part of the Employee would or might arise, and which should be reported immediately to the Company, include, but are not limited to, the following:

(a) Ownership of a material interest in any lender, supplier, contractor, subcontractor, customer or other entity with which the Company does business.

(b) Acting in any capacity, including director, officer, partner, consultant, employee, distributor, agent or the like, for any lender, supplier, contractor, subcontractor, customer or other entity with which the Company does business.

(c) Acceptance, directly or indirectly, of payments, services or loans from a lender, supplier, contractor, subcontractor, customer or other entity with which the Company does business, including, without limitation, gifts, trips, entertainment or other favors of more than a nominal value, but excluding loans from publicly held insurance companies and commercial or savings banks at market rates of interest.

(d) Use of information or facilities to which the Employee has access in a manner which will be detrimental to the Company's interests, such as use for the Employee's own benefit of know-how or information developed through the Company's business activities.

(e) Disclosure or other misuse of information of any kind obtained through the Employee's connection with the Company.

(f) Acquiring or trading in, directly or indirectly, oil and gas properties or interests for his own account or the account of his Affiliates without the prior written consent of the Board of Directors.

**8. <u>Employee's Confidentiality Obligation.</u>**

8.1 The Employee hereby acknowledges, understands and agrees that all Confidential Information is the exclusive and confidential property of the Company and its Affiliates which shall at all times be regarded, treated and protected as such in accordance with this Section 8. The Employee acknowledges that all such Confidential Information is in the nature of a trade secret.

8.2 For purposes of this Agreement, "Confidential Information" means information, which is used in the business of the Company or its Affiliates and (i) is proprietary to, about or created by the Company or its Affiliates, (ii) gives the Company or its Affiliates some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of the Company or its Affiliates, (iii) is designated as Confidential Information by the Company or its Affiliates, is known by the Employee to be considered confidential by the Company or its Affiliates, or from all the relevant circumstances should reasonably be assumed by the Employee to be confidential and proprietary to the Company or its Affiliates, or (iv) is not generally known by non-Company personnel. Such Confidential Information includes, without limitation, the following types of information and other information of a similar nature (whether or not reduced to writing or designated as confidential):

(a) Internal personnel and financial information of the Company or its Affiliates, information regarding oil and gas properties including reserve information,

vendor information (including vendor characteristics, services, prices, lists and agreements), purchasing and internal cost information, internal service and operational manuals, and the manner and methods of conducting the business of the Company or its Affiliates;

(b) Marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, bidding, quoting procedures, marketing techniques, forecasts and forecast assumptions and volumes, and future plans and potential strategies (including, without limitation, all information relating to any oil and gas prospect and the identity of any key contact within the organization of any acquisition prospect) of the Company or its Affiliates which have been or are being discussed;

(c) Names of customers and their representatives, contracts (including their contents and parties), customer services, and the type, quantity, specifications and content of products and services purchased, leased, licensed or received by customers of the Company or its Affiliates; and

(d) Confidential and proprietary information provided to the Company or its Affiliates by any actual or potential customer, government agency or other third party (including businesses, consultants and other entities and individuals).

8.3 As a consequence of the Employee's acquisition or anticipated acquisition of Confidential Information, the Employee shall occupy a position of trust and confidence with respect to the affairs and business of the Company and its Affiliates. In view of the foregoing and of the consideration to be provided to the Employee, the Employee agrees that it is reasonable and necessary that the Employee make each of the following covenants:

(a) At any time during the Employment Period and thereafter, the Employee shall not disclose Confidential Information to any person or entity, either inside or outside of the Company, other than as necessary in carrying out his duties and responsibilities as set forth in Section 2 hereof, without first obtaining the Company's prior written consent (unless such disclosure is compelled pursuant to court orders or subpoena, and at which time the Employee shall give notice of such proceedings to the Company).

(b) At any time during the Employment Period and thereafter, the Employee shall not use, copy or transfer Confidential Information other than as necessary in carrying out his duties and responsibilities as set forth in Section 2 hereof, without first obtaining the Company's prior written consent.

(c) On the Date of Termination, the Employee shall promptly deliver to the Company (or its designee) all written materials, records and documents made by the Employee or which came into his possession prior to or during the Employment Period concerning the business or affairs of the Company or its Affiliates, including, without limitation, all materials containing Confidential Information.

**9. <u>Disclosure of Information, Ideas, Concepts, Improvements, Discoveries and Inventions.</u>**

As part of the Employee's fiduciary duties to the Company, the Employee agrees that during his employment by the Company and for a period of three years following the Date of Termination, the Employee shall promptly disclose in writing to the Company all information, ideas, concepts, improvements, discoveries and inventions, whether patentable or not, and whether or not reduced to practice, which are conceived, developed, made or acquired by the Employee, either individually or jointly with others, and which relate to the business, products or services of the Company or its Affiliates, irrespective of whether the Employee used the Company's time or facilities and irrespective of whether such information, idea, concept, improvement, discovery or invention was conceived, developed, discovered or acquired by the Employee on the job, at home, or elsewhere. This obligation extends to all types of information, ideas and concepts, including information, ideas and concepts relating to new types of services, corporate opportunities, acquisition prospects, the identity of key representatives within acquisition prospect organizations, prospective names or service marks for the Company's business activities, and the like.

**10. Ownership of Information, Ideas, Concepts, Improvements, Discoveries and Inventions, and all Original Works of Authorship.**

10.1 All information, ideas, concepts, improvements, discoveries and inventions, whether patentable or not, which are conceived, made, developed or acquired by the Employee or which are disclosed or made known to the Employee, individually or in conjunction with others, during the Employee's employment by the Company and which relate to the business, products or services of the Company or its Affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customers' organizations or within the organization of acquisition prospects, marketing and merchandising techniques, and prospective names and service marks) are and shall be the sole and exclusive property of the Company. Furthermore, all drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries and inventions are and shall be the sole and exclusive property of the Company.

10.2 In particular, the Employee hereby specifically sells, assigns, transfers and conveys to the Company all of his worldwide right, title and interest in and to all such information, ideas, concepts, improvements, discoveries or inventions, and any United States or foreign applications for patents, inventor's certificates or other industrial rights which may be filed in respect thereof, including divisions, continuations, continuations-in-part, reissues and/or extensions thereof, and applications for registration of such names and service marks. The Employee shall assist the Company and its nominee at all times, during the Employment Period and thereafter, in the protection of such information, ideas, concepts, improvements, discoveries or inventions, both in the United States and all foreign countries, which assistance shall include, but shall not be limited to, the execution of all lawful oaths and all assignment documents requested by the Company or its nominee in connection with the preparation, prosecution, issuance or enforcement of any applications for United States or foreign letters patent, including divisions, continuations, continuations-in-part, reissues and/or extensions thereof, and any application for the registration of such names and service marks.

10.3 In the event the Employee creates, during the Employment Period, any original work of authorship fixed in any tangible medium of expression which is the subject matter of copyright (such as, videotapes, written presentations on acquisitions, computer programs, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to the Company's business, products or services, whether such work is created solely by the Employee or jointly with others, the Company shall be deemed the author of such work if the work is prepared by the Employee in the scope of his employment; or, if the work is not prepared by the Employee within the scope of his employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made for hire, and the Company shall be the author of such work. If such work is neither prepared by the Employee within the scope of his employment nor a work specially ordered and deemed to be a work made for hire, then the Employee hereby agrees to sell, transfer, assign and convey, and by these presents, does sell, transfer, assign and convey, to the Company all of the Employee's worldwide right, title and interest in and to such work and all rights of copyright therein. The Employee agrees to assist the Company and its Affiliates, at all times, during the Employment Period and thereafter, in the protection of the Company's worldwide right, title and interest in and to such work and all rights of copyright therein, which assistance shall include, but shall not be limited to, the execution of all documents requested by the Company or its nominee and the execution of all lawful oaths and applications for registration of copyright in the United States and foreign countries.

**11. <u>Employee's Non-Competition Obligation.</u>**

11.1 (a) Until the Date of Termination, the Employee shall not, acting alone or in conjunction with others, directly or indirectly, in any of the business territories in which the Company or any of its Affiliates is presently or from time to time during the Employment Period conducting business, invest or engage, directly or indirectly, in any business which is competitive with that of the Company or accept employment with or render services to such a competitor as a director, officer, agent, employee or consultant, or take any action inconsistent with the fiduciary relationship of an employee to his employer; provided, however, that the beneficial ownership by the Employee of up to three percent of the Voting Stock of any corporation subject to the periodic reporting requirements of the Exchange Act shall not violate this Section 11.1(a).

(b) In addition to the other obligations agreed to by the Employee in this Agreement, the Employee agrees that until the Date of Termination, he shall not at any time, directly or indirectly, (i) induce, entice or solicit any employee of the Company to leave his employment, (ii) contact, communicate or solicit any customer or acquisition prospect of the Company derived from any customer list, customer lead, mail, printed matter or other information secured from the Company or its present or past employees or (iii) in any other manner use any customer lists or customer leads, mail, telephone numbers, printed material or other information of the Company relating thereto.

11.2 (a) If this Agreement is terminated by either party for any reason, then for a period of one year following the Date of Termination, the Employee shall not, acting alone or in conjunction with others, directly or indirectly, in any of the business territories in which the

Company or any of its Affiliates is presently or at the Date of Termination conducting business, invest or engage, directly or indirectly, in any business which is competitive with that of the Company as of the Date of Termination or accept employment with or render services to such a competitor as a director, officer, agent, employee or consultant, or take any action inconsistent with the fiduciary relationship of an employee to his employer; provided, however, that the beneficial ownership by the Employee of up to three percent of the Voting Stock of any corporation subject to the periodic reporting requirements of the Exchange Act shall not violate this Section 11.2(a).

(b) In addition to the other obligations agreed to by the Employee in this Agreement, the Employee agrees that if this Agreement is terminated by either party for any reason, then for a period of one year following the Date of Termination, he shall not at any time, directly or indirectly, (i) induce, entice or solicit any employee of the Company to leave his employment, (ii) contact, communicate or solicit any customer or acquisition prospect of the Company derived from any customer list, customer lead, mail, printed matter or other information secured from the Company or its present or past employees or (iii) in any other manner use any customer lists or customer leads, mail, telephone numbers, printed material or other information of the Company relating thereto.

**12. Miscellaneous.**

12.1 Notices. All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when delivered by hand or mailed by registered or certified mail, return receipt requested, as follows (provided that notice of change of address shall be deemed given only when received):

If to the Company to:

400 E. Kaliste Saloom Road
Suite 6000
Lafayette, Louisiana 70508

If to the Employee to:

400 E. Kaliste Saloom Road
Suite 6000
Lafayette, Louisiana 70508

or to such other names or addresses as the Company or the Employee, as the case may be, shall designate by notice to the other party hereto in the manner specified in this Section 12.1.

12.2 Waiver of Breach. The waiver by any party hereto of a breach of any provision of this Agreement shall neither operate nor be construed as a waiver of any subsequent breach by any party.

12.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and its successors, legal representatives and assigns, and upon the Employee, his heirs, executors, administrators, representatives and assigns; provided, however, the Employee agrees that his rights and obligations hereunder are personal to him and may not be assigned without the express written consent of the Company.

12.4 Entire Agreement; No Oral Amendments. This Agreement, together with any exhibit attached hereto and any document, policy, rule or regulation referred to herein, replaces and merges all previous agreements and discussions relating to the same or similar subject matter between the Employee and the Company (including, without limitation, the Prior Agreement) and constitutes the entire agreement between the Employee and the Company with respect to the subject matter of this Agreement. This Agreement may not be modified in any respect by any verbal statement, representation or agreement made by any employee, officer, or representative of the Company or by any written agreement unless signed by an officer of the Company who is expressly authorized by the Company to execute such document.

12.5 Enforceability. If any provision of this Agreement or application thereof to anyone or under any circumstances shall be determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions or applications of this Agreement which can be given effect without the invalid or unenforceable provision or application.

12.6 Jurisdiction; Arbitration. The laws of the State of Louisiana shall govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration located in Houston, Texas administered by the American Arbitration Association in accordance with its applicable arbitration rules, and the judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, which judgment shall be binding upon the parties hereto.

12.7 Injunctive Relief. The Company and the Employee agree that a breach of any term of this Agreement by the Employee would cause irreparable damage to the Company and that, in the event of such breach, the Company shall have, in addition to any and all remedies of law, the right to any injunction, specific performance and other equitable relief to prevent or to redress the violation of the Employee's duties or responsibilities hereunder.

**13. Code Section 409A. This Agreement shall be interpreted in accordance with the applicable requirements of, and exemptions from, Section 409A of the Code and the Treasury Regulations thereunder.**

**14. No Guarantee of Tax Consequences. None of the Company, its Affiliates or any of their officers, directors, employees or agents are responsible for or guarantee the tax consequences to Employee with respect to any payments or benefits provided under this Agreement including, without limitation, any excise tax, interest or penalties that may be imposed under Code Section 409A.**

*[Signature page follows]*

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first written above.

PETROQUEST ENERGY, INC.

By:_____
[_____]
[_____]

EMPLOYEE:

_____
[_____][19]

[19] NTD: Charles T. Goodson, J. Bond Clement, Arthur M. Mixon, III, Stephen H. Green and Edgar Anderson.

# EXHIBIT K

## GUC Administrator Agreement

Exhibit K is the GUC Administrator Agreement. The Debtors will File a revised GUC Administrator Agreement prior to the Confirmation Hearing that includes the identity of the GUC Administrator.

# GUC ADMINISTRATOR AGREEMENT

by and among

The Reorganized Debtors

and

_____, as GUC Administrator

Dated as of _____, 2019

# GUC ADMINISTRATOR AGREEMENT

## PREAMBLE

The GUC Administrator Agreement (the "Agreement") is made this [ ]th day of [____] 2019, by and among PetroQuest Energy, Inc. ("PetroQuest"), PetroQuest Energy, L.L.C. ("PQE"), PetroQuest Oil & Gas, L.L.C. ("POG"), and PQ Holdings LLC ("PQ Holdings", and collectively with PetroQuest, PQE, and POG on and after the Effective Date, the "Reorganized Debtors") and [____] (the "GUC Administrator") in accordance with that certain *First Amended Chapter 11 Plan of Reorganization* (as amended, the "Plan") and the *Order Confirming the Debtors' First Amended Chapter 11 Plan of Reorganization* (the "Confirmation Order"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Plan or the Confirmation Order, as applicable.

## RECITALS

**WHEREAS**, on the Petition Date, PetroQuest, PQE, TDC Energy LLC, POG, PQ Holdings, Pittrans Inc., and Sea Harvester Energy Development, L.L.C. (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Court;

**WHEREAS**, on December 20, 2018, the Debtors filed the Plan with the Court;

**WHEREAS**, on [____], 2019, the Plan was confirmed and the Confirmation Order was entered by the Court;

**WHEREAS**, on [____], 2019, the Effective Date of the Plan occurred;

**WHEREAS**, the Plan contemplates that the Debtors and the Requisite Creditors, in consultation with the Creditors' Committee, shall appoint the GUC Administrator to perform its duties in accordance with the Plan, the Confirmation Order, and this Agreement;

**WHEREAS**, the Plan provides that the GUC Administrator shall, among other things, object to General Unsecured Claims, administer the General Unsecured Claims allowance process, and authorize distributions to Holders of General Unsecured Claims from the General Unsecured Claims Distribution, in each case, as set forth in the Plan, the Confirmation Order, and this Agreement;

**WHEREAS**, this Agreement is entered into in accordance with, and to facilitate the implementation and execution of, the Plan;

**WHEREAS**, pursuant to the Plan, the Debtors and the Requisite Creditors, in consultation with the Creditors' Committee, have selected [____] to serve as the GUC Administrator, effective upon the date hereof, and [____] is willing to serve as GUC Administrator pursuant to the Plan, the Confirmation Order, and this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and the covenants and agreements set forth herein, the parties hereto agree as follows:

## Article I.

## Acceptance of Positions; Fiduciary of the Estate

Section 1.1 Acceptance. [____] hereby (a) accepts appointment as the GUC Administrator and (b) agrees to observe and perform all duties and obligations imposed upon the GUC Administrator under the Plan, the Confirmation Order, this Agreement, and other orders of the Court and applicable law.

Section 1.2 Appointment. The GUC Administrator has been selected by the Debtors and the Requisite Creditors pursuant to the provisions of the Plan and has been appointed as of the Effective Date. The GUC Administrator's appointment shall continue until the earlier of (a) the termination of this Agreement as set forth herein, or (b) the GUC Administrator's resignation, [death, dissolution,] or removal, in each case in accordance with the provisions of this Agreement and the Plan.

Section 1.3 Fiduciary. The GUC Administrator shall be a fiduciary of the Reorganized Debtors and shall perform its obligations consistent with the Plan, the Confirmation Order, this Agreement, and other orders of the Court and applicable law.

Section 1.4 Capacity of GUC Administrator. Notwithstanding any state or federal law to the contrary or anything herein, the GUC Administrator shall itself have the capacity to act or refrain from acting, on its own behalf, including the capacity to sue and be sued. The GUC Administrator may alone be the named movant, respondent, party plaintiff or defendant, or the like in all adversary proceedings, contested matters, and other cases or proceedings brought by or against it, and may settle and compromise all such matters in its own name, and the GUC Administrator shall be deemed to be a party in interest for purposes of contesting or settling objections to General Unsecured Claims against the Debtors. The GUC Administrator shall be vested with all the powers and authority that has been granted to it under the Plan, the Confirmation Order, and this Agreement. The GUC Administrator shall be authorized to use Bankruptcy Rule 2004 and any other bankruptcy or other tools of discovery available to the Debtors or their Estates, solely as it relates to administering the General Unsecured Claims Distribution.

## Article II.

## Funding of GUC Administrator's Fees and Expenses

Section 2.1 Prior to the Effective Date, an amount of Cash from the General Unsecured Claims Distribution determined by the Debtors and the Creditors' Committee in consultation with the Requisite Creditors sufficient to perform the functions of the GUC Administrator in connection with its responsibilities, including fees for its counsel, shall be placed into a segregated account; *provided, however*, that in no event shall the Reorganized Debtors be obligated to provide additional funds on account of the GUC Administrator's fees and expenses in excess of the General Unsecured Claims Distribution. Any excess amount remaining in the account in connection with the closing of the Chapter 11 Cases will be treated as distributable Cash to Holders of Allowed General Unsecured Claims.

## Article III.

## Role of GUC Administrator

Section 3.1 Role of GUC Administrator. As more fully set forth in Sections 6.2 and 6.4 herein, the GUC Administrator shall have the power to administer the General Unsecured Claims Distribution and make or authorize distributions to Holders of General Unsecured Claims.

Section 3.2 No Implied Obligations. The GUC Administrator shall not be liable to the Reorganized Debtors or any other party except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants or obligations shall be read into this Agreement against the GUC Administrator.

Section 3.3 Employment of Other Persons. The GUC Administrator may employ one or more persons to assist it with performing its duties under the Plan as described in further detail in Sections 6.2 and 6.4 herein; *provided that* such persons may be employees of the Reorganized Debtors and professionals employed in the Chapter 11 Cases.

Section 3.4 Limitations on GUC Administrator. Notwithstanding anything to the contrary under applicable law, the GUC Administrator shall not take, assert, commence, pursue, bring, continue or obtain, as applicable, any Cause of Action against any Released Party.

## Article IV.

## Distributions to Holders of General Unsecured Claims

Section 4.1 Distributions. The GUC Administrator shall make distributions on account of Allowed General Unsecured Claims in accordance with the Plan. The GUC Administrator, to the extent practicable, shall make an initial distribution not later than the first full quarter ended after the Effective Date and quarterly thereafter, unless the GUC Administrator determines in the exercise of its reasonable discretion that there are not sufficient available proceeds to fund a distribution.

Section 4.2 Interest on Claims. Unless otherwise specifically provided by the Plan, the Confirmation Order, any other order of the Court or by applicable bankruptcy law, postpetition interest, fees, costs, and other charges shall not accrue and shall not be paid on any Allowed General Unsecured Claim.

Section 4.3 Record Date for Distributions. On the Distribution Record Date, the Claims Register of the Debtors shall be closed and the GUC Administrator shall be authorized and entitled to recognize only those record Holders of General Unsecured Claims listed on such Claims Register as of the close of business on the Distribution Record Date.

Section 4.4 Cash Distributions. Distributions of Cash may be made either by check drawn on a domestic bank or wire transfer from a domestic bank, at the option of the GUC Administrator, except that Cash payments made to foreign Holders of Allowed General Unsecured Claims may be made in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

Section 4.5 Delivery of Distributions.

(a) Addresses for Delivery

Distributions to Holders of Allowed General Unsecured Claims shall be made to the Holders of record as of the Distribution Record Date by the GUC Administrator as follows: (1) to the signatory at the address set forth on the last Proof of Claim Filed by such Holder or other representative identified therein (or at the last known address of such Holder if the Debtors have been notified in writing of a change of address); (2) at the address set forth in any written notice of address changes delivered to the GUC Administrator or the Reorganized Debtors after the Effective Date; (3) at the address reflected in the Schedules if no Proof of Claim has been Filed and the GUC Administrator or the Reorganized Debtors have not received a written notice of a change of address; or (4) to any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. The GUC Administrator shall not be responsible for ascertaining or verifying the accuracy of such addresses and shall not incur any liability whatsoever on account of any undeliverable distributions under the Plan resulting from incorrect addresses.

(b) Undeliverable Distributions

In the event that any distribution to any Holder of an Allowed General Unsecured Claim is returned as undeliverable, no distribution to such Holder shall be made unless and until the GUC Administrator shall have determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest.

(c) Reversion

Any distribution under the Plan on account of an Allowed General Unsecured Claim that is an Unclaimed Distribution for a period of one year from the Effective Date, pursuant to Article VI.A.3 of the Plan, shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code. After such date, all such unclaimed property or interests in property that would otherwise be part of the General Unsecured Claims Distribution shall be distributed to Holders of Allowed General Unsecured Claims without the need for a further order by the Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or interest in property shall be discharged and forever barred.

Section 4.6 Claims Paid or Payable by Third Parties.

(a) Claims Paid by Third Parties

The GUC Administrator, with respect to General Unsecured Claims, shall reduce in full an Allowed General Unsecured Claim, and such General Unsecured Claim shall be Disallowed without a claim objection having to be Filed and without any further notice to or action, order, or approval of the Court, to the extent that the Holder of such General Unsecured Claim receives payment in full on account of such General Unsecured Claim from a party that is not a Debtor or Reorganized Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of an Allowed General Unsecured Claim receives a distribution on account of such General Unsecured Claim and thereafter receives payment from a party that is not the GUC Administrator

on account of such General Unsecured Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the GUC Administrator to the extent the Holder's total recovery on account of such General Unsecured Claim from the third party and under the Plan exceeds the amount of such Allowed General Unsecured Claim as of the Petition Date. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the GUC Administrator annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the fourteen (14) day grace period specified above until the amount is repaid.

(b) Claims Payable by Insurers

Holders of General Unsecured Claims that are covered by the Debtors' insurance policies shall seek payment of such General Unsecured Claims from applicable insurance policies, *provided that* the Debtors, the Reorganized Debtors, and the GUC Administrator, as applicable, shall have no obligation to pay any amounts in respect of prepetition deductibles or self-insured retention amounts. No distributions under the Plan shall be made on account of an Allowed General Unsecured Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed General Unsecured Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a General Unsecured Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such General Unsecured Claim may be expunged without an objection having to be Filed and without any further notice to or action, order, or approval of the Court.

(c) Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed General Unsecured Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan or this Agreement shall constitute or be deemed a waiver of any Cause of Action that the Debtors, the Reorganized Debtors, or any Entity may hold against any other Entity (other than a Released Party), including insurers under any insurance policies, nor shall anything contained in the Plan or this Agreement constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

Section 4.7 Withholding and Reporting Requirements/Allocation. In connection with the Plan and distributions to the Holders of Allowed General Unsecured Claims, the GUC Administrator shall comply with all tax withholding and reporting requirements imposed on the GUC Administrator by any Governmental Unit and all distributions pursuant to the Plan shall be subject to any such withholding and reporting requirements. To the extent that any Allowed General Unsecured Claim entitled to a distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, each Holder of an Allowed General Unsecured Claim shall have the option to apply such Holder's Pro Rata share of consideration distributed under the Plan (cash or value) to satisfy outstanding principal of or accrued interest on such Holder's Allowed General Unsecured Claim, as such allocation is determined by such Holder in its sole discretion. Notwithstanding any provision in the Plan to the contrary, the GUC Administrator shall be authorized to take all actions necessary or appropriate to comply with any tax withholding and reporting requirements, including:

(a) liquidating a portion of the distributions to be made to Holders of Allowed General Unsecured Claims under the Plan to generate sufficient funds to pay applicable withholding taxes;

(b) withholding distributions pending receipt of information necessary to facilitate such distributions; or

(c) establishing any other mechanisms it believes are reasonable and appropriate.

The GUC Administrator reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens, and encumbrances.

Section 4.8 Minimum Distributions. Holders of Allowed General Unsecured Claims entitled to distributions of $50.00 or less shall not receive distributions, and each such claim to which this limitation applies shall be discharged pursuant to Article VIII of the Plan and its Holder shall be forever barred pursuant to Article VIII of the Plan from asserting that Claim against the Reorganized Debtors or their property.

## Article V.
## Procedures for Resolving Disputed, Contingent and Unliquidated General Unsecured Claims

Section 5.1 Objections to Claims.

(a) Authority

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the GUC Administrator, by order of the Court, shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to General Unsecured Claims; (2) to settle or compromise any Disputed Claim that is a General Unsecured Claim without any further notice to or action, order, or approval by the Court; and (3) to administer and adjust the Claims Register (solely with respect to General Unsecured Claims) to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Court.

(b) Claims Objection Deadline

No later than the Claims Objection Deadline, the GUC Administrator may file objections with the Court and serve such objections on Holders of General Unsecured Claims to which such objections are made. Nothing contained herein, however, shall limit the right of the GUC Administrator to object to General Unsecured Claims, if any, filed or amended after the Claims Objection Deadline. The Claims Objection Deadline may be extended by the Court upon motion by the GUC Administrator without notice or a hearing. Bankruptcy Rule 9006 shall apply to any motion to extend the Claims Objection Deadline.

Section 5.2 Estimation of Claims. The GUC Administrator may (but is not required to) at any time request that the Court estimate any General Unsecured Claim that is a Disputed Claim (a "Disputed General Unsecured Claim") pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any party previously has objected to such General Unsecured Claim, and the Court shall retain jurisdiction to estimate any such General Unsecured Claim, including during the litigation of any objection to any General Unsecured Claim or during any appeal relating to such objection. In the event that the Court estimates any Disputed General Unsecured Claim, that estimated amount shall constitute a maximum limitation on such General Unsecured Claim for all purposes under the Plan (including for purposes of distributions), and the GUC Administrator may elect to pursue any supplemental proceedings to object to any ultimate distribution on such General Unsecured Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a General Unsecured Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before 21 days after the date on which such General Unsecured Claim is estimated. All of the aforementioned General Unsecured Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. General Unsecured Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Court.

Section 5.3 No Distributions Pending Allowance. No payment or distribution provided under the Plan shall be made to the extent that any General Unsecured Claim is a Disputed General Unsecured Claim, including if an objection to a General Unsecured Claim or portion thereof is Filed as set forth in Article VII of the Plan, unless and until such Disputed General Unsecured Claim becomes an Allowed General Unsecured Claim; *provided that* any portion of a General Unsecured Claim that is an Allowed General Unsecured Claim shall receive the payment or distribution provided under the Plan thereon notwithstanding that any other portion of such General Unsecured Claim is a Disputed General Unsecured Claim.

Section 5.4 Distributions After Allowance. To the extent that a Disputed General Unsecured Claim ultimately becomes an Allowed General Unsecured Claim, distributions (if any) shall be made to the Holder of such Allowed General Unsecured Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Court allowing any Disputed General Unsecured Claim becomes a Final Order, the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals shall be paid to the Holder of such Allowed General Unsecured Claim on account of such Allowed General Unsecured Claim unless required under applicable bankruptcy law or as otherwise provided in the Plan or herein.

Section 5.5 Disputed Claims Reserve. The GUC Administrator may, in its sole discretion, hold Cash in a Disputed Claims Reserve from the General Unsecured Claims Distribution in trust solely for the benefit of the Holders of General Unsecured Claims ultimately determined to be Allowed after the Effective Date. The GUC Administrator shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided in the Plan or herein, as such Disputed General Unsecured Claims are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Disputed General Unsecured

Claims as such amounts would have been distributable had such Disputed General Unsecured Claims been Allowed General Unsecured Claims as of the Effective Date.

Section 5.6 Claims Already Satisfied. Notwithstanding the contents of the Schedules, General Unsecured Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors or any third party prior to the Effective Date, including pursuant to orders of the Court. To the extent such payments are not reflected in the Schedules, such Schedules shall be deemed amended and reduced to reflect that such payments were made. The GUC Administrator is authorized, and without any further notice to or action, order or approval of the Court, to direct the Notice and Claims Agent to update the official Claims Register maintained in the Chapter 11 Cases in accordance with any General Unsecured Claims satisfied or reduced pursuant to the Plan or this Section 5.6. Nothing in the Plan shall preclude the GUC Administrator from paying General Unsecured Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Court prior to the Effective Date.

## Article VI.

## General Powers; Rights and Obligations of the GUC Administrator

Section 6.1 General Powers.

(a) The GUC Administrator shall be a fiduciary of the Reorganized Debtors and shall have all powers, authority, and responsibilities specified in the Plan and this Agreement. In particular, the GUC Administrator's rights, duties, and powers shall include, but are not limited to, the following:

(1) hold and administer the Cash that comprises the General Unsecured Claims Distribution;

(2) pay, from the General Unsecured Claims Distribution, all out of pocket expenses incurred in connection with the discharge of its duties under the Plan;

(3) make distributions to Holders of Allowed General Unsecured Claims as provided in the Plan and in this Agreement;

(4) provide periodic reports and updates to the Reorganized Debtors regarding the status of the administration of the General Unsecured Claims as may be reasonably required;

(5) to the extent necessary, open and maintain bank accounts, draw checks and drafts thereon by the sole signature of the GUC Administrator, and terminate such accounts as the GUC Administrator deems appropriate;

(6) File, prosecute, withdraw, or object to General Unsecured Claims (Disputed or otherwise), and compromise or settle any General Unsecured Claims, prior to or after objection;

(7) coordinate with the Notice and Claims Agent to administer and adjust the Claims Register (solely with respect to General Unsecured Claims) to reflect any such settlements or compromises set forth in the preceding paragraph without any further notice to or action, order or approval by the Court;

(8) retain or engage professionals, employees, and consultants, and pay such professionals, employees, and consultants the reasonable fees and expenses incurred by the GUC Administrator as set forth in Section 6.4; and

(9) such other activities as necessary and consistent to fulfill the GUC Administrator's duties as set forth in the Plan and this Agreement and to effect the provisions of the Plan.

(b) The GUC Administrator shall not at any time enter into or engage in any trade or business that would create a conflict with the Reorganized Debtors.

Section 6.2 Resignation or Removal of GUC Administrator. In the event of the incapacity or removal of the GUC Administrator, a successor GUC Administrator may be appointed in accordance with this Agreement. The GUC Administrator may resign at any time upon 30 days' notice filed with the Court (the "Resignation Notice"), *provided that* such resignation shall only become effective upon the appointment of a successor GUC Administrator. The Resignation Notice shall identify a proposed successor GUC Administrator approved by the Reorganized Debtors and the Requisite Creditors and shall include the proposed terms of engagement of the successor GUC Administrator. Any successor GUC Administrator appointed under this Section 6.2 shall execute an engagement letter and an instrument accepting its appointment under the Plan, the Confirmation Order, and this Agreement, and shall file copies of each with the Court. Thereupon, the successor GUC Administrator, without any further act, shall become fully vested with all of the rights, powers, duties, and obligations of its predecessor under the Plan, the Confirmation Order, and this Agreement, and all responsibilities of the predecessor GUC Administrator shall be terminated.

Any party in interest may move for the removal of the GUC Administrator for cause upon providing notice to the GUC Administrator and its counsel; *provided, however*, that if any party in interest shall object to such removal within 21 days of such notice, such removal shall not be effective until approved by the Court. No successor GUC Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of any of its predecessors.

Section 6.3 Retention of Attorneys, Accountants and Other Professionals. The GUC Administrator may retain professionals to aid the GUC Administrator in the performance of its responsibilities under the terms of the Plan, the Confirmation Order, and this Agreement, including reconciliation of Disputed General Unsecured Claims and distributions to Holders of Allowed General Unsecured Claims. The professionals retained by the GUC Administrator may include:

(a) law firm(s) as the GUC Administrator may deem advisable to aid the GUC Administrator in the performance of its duties and to perform such other functions as may be appropriate to carry out the primary purposes of the Plan; and

(b) such other accountants, experts, advisors, consultants, investigators, appraisers, auctioneers or other professionals as are advisable to carry out and effect the terms of the Plan, the Confirmation Order, and this Agreement.

Section 6.4 Compensation of GUC Administrator and Professionals.

(a) The GUC Administrator shall receive compensation for services rendered and expenses incurred in fulfilling its duties pursuant to the Plan, the Confirmation Order, and this Agreement, including any necessary services rendered and reasonable expenses incurred prior to the date that this Agreement becomes effective. The GUC Administrator shall be compensated in accordance with the terms mutually agreed upon by the Reorganized Debtors and the GUC Administrator as of the Effective Date. The GUC Administrator shall also be entitled to reimbursement for all reasonable out-of-pocket expenses incurred in connection with this Agreement, such as travel, lodging and meals, in accordance with and subject to the Plan. The compensation of the GUC Administrator and reimbursement of the GUC Administrator's expenses shall not be subject to approval of the Court. For the avoidance of doubt, the GUC Administrator's fees and expenses will be paid solely from the General Unsecured Claims Distribution.

(b) On or before the last day of each month following the month for which compensation is sought, each GUC Administrator professional seeking compensation shall serve a monthly statement on the GUC Administrator detailing the compensation sought; *provided, however,* that any professional's failure to serve a monthly statement for any one or more months shall not waive or impair the right of such professionals to subsequently seek compensation for all or any number of such months in a later statement delivered to the GUC Administrator. The GUC Administrator shall have 10 days from the date such statement is received to review the statement and object to such statement by serving a written objection on the professional setting forth the precise nature of the objection and the amount at issue. At the expiration of the 10-day period, the GUC Administrator shall promptly pay 100% of the amounts requested, except for the portion of such fees and disbursements to which an objection has been made. The parties shall attempt to consensually resolve objections, if any, to any monthly statement. If the parties are unable to reach a consensual resolution, such professional may seek payment of such fees by filing a motion with the Court on proper notice to the GUC Administrator.

Section 6.5 Timely Performance. In accordance with the terms of the Plan, the GUC Administrator shall make reasonable continuing efforts to object to and reconcile General Unsecured Claims, including such General Unsecured Claims that are Disputed General Unsecured Claims, and make timely distributions to Allowed General Unsecured Claims.

Section 6.6 Conflicts of Interest. Conflicts of interest of the GUC Administrator will be addressed by the GUC Administrator appointing a disinterested person to handle any matter where the GUC Administrator has identified a conflict of interest or the Court, on motion of a party in interest, determines one exists. In the event the GUC Administrator is unwilling or unable to appoint a disinterested person to handle any such matter, or a party in interest objects to a disinterested person appointed by the GUC Administrator, such party in interest may file an objection with the Court, on notice to the GUC Administrator, setting forth such objection and seeking entry of an order of the Court appointing a disinterested person recommended in such objection.

Section 6.7 Final Accounting. The GUC Administrator (or any such successor GUC Administrator) shall within 30 days after termination of this Agreement pursuant to Article IX hereunder, or the death, dissolution, liquidation, resignation, or removal of the GUC Administrator, render an accounting (and file it with the Court) containing the following information:

(a) a summarized accounting of all disbursements, payments and any other transactions in connection with the General Unsecured Claims Distribution;

(b) a description of all Disputed General Unsecured Claims and the status thereof; and

(c) a copy of the official Claims Register.

## Article VII.

## Standard of Care; Limitations on Liability

Section 7.1 Standard of Care; Exculpation.

(a) Standard of Care

The GUC Administrator shall perform the duties and obligations imposed on the GUC Administrator by this Agreement in the utmost good faith.

(b) Exculpation

Neither the GUC Administrator, nor any director, officer, affiliate, employee, employer, professional, agent, or representative of the GUC Administrator, each in its capacity as such (the "Exculpated Parties") shall be liable for losses, claims, damages, liabilities, obligations, settlements, proceedings, suits, judgments, causes of action, litigation, actions, investigations (whether civil or administrative and whether sounding in tort, contract or otherwise), penalties, costs, and expenses, including reasonable fees and disbursements incurred, caused by, relating to, based upon, or arising out of (directly or indirectly) the Exculpated Party's execution, delivery, and acceptance of or the performance or nonperformance of its powers, duties, and obligations under this Agreement, the Plan, the Confirmation Order, any other order of the Court or applicable law or as may arise by reason of any action, omission or error of an Exculpated Party; *provided, however*, that the foregoing limitation shall not apply to any acts or omissions determined by Final Order to be the direct result of such Exculpated Party's fraud, willful misconduct, or gross negligence. None of the Exculpated Parties is deemed to be responsible for any other Exculpated Party's actions or inactions. The foregoing exculpation with respect to any Exculpated Party shall survive the termination of such Exculpated Party from the capacity for which it was deemed exculpated.

Section 7.2 Limitation of Liability. No Exculpated Party shall be liable for punitive, remote or speculative damages under any circumstances, even if it has been advised of the possibility of such damages. The aggregate liability of each Exculpated Party, whether in tort,

contract, or otherwise, is limited to the amount of fees paid to such Exculpated Party for services rendered in relation to the Chapter 11 Cases.

## Article VIII.

## Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, under the Plan, the Confirmation Order and sections 105(a) and 1142(g) of the Bankruptcy Code, the Court shall retain jurisdiction over all matters arising out of or related to the Chapter 11 Cases to the fullest extent legally permissible, including jurisdiction to:

(a) allow in whole or in part, disallow in whole or in part, determine, liquidate, classify, estimate, or establish the amount of any General Unsecured Claim, including hearing and determining any and all objections to the allowance or estimation of General Unsecured Claims filed and adjudicating any disputes between Holders of General Unsecured Claims regarding rights to payment or turnover of consideration distributed under the Plan, both before and after the Effective Date, including any objections to the classification of any General Unsecured Claim;

(b) ensure that distributions to Holders of Allowed General Unsecured Claims are accomplished as provided herein and adjudicate any and all disputes arising from or relating to distributions under this Agreement and the Plan; and

(c) adjudicate, decide, or resolve any disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, this Agreement, or actions involving the GUC Administrator.

## Article IX.

## Termination

Section 9.1 Termination. In accordance with the Plan and this Agreement, this Agreement shall terminate immediately once the GUC Administrator has distributed all of the General Unsecured Claims Distribution (net of the GUC Administrator's fees and expenses) to Holders of Allowed General Unsecured Claims.

Section 9.2 Maximum Term. The term of this Agreement shall end no later than the third (3rd) anniversary of the Effective Date; *provided, however*, that the GUC Administrator may extend the term for such additional period of time as is necessary to facilitate or complete the distribution of the General Unsecured Claims Distribution as follows: within the 6-month period prior to the termination of this Agreement, the GUC Administrator may file a notice of intent to extend the term with the Court and, upon approval of the Court of such extension request following notice and a hearing, the term of this Agreement shall be so extended.

## Article X.

## Miscellaneous

Section 10.1 Governing Document. Upon the Effective Date, and subject to the terms of the Plan and the Confirmation Order, this Agreement shall govern the GUC Administrator. To the extent of any inconsistency between the Confirmation Order, the Plan, and this Agreement, the terms of the Confirmation Order shall govern. To the extent of any inconsistency between the Plan and this Agreement, the Plan shall govern.

Section 10.2 Notices. All notices, requests, or other communications required or permitted to be made in accordance with this Agreement shall be made in writing and delivered personally, by facsimile transmission or electronic mail, or mailed by first class mail or by overnight delivery service:

If to the GUC Administrator:

[ ]

with copies to:

PetroQuest Energy Inc.
Attn: J. Bond Clement
400 E. Kaliste Saloom Road, Suite 6000
Lafayette, Louisiana 70508

Notices sent out by (a) electronic or facsimile transmission shall be deemed delivered when actually received, (b) first class mail shall be deemed delivered 3 Business Days after mailing, and (c) by overnight delivery service shall be deemed delivered the next Business Day after mailing.

Section 10.3 Effectiveness. This Agreement shall become effective on the Effective Date.

Section 10.4 Counterparts. This Agreement may be executed in one or more counterparts (via facsimile, electronic mail, or otherwise), each of which shall be deemed an original but which together shall constitute but one and the same instrument.

Section 10.5 Governing Law. This Agreement shall be governed by, construed under and interpreted in accordance with, the laws of the State of Texas without giving effect to the principles of conflict of laws thereof.

Section 10.6 Headings. Sections, subheadings, and other headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 10.7 Interpretative Provisions.

(a) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural, unless the context otherwise requires.

(b) All references to the Debtors, Reorganized Debtors, and the GUC Administrator pursuant to the definitions set forth in the Recitals hereto, or to any other person herein, shall include their respective successors and assigns.

(c) The words "hereof', "herein", "hereunder", "this Agreement," and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement, and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated, or replaced.

(d) The word "including" when used in this Agreement shall mean "including, without limitation".

Section 10.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall neither invalidate nor render unenforceable any such provision in any other jurisdiction.

Section 10.9 No Suits by Creditors. No creditor of the Estates shall have any right by virtue of any provision of this Agreement to institute any action or proceeding, in law or in equity, against any party with respect to the Estates' assets.

Section 10.10 Enforcement and Administration. The Court shall enforce and administer the provisions of this Agreement, as set forth in the Plan and herein.

Section 10.11 Amendment. This Agreement may be amended by order of the Court upon a motion by the GUC Administrator with the consent of the Reorganized Debtors.

Section 10.12 Cooperation. The Reorganized Debtors shall turn over or otherwise make available to the GUC Administrator, at no cost to the GUC Administrator, copies of all books and records reasonably required by the GUC Administrator or its professionals to carry out its duties under the Plan or this Agreement, and agree to otherwise cooperate with the GUC Administrator in a commercially reasonable manner in carrying out its duties under the Plan or this Agreement.

Section 10.13 Entire Agreement. This Agreement contains the entire agreement between the parties hereto and supersedes all prior or contemporaneous agreements or understandings between the parties with respect to the subject matter hereof.

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

**[GUC ADMINISTRATOR]**
By: _____
Name: _____
Title: _____

**PETROQUEST ENERGY, INC.**

By: _____
Name: _____
Title: _____

**PETROQUEST ENERGY, L.L.C.**

By: _____
Name: _____
Title: _____

**PETROQUEST OIL & GAS, L.L.C.**

By: _____
Name: _____
Title: _____

**PQ HOLDINGS LLC**

By: _____
Name: _____
Title: _____

# EXHIBIT L

## Notice Regarding Settlement Negotiations with the Creditors' Committee

The Creditors' Committee, Debtors, and Consenting Creditors have reached an agreement with respect to the treatment of Allowed Class 7 General Unsecured Claims (the "Allowed General Unsecured Claims"), which provides that in lieu of the treatment currently provided for in the Plan:

- Allowed General Unsecured Claims will receive aggregate cash consideration of $1,200,000 (the "General Unsecured Claims Distribution Pool"), to be distributed as follows:

  i. Holders of Allowed General Unsecured Claims (the "Convenience Subclass") with a face value equal to or less than $7,500 (the "Convenience Subclass Claims") shall be entitled to a distribution equal to 50.0% of such Convenience Subclass Claim's Allowed General Unsecured Claim. Holders of Allowed General Unsecured Claims in excess of $7,500 may elect, on a post-Bar Date basis, to reduce their Allowed General Unsecured Claim to $7,500 and receive treatment consistent with the Convenience Subclass Claims.

  ii. Holders of Allowed General Unsecured Claims with a face value greater than $7,500 who have not elected to be treated as a Convenience Subclass Claim shall receive their *pro rata* share of the General Unsecured Claims Distribution Pool less the funds distributed to Holders of Allowed General Unsecured Claims in the Convenience Subclass. Subject to the entry of the respective Class Action Orders (as defined below), the litigation claims arising from *Kevin Hoog v. PetroQuest Energy, LLC et al.*, (the "Hoog Claims") and *Philip Lee v. PetroQuest Energy, LLC et al.* (the "Lee Claims", and collectively with the Hoog Claims, this shall constitute the "Hoog/Lee Subclass") agree to cap any distributions to which the Hoog/Lee Subclass may be entitled to an aggregate of $400,000. In consideration of this agreement, upon the filing of an amended Plan of Reorganization incorporating the terms of this agreement supported by the Creditors' Committee, the Hoog Claims, and the Lee Claims, the Debtors and the Consenting Creditors will not object to a request by the Hoog/Lee Subclass to file a class proof of claim on behalf of the Hoog Claims and the Lee Claims (the "Class Action Orders").

- The Second Lien Notes Deficiency Claims will waive any *pro rata* distributions from the General Unsecured Claims Distribution Pool as consideration for releases under the Plan and in connection with this settlement.

- Except for defensive purposes, Avoidance Actions against Holders of Class 7 General Unsecured Creditors shall be waived.

- The GUC Administrator will be responsible for the claims resolution process and distributions with respect to Allowed General Unsecured Claims, and the costs of administration of the Class 7 General Unsecured Claims shall be from the General Unsecured Claims Distribution Pool; *provided*, *however*, that the Reorganized Debtors shall be responsible for the claims resolution process with respect to those General Unsecured Claims with insurance coverage and claims asserted by Mack Oil Co. in connection with that certain proceeding pending before the American Arbitration Association, Case No. 01-16-0000-8394. For the avoidance of doubt, the Reorganized Debtors reserve the right to participate in the claims reconciliation process with respect to General Unsecured Claims. The GUC Administrator shall have reasonable access to the Reorganized Debtors' books and records solely for the purpose of claims resolution, administration, and distribution purposes, and the Reorganized Debtors shall agree to provide their full cooperation and reasonable best efforts, as necessary, to assist the GUC Administrator with this process.

- The Creditors' Committee, Holders of the Hoog Claims, Holders of the Lee Claims, the Debtors, and the Consenting Creditors will support Confirmation of the Plan, as modified hereto, and conforming changes, if any, will be made to the Restructuring Support Agreement and Plan.

- Immaterial modifications to the Plan to implement these provisions will be filed with the Bankruptcy Court by Monday, January 14, 2019 by no later than 8:00 p.m. Central Time.

***As a result of this settlement, the Creditors' Committee recommends that Holders of General Unsecured Claims vote to accept the Plan, as modified.***