UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 9, 2020**

Basic Energy Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**1-32693**	**54-2091194**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

801 Cherry Street, Suite 2100	
Fort Worth, Texas	**76102**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(817) 334-4100**
Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.01 par value per share*	BASX*	The OTCQX Best Market*

* Until December 2, 2019, Basic Energy Services, Inc.'s common stock traded on the New York Stock Exchange under the symbol "BAS". On December 3, 2019, Basic Energy Service, Inc.'s common stock began trading on the OTCQX® Best Market tier of the OTC Markets Group Inc. Deregistration under Section 12(b) of the Act will become effective 90 days after the December 17, 2019 filing date of the Form 25.

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On March 9, 2020, Basic Energy Services, Inc., a Delaware corporation (the " Company"), entered into a Purchase Agreement (the " Purchase Agreement") with Ascribe Investments III LLC, a Delaware limited liability company (" Ascribe"), NexTier Holding Co., a Delaware corporation (" Seller") and C&J Well Services, Inc., a Delaware corporation, and wholly owned subsidiary of Seller ("CJWS").

Pursuant to the Purchase Agreement, among other things, (i) Seller transferred and delivered to the Company and the Company purchased and acquired from Seller, all of the issued and outstanding shares of capital stock of CJWS held by Seller (the "Stock Purchase"), such that CJWS became a wholly-owned subsidiary of the Company; (ii) as a portion of the consideration for the Stock Purchase, Ascribe, on behalf of the Company, conveyed to Seller certain 10.75% senior secured notes due October 2023, issued by the Company to Ascribe in an aggregate amount equal to $34,350,000 (the "Senior Notes"); (iii) Ascribe entered into an Exchange Agreement, dated March 9, 2020, with the Company (the " Exchange Agreement") pursuant to which, among other things, Ascribe exchanged the Senior Notes for (a) 118,805 shares of newly issued common stock equivalent preferred stock, designated as "Series A Participating Preferred Stock," par value $0.01 per share, of the Company (the "Series A Preferred Stock ") and (b) an amount in cash approximately equal to $1,466,793 (the "Exchange Transaction" and, together with the Stock Purchase and the other transactions contemplated by the Purchase Agreement, the "Transaction"); and (iv) the Company entered into an Employment Agreement with Jack Renshaw, effective upon the consummation of the Transaction (the "Renshaw Employment Agreement").

The Purchase Agreement

Consideration to Seller pursuant to the Stock Purchase

Pursuant to the Purchase Agreement, Seller received consideration in the aggregate amount of $93,700,000 comprised of (a) cash consideration equal to $59,350,000 (subject to customary reductions for indebtedness and transaction expenses, as well as post-closing working capital adjustments) and (b) the Senior Notes transferred to Seller by Ascribe (on behalf of the Company) as described above. In connection with the Transaction, pursuant to the Purchase Agreement, Ascribe has certain contingent obligations to Seller to make Seller whole on the par value of the Senior Notes as of the earlier of the first anniversary of the closing of the Stock Purchase, a bankruptcy of the Company or a change of control of the Company (the "Make-Whole Payment").

Representations, Warranties and Covenants

The parties to the Purchase Agreement have made representations, warranties and covenants that are customary for transactions of this nature. In addition, the parties have agreed to provide customary indemnification for transactions of this nature.

The foregoing description of the Purchase Agreement and the Transaction does not purport to be complete and is qualified in its entirety by the terms and conditions of the Purchase Agreement, attached hereto as Exhibit 2.1 and incorporated herein by reference.

The Exchange Agreement

Note Exchange, Issuance of Preferred Stock to Ascribe and Make-Whole Reimbursement Obligations

Pursuant to the Exchange Agreement, as partial consideration for the Exchange Transaction, the Company issued to Ascribe 118,805 shares of newly issued Series A Preferred Stock of the Company (as discussed above), which constituted, together with Ascribe's equity interests in the Company before the Exchange Transaction, 85.06% of the equity interests in the Company. Upon consummation of the Exchange Transaction, the Company's public shareholders owned approximately 14.94% of the equity interests in the Company.

The Company has issued and outstanding $300,000,000 principal amount of the 10.75% Senior Secured Notes due 2023 (the " Notes"), issued pursuant to that certain Indenture, dated as of October 2, 2018 (the "Base Indenture") by and among the Company, the guarantors party thereto and UMB Bank, National Association, as trustee and collateral agent (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of August 22,

2019, by and among the Company, the guarantors party thereto and the Trustee (the " First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). Under the Exchange Agreement, as partial consideration for the Exchange Transaction, the Company paid to Ascribe an amount in cash equal to $1,466,793, representing the accrued (but unpaid) interest, from and including the most recent date to which interest has been paid pursuant to the terms of the Notes and the Indenture but excluding the date of the closing of the Transaction, on the aggregate principal amount of the Senior Notes.

If Ascribe is required to pay the Make-Whole Payment to Seller pursuant to the Purchase Agreement (as discussed above), the Company will be required to reimburse to Ascribe the amount of such Make-Whole Payment (such amount, the "Make-Whole Reimbursement Amount") either (i) in cash (a) to the extent the Company has available cash (as determined by an independent committee of the Company's board of directors (the "Board")) and (b) subject to satisfaction of certain "Payment Conditions" set forth in the Credit Agreement (as defined below) or (ii) if the Company is unable to pay the full Make-Whole Reimbursement Amount in cash pursuant to clause "(i)" of this paragraph, in additional Notes as permitted under the Indenture. In consideration of providing the Make-Whole Payment to Seller, the Company paid Ascribe $1,000,000 in cash at the closing of the Transaction.

Representations and Warranties

The parties to the Exchange Agreement have made representations, warranties and covenants that are customary for transactions of this nature. In addition, the parties have agreed to provide customary indemnification for transactions of this nature.

The foregoing summary of the Exchange Agreement does not purport to be complete and is qualified in its entirety by the full text of the Exchange Agreement, attached hereto as Exhibit 10.1 and incorporated herein by reference.

Stockholders Agreement & Governance

In connection with the Exchange Agreement, the Company and Ascribe entered into a Stockholders Agreement. As contemplated by the Stockholders Agreement, simultaneously with the closing of the transactions contemplated by the Exchange Agreement, the Board was reconstituted from six directors to seven directors, comprised of (i) three Class I directors with terms to expire in 2020 (the "Class I Directors"), (ii) two Class II directors with terms to expire in 2021 (the "Class II Directors") and (iii) two Class III directors with terms to expire in 2022 (the " Class III Directors"). Additionally, effective as of the closing of the Transaction, each of Messrs. Timothy H. Day and Samuel E. Langford resigned from the Board and (i) Lawrence First was appointed as a Class I Director, (ii) Derek Jeong was appointed as a Class II Director and (iii) Ross Solomon was appointed as a Class III Director. Pursuant to the terms of the Stockholders Agreement, following the closing of the Transaction and until the Board Rights Termination Date (as defined below), Ascribe is entitled to designate for nomination for election to the Board all members of the Board, provided that such designations must be made in a manner to ensure that at all times the Board is comprised of no less than two directors that are independent. In addition, the Stockholders Agreement provides that certain actions of the Company and its subsidiaries require approval of a special committee of the Board comprised solely of at least two independent directors. The "Board Rights Termination Date" means the earlier to occur of (i) the date on which the Ascribe Affiliated Entities (as defined below), collectively, no longer beneficially own 25% of the fully-diluted common equity of the Company (including the Series A Preferred Stock) and (ii) the date on which Ascribe and its affiliates, collectively, no longer constitute the largest holder of fully-diluted common equity of the Company (including the Series A Preferred Stock). The "Ascribe Affiliated Entities" will be comprised of (i) Ascribe and each investment fund which Ascribe or its affiliates controls or for which Ascribe or its affiliates act as a manager or investment advisor and (ii) each other person (including portfolio companies) in which person(s) described in clause (i) of this sentence holds a majority of the outstanding equity or voting securities.

The foregoing summary of the Stockholders Agreement does not purport to be complete and is qualified in its entirety by reference to the Stockholders Agreement, attached hereto as Exhibit 10.2 and is incorporated herein by reference.

The Senior Secured Promissory Note

Pursuant to the Exchange Agreement, the Company issued a Senior Secured Promissory Note, on March 9, 2020, in favor of Ascribe, in an aggregate principal amount equal to $15,000,000 (the "Senior Secured Promissory

Note"). The Senior Secured Promissory Note is secured by a lien upon certain of the Company's existing and after-acquired property which are also secured by the Company's existing senior secured notes. The proceeds of the Senior Secured Promissory Note were used to finance a portion of the purchase price consideration paid in connection with the Stock Purchase.

The foregoing summary of the Senior Secured Promissory Note does not purport to be complete and is qualified in its entirety by reference to the Senior Secured Promissory Note, a copy of which is attached hereto as Exhibit 10.4 and is incorporated herein by reference.

The Limited Consent and First Amendment to ABL Amendment

The Company is party to that certain ABL Credit Agreement, dated October 2, 2018 (as amended, restated, amended and restated, supplement or modified from time to time, the "Credit Agreement"), with the guarantors party thereto, the financial institutions party thereto and Bank of America, N.A., a national banking association ("Bank of America"), as administrative agent. In connection with the Transaction, on March 9, 2020, the Company entered into that certain Limited Consent and First Amendment to ABL Credit Agreement by and among the Company, as borrower, the guarantors party thereto, the financial institutions party thereto and Bank of America, as administrative agent (the "ABL Amendment"), pursuant to which, among other things, the Company reduced the Aggregate Commitments from $150,000,000 to $120,000,000 (as defined in the Credit Agreement).

The foregoing summary of the ABL Amendment does not purport to be complete and is qualified in its entirety by reference to the ABL Amendment, a copy of which is attached hereto as Exhibit 10.3 and is incorporated herein by reference.

The Renshaw Employment Agreement

In connection with the Purchase Agreement, the Company entered into an Employment Agreement, dated March 9, 2020, with Jack Renshaw, pursuant to which, among other things, the Company agreed to (i) hire Mr. Renshaw as Senior Vice President, Western Business Unit for an initial term through December 31, 2021, subject to automatic renewal for successive one-year terms absent 90-days' notice by either party prior to the expiration of the then current term; (ii) pay Mr. Renshaw a base salary of $390,000; and (iii) pay a performance-based bonus with a target equal to 65% and a maximum equal to 130% of his then current base salary.

The foregoing summary of the Renshaw Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the Renshaw Employment Agreement, a copy of which is attached hereto as Exhibit 10.5 and is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth above in Item 1.01 of this Current Report is incorporated by reference herein. Prior to the Transaction, Ascribe and its affiliates were the holders of approximately 14.65% of the common stock of the Company and were the holders of the Senior Notes.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure set forth above in Item 1.01 of this Current Report under "The Limited Consent and First Amendment to ABL Amendment" and "The Senior Secured Promissory Note" is incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure set forth above in Item 1.01 of this Current Report under "Exchange Agreement" is incorporated by reference herein. The issuance of the Series A Preferred Stock in connection with the Exchange Agreement did not involve a public offering and was issued pursuant to an exemption from registration under the Securities Act of 1933 (as amended, the "Securities Act") pursuant to Section 4(a)(2) of the Securities Act.

Item 3.03 Material Modification to Rights of Security Holders.

The disclosure set forth above in Item 1.01 of this Current Report is incorporated by reference herein. In connection with the Purchase Agreement and pursuant to the Exchange Agreement, the Company issued 118,805 shares of Series A Preferred Stock, with equivalent rights as the rights of a holder of the Company's common stock, par value $0.01 per share (the "Common Stock"), except a holder of Series A Preferred Stock will be entitled to (i) dividends with respect to each share of Series A Preferred Stock in an amount per share equal to 1,000 times the per share amount of each cash dividend declared on the Common Stock; (ii) 1,000 votes per share of Series A Preferred Stock on all matters submitted to a vote of the holders of Common Stock; and (iii) upon any liquidation, dissolution or winding up of the Company, an amount per share of Series A Preferred Stock equal to 1,000 times the amount to be distributed per share to a share of Common Stock. The rights, preferences, powers, restrictions and limitations of the Series A Preferred Stock are set forth in the Certificate of Designations, a copy of which is attached hereto as Exhibit 3.1 and incorporated by reference herein, filed with the Secretary of State of the State of Delaware on March 9, 2020.

Item 5.01 Changes in Control of Registrant.

The disclosure set forth above in Item 1.01 of this Current Report is incorporated by reference herein.

Item 5.02 Departure of Directors; Election of Directors; Appointment of Certain Officers.

The disclosures set forth above in Item 1.01 of this Current Report under "Stockholders Agreement and Governance" and "The Renshaw Employment Agreement" are incorporated by reference herein. In connection with the Transaction, Messrs. Timothy H. Day and Samuel E. Langford resigned as directors of the Board, on March 9, 2020. Each of the resignations of Mr. Day and Mr. Langford from the Board was not a result of a disagreement with the Company or on any matter relating to the Company's operations, policies or practices and was in connection with the Transaction. Mr. Day served as Chairperson of the Compensation Committee and as a member of the Audit Committee. Mr. Langford served as a member of the Nominating and Corporate Governance Committee.

Additionally, on March 9, 2020, Lawrence First was appointed as a Class I Director, Derek Jeong was appointed as a Class II Director, and Ross Solomon was appointed as a Class III Director. Biographical Information regarding each of the newly appointed directors is set forth below.

Lawrence "Larry" First. Mr. Lawrence First currently serves as the Chief Investment Officer and Managing Director of Ascribe Capital LLC ("Ascribe Capital"). Mr. First joined Ascribe Capital in 2008. Prior to joining Ascribe Capital, Mr. First was a Managing Director and Co-Portfolio Manager in Merrill Lynch's Principal Credit Group, a proprietary investing platform for the firm's capital, where he was responsible for evaluating and managing assets in the team's North American portfolio, including non-investment grade bank loans, stressed/distressed fixed income investments and public and private equity. Prior to joining Merrill Lynch in 2003, Mr. First was a senior partner in the Bankruptcy and Restructuring department of the law firm of Fried, Frank, Harris, Shriver & Jacobson LLP, where he began his legal career in 1987. At Fried Frank, he represented both debtors and creditors in both in-court and out-of-court restructurings as well as lenders to, investors in, and potential buyers and sellers of, financially troubled companies. Prior to his joining Fried Frank's Bankruptcy and Restructuring department, he was a member of its Corporate Department, where he became a partner in 1994. On behalf of Ascribe Capital, Mr. First has been a member of the boards of directors of Nuverra Environmental Solutions Inc. since May 2018, Forbes Energy Services Ltd. since April 2017, Engineering Solutions & Products, LLC since November 2013, and Big Run, Inc. since March 2018. He was a director on the board of Geokinetics Inc. from 2013 to 2018, Alion Science and Technology Corp. from August 2014 to August 2015, and EnviroSolutions Inc. from July 2010 to March 2018. Mr. First received a Bachelor of Arts in History and Sociology from Haverford College, and a Juris Doctor from New York University School of Law. He also attended the London School of Economics. Mr. First's background in the financial and legal industries provides valuable expertise to the Board.

***Ross Solomon*.** Mr. Ross Solomon currently serves as a Managing Director at Ascribe Capital. Ross joined Ascribe Capital in 2012. Previously, he was with Evercore Partners as an analyst in the Restructuring and Debt Capital Markets Group. Ross was a Director of Geokinetics Inc. from 2016 to 2018. Ross received a BS in Economics from the University of Pennsylvania's Wharton School.

Derek Jeong. Mr. Derek Jeong currently serves as a Principal at Ascribe Capital. Derek joined Ascribe Capital

in 2014. Previously, he was with J.P. Morgan as an analyst in the Leveraged Finance group. Derek received a BS in Finance and Strategy from Cornell University's Dyson School of Applied Economics and Management.

Messrs. First, Solomon and Jeong are not related to any officer or director of the Company. With respect to each of Messrs. First, Solomon and Jeong, there are no arrangements or understandings between such director and any other persons pursuant to which he will serve as a director, other than the Exchange Agreement. There are no transactions or relationships between any of Messrs. First, Solomon and Jeong and the Company that would be required to be reported under Item 404(a) of Regulation S-K.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The disclosures set forth above in Items 1.01 (under "Stockholders Agreement and Governance") and 3.03 of this Current Report are incorporated by reference herein. In connection with the Exchange Transaction, on March 9, 2020, the Company filed a Certificate of Designations with the Secretary of State of the State of Delaware to authorize 118,805 shares of the Series A Preferred Stock and to establish the designations, powers, preferences and relative and other rights and the qualifications, limitations and restrictions, of the Series A Preferred Stock. The Certificate of Designations became effective upon filing.

The foregoing description of the Certificate of Designations does not purport to be complete and is qualified in its entirety by reference to the Certificate of Designations, which is attached hereto as Exhibit 3.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

The financial statements required by this Item, with respect to the acquisition described in Item 2.01 herein, will be filed as soon as practicable, and in any event not later than 71 days after the date on which this Current Report was required to be filed pursuant to Item 2.01.

(b) Pro Forma Financial Information

The pro forma financial information required by this Item, with respect to the acquisition in Item 2.01 herein, will be filed as soon as practicable, and in any event not later than 71 days after the date on which this Current Report was required to be filed pursuant to Item 2.01.

(d) Exhibits

Exhibit No.	Exhibit
2.1	Purchase Agreement, dated as of March 9, 2020, by and among the Company, Ascribe III Investments LLC, Basic Energy Services, Inc., NexTier holding Co. and C&J Well Services, Inc.*
3.1	Certificate of Designations
10.1	Exchange Agreement, dated as of March 9, 2020, by and among the Company and Ascribe III Investments LLC
10.2	Stockholders Agreement, dated as of March 9, 2020, by and among the Company and Ascribe III Investments LLC
10.3	Limited Consent and First Amendment to ABL Credit Agreement, dated as of March 9, 2020, by and among the financial institutions party thereto and Bank of America
10.4	Senior Secured Promissory Note, dated March 9, 2020, issued by the Company in favor of Ascribe III Investments LLC
10.5	Employment Agreement, dated March 9, 2020, by and among the Company and Jack Renshaw

* The exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Basic Energy Services, Inc.

Date: March 11, 2020

By: /s/ Keith L. Schilling

Name: Keith L. Schilling

Title: *President & Chief Executive Officer*

Exhibit 2.1

PURCHASE AGREEMENT

BY AND AMONG

ASCRIBE III INVESTMENTS LLC,

BASIC ENERGY SERVICES, INC.,

NEXTIER HOLDING CO.

AND

C&J WELL SERVICES, INC.

Dated as of March 9, 2020

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Exhibits

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "**Agreement**"), dated March 9, 2020, is made and entered into by and among **Basic Energy Services, Inc.**, a Delaware corporation ("**Buyer**"); **Ascribe III Investments LLC**, a Delaware limited liability company ("**Ascribe**"); **NexTier Holding Co.,** a Delaware corporation ("**Seller**"); and **C&J Well Services, Inc.**, a Delaware corporation (the "**Company**"). Buyer, Ascribe, Seller and the Company are sometimes individually referred to in this Agreement as a " **Party**" and collectively as the "**Parties**."

WITNESSETH:

WHEREAS, the Company is engaged in the business of providing oil and gas field services, specializing in workover rig services and fluids management associated with the servicing of oil and gas wells;

WHEREAS, Seller is the sole and exclusive, record and beneficial owner of all of the issued and outstanding shares of capital stock of the Company (the "**Shares**");

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of the Shares for the consideration described herein; and

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth in this Agreement, and intending to be legally bound hereby, each Party hereby agrees as follows:

Article I

DEFINITIONS

Section 1.1 Definitions. The following terms, as used in this Agreement, shall have the following respective meanings:

"**Action**" means any action, mediation, suit, litigation, arbitration, claim, proceeding, investigation, audit, examination, review, inquiry or subpoena of any nature (civil, criminal, administrative, regulatory or otherwise, whether at law or equity), by or before or otherwise involving any arbitrator or Governmental Entity.

"**Acceleration Event**" means the Bankruptcy of Buyer or a Change in Control, provided that Seller is the holder of the Senior Notes at the time of such event.

"**Adjustment Escrow Amount**" means $2,000,000.

"**Adjustment Escrow Fund**" means the Adjustment Escrow Amount, as adjusted from time to time pursuant to the terms of the Escrow Agreement.

"**Affiliate**" means, in relation to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, and "**control**" (including the terms "**controlled by**" and "**under**

common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise; provided, however, that Ascribe shall not be deemed an Affiliate of Buyer for purposes of this Agreement.

"**Ascribe Funds**" means, collectively, Ascribe Opportunities Fund III, L.P. and Ascribe Opportunities Fund III(B), L.P.

"**Ascribe Guarantees**" means the Guarantees, dated the date hereof, by the Ascribe Funds with respect to the obligations of Ascribe hereunder.

"**Ascribe Indemnified Parties**" means Ascribe and its Affiliates, and each of their respective successors and assigns.

"**Audit**" means any audit, assessment, claim, examination or other inquiry relating to Taxes by any Tax Authority or any judicial or administrative proceeding relating to Taxes.

"**Bankruptcy**" shall mean the institution of any proceedings under federal or state laws for relief of debtors, including filing of a voluntary or involuntary petition in bankruptcy or the obtaining of an order for relief, or the assignment of the Person's property for the benefit of creditors, or the appointment of a receiver, trustee or a conservator of any substantial portion of the Person's assets or the seizure by a sheriff, receiver, trustee or conservator of any substantial portion of the Person's assets.

"**Business**" means the well servicing business as conducted by Buyer, including workover rigs, fluids management and fishing and rental services tied to workover applications, but excluding hydraulic fracturing, wireline, pumpdown, cementing and coil tubing services.

"**Business Day**" means any day except Saturday, Sunday or any days on which banks are generally not open for business in New York, New York.

"**Business Employee**" means each Person who is employed by a Group Company, including those employees on medical leave, family leave, military leave or personal leave under any policy of the Group Company or any of its Affiliates.

"**Business Service Provider**" means each individual who is not employed by a Group Company but who provides services to the Group Company, including any directors, independent consultants and/or contractors engaged by the Group Company.

"**Buyer Indemnified Parties**" means Buyer and its Affiliates, and each of their respective successors and assigns.

"**Cap Amount**" means Four Hundred Sixty Eight Thousand Five Hundred Dollars ($468,500).

"**Cash**" means, without duplication, the sum of the fair market value (expressed in United States dollars) of all cash and cash equivalents (including foreign cash, checks received but not yet cleared, deposits, marketable securities and short term investments) of the Group Companies as of the opening of business on the Closing Date, determined in

accordance with GAAP, which shall be calculated net of any checks outstanding and any monetary obligations arising from cash/book overdrafts.

"**Cash Purchase Price**" means an amount equal to (a) Fifty-Nine Million Three Hundred Fifty Thousand Dollars ($59,350,000) plus (b) the Estimated Working Capital Surplus, if any, and minus (c) the Estimated Working Capital Deficit, if any.

"**Change in Control**" shall mean the occurrence, after the date of this Agreement and after giving effect to the transactions contemplated by this Agreement, the Exchange Agreement and the other transaction agreements entered into in connection with the foregoing, of one or more of the following events:

(a) any sale, lease, transfer, conveyance or other disposition (in one transaction or a series of related transactions) of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act, unless immediately following such sale, lease, transfer, conveyance or other disposition in compliance with the Indenture such properties or assets are owned, directly or indirectly, by Buyer or a wholly-owned Restricted Subsidiary of Buyer, in each case which occurrence is followed by a Rating Decline within 90 days thereafter;

(b) the approval by the holders of Capital Stock of Buyer of any plan or proposal for the liquidation or dissolution of Buyer; or

(c) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Voting Stock of Buyer, which occurrence is followed by a Rating Decline within 90 days thereafter.

For the purposes of this definition, capitalized terms used in this definition but not defined in this Agreement have the meanings set forth in the Indenture.

"**Closing Payment**" means an amount equal to (a) the Cash Purchase Price,minus (b) the sum of (i) the Adjustment Escrow Amount, (ii) the Company Indebtedness, if any, and (iii) the aggregate amount of the Seller Transaction Expenses.

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

"**Company ERISA Affiliate**" means any entity that is a member of (a) a controlled group of corporations (as defined in Section 414(b) of the Code), (b) a group of trades or businesses under common control (as defined in Section 414(c) of the Code) or (c) an affiliated service group (as defined under Section 414(m) of the Code or the regulations under Section 414(o) of the Code), any of which includes or included any of the Group Companies.

"**Company Indebtedness**" means the aggregate amount of any Indebtedness of the Group Companies outstanding as of immediately prior to the Closing.

"**Company Intellectual Property**" means Company Owned Intellectual Property and Company Licensed Intellectual Property.

"**Company Licensed Intellectual Property**" means any Intellectual Property that is licensed to the Group Companies by another Person and is material to the conduct of the Business.

"**Company Owned Intellectual Property**" means any Intellectual Property that is owned by the Group Companies and is material to the conduct of the Business.

"**Confidentiality Agreement**" means that certain confidentiality agreement by and between the C&J Energy Services, Inc. and Buyer dated September 5, 2019.

"**Contract**" means any legally enforceable agreement to which a Group Company is a party and is bound.

"**Court Judgment"** means that certain judgment entered by the United States District Court for the District of North Dakota in Case Number 1:19-cr-079, dated August 28, 2019, concerning alleged violations by the Company of the federal Occupational Safety and Health Act.

"**Employee Benefit Plan**" means each "employee benefit plan" (as defined in Section 3(3) of ERISA), as well as each other benefit, retirement, employment, consulting, compensation, profit sharing, commission, bonus, stock or other equity, equity-based, option, incentive compensation, restricted stock, stock appreciation right or similar right, phantom equity, profits interests, change in control, retention, severance, deferred compensation, vacation, paid time off, welfare, medical, dental, vision, flexible benefit, cafeteria, dependent care, and fringe-benefit agreement, plan, policy, arrangement and program, whether or not reduced to writing, that (i) provides benefits or compensation to any current or former Business Employee or Business Service Provider with respect to his or her employment or service with a Group Company or any of its Affiliates, (ii) is adopted, maintained, sponsored, contributed to, or required to be contributed to by any Group Company, or (iii) with respect to which a Group Company is a party, participates in, or has or could reasonably be expected to have any Liability with respect thereto, whether actual or contingent, or direct or indirect. Notwithstanding anything herein to the contrary, the term Employee Benefit Plan shall not include (x) the qualified defined contribution retirement plan or any "welfare plan" (as defined in Section 3(1) of ERISA) of Seller or (y) equity, equity-based, option, incentive compensation, restricted stock, stock appreciation or similar right, phantom equity or profits interests of Seller, in each case, with respect to which the Group Companies will have no Liability following the Closing.

"**Environmental, Health & Safety Laws**" means all federal, state and local Laws relating to protection of the human health and safety, or the environment, including surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or ambient air, pollution control and Hazardous Substances, including, the federal Occupational Safety and Health Act and any rules and regulations promulgated pursuant thereto.

"**Environmental Permits**" means all Licenses applicable to the Business issued pursuant to Environmental, Health & Safety Laws.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Escrow Agent**" means JP Morgan Chase Bank, National Association.

"**Escrow Agreement**" means the Escrow Agreement, dated as of the Closing Date, among Buyer, Seller and the Escrow Agent, attached hereto as Exhibit 1.1(a).

"**Estimated Working Capital Deficit**" means the amount, if any, by which the Target Net Working Capital exceeds the Estimated Working Capital, as set forth on the Closing Date Financial Certificate.

"**Estimated Working Capital Surplus**" means the amount, if any, by which the Estimated Working Capital, as set forth on the Closing Date Financial Certificate, exceeds the Target Net Working Capital.

"**Exchange Agreement**" means the Exchange Agreement between Ascribe and Buyer in the form of Exhibit 1.1(b).

"**Fraud**" means an act, committed by a Party hereto, with intent to deceive another Party hereto, or to induce such other Party to enter into this Agreement and requires: (i) a false representation contained in Article III, Article IV or Article V of this Agreement, as applicable; (ii) with actual knowledge (as opposed to imputed or constructive knowledge) that such representation is false or the Person making such representation believes it is false; (iii) with an intention to induce the other Person to whom such representation is made to enter into this Agreement or otherwise act or refrain from acting in reliance upon it; (iv) causing that other Person, in reliance upon such false representation to enter into this Agreement or otherwise take or refrain from taking action; and (v) causing such other Person to suffer damage by reason of such reliance.

"**Fundamental Representations**" means collectively the representations and warranties set forth in Section 3.1 (Organization), Section 3.2 (Authorization), Section 3.3 (Capitalization), Section 3.4 (Company Subsidiaries), Section 3.13 (Tax Returns; Taxes), Section 3.18 (Certain Fees), Section 4.2 (Authorization) and Section 4.3 (Share Ownership), Section 5.1 (Organization), Section 5.2 (Authorization), Section 6.1 (Organization), and Section 6.2 (Authorization).

"**GAAP**" means generally accepted accounting principles in the United States, as applied consistently.

"**Governmental Entity**" means any federal, state, foreign, or local government, any political subdivision thereof or any court, administrative or regulatory agency, department, instrumentality, body or commission or other governmental authority or agency.

"**Group Companies**" means, collectively, the Company and each of its Subsidiaries and "**Group Company**" shall refer to each of the Company and its Subsidiaries.

"**Hazardous Substance**" means any waste, pollutant, contaminant, hazardous substance, toxic or corrosive substance, hazardous waste, special waste, industrial substance, by-product, process-intermediate product or waste, petroleum or petroleum-derived substance or waste, chemical liquids or solids, liquid or gaseous products, or any constituent of any such substance or waste, the use, handling or disposal of which by the Group Companies are governed by or subject to applicable Law.

"**Indebtedness**" means all (a) all indebtedness or obligations (including the principal amount thereof and, if applicable, the accrued amount thereof and the amount of accrued

and unpaid interest thereon), whether long-term or short-term, for borrowed money or for the deferred purchase price or conditional sale of property or services (including reimbursement and all other obligations whether or not represented by surety bonds, letters of credit, bankers' acceptances, bank guarantees, or similar facilities or instruments) whether owed to banks, to financial institutions, to Governmental Entities, on equipment leases or otherwise, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) amounts drawn under outstanding letters of credit, (d) capitalized lease obligations (but excluding operating lease obligations), (e) guaranties and obligations secured by a Lien (other than Permitted Liens) (but excluding operating lease obligations), (f) amounts due under any future derivative, swap, collar, put, call, forward purchase or sale transaction, fixed price contract or other agreement that is intended to benefit from, relate to or reduce or eliminate the risk of fluctuations in interest rates, currencies basis risk or the price of commodities, (g) all customer deposits, (h) the aggregate amount of deferred compensation obligations and the employer's portion of any employment, payroll or social security taxes with respect thereto and (i) with respect to each of the foregoing existing as of the Closing, (A) interest accrued thereon and (B) prepayment or similar premiums, penalties and expenses with respect thereto, but, in the case of clause "(B)," only if and to the extent such indebtedness is repaid in full as of the Closing Date or in connection with the Closing.

"**Indemnified Party**" means a Buyer Indemnified Party, Seller Indemnified Party or Ascribe Indemnified Party.

"**Indenture**" means the Indenture dated as of October 2, 2018, between Buyer and UMB Bank, N.A., as Trustee and Collateral Agent, relating to the 10.75% Senior Secured Notes due 2023, as the same may be amended from time to time.

"**Intellectual Property**" means all of the following in any jurisdiction throughout the world: (a) trademarks, service marks, trade dress, corporate names, trade names, and Internet domain names, registrations and applications therefor and any goodwill associated with each of the foregoing; (b) patents and patent applications; (c) copyrights and copyrightable works and registrations and applications therefor; and (d) trade secrets, confidential information and know how.

"**IRS**" means the Internal Revenue Service.

"**Knowledge**" means, with respect to the Company or Seller, all facts actually known by Sterling Renshaw, Dawn Clagg, Austin Berliner, Wade Percival, Abhishek Naik and Les Teague, after due inquiry in connection with the negotiation and execution of this Agreement.

"**Law**" means any statutes, rules, codes, regulations, ordinances or orders of, or issued by, Governmental Entities.

"**Legal Dispute**" means any action, suit or proceeding between or among the Parties arising in connection with any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or any related document.

"**Liability**" means, with respect to any Person, any liability or debt of such Person of any kind, character, description or nature whatsoever, whether known or unknown and whether or not the same is required to be accrued on the financial statements of such Person.

"**Licenses**" means all licenses, permits (including environmental, construction and operation permits) and certificates issued by any Governmental Entity.

"**Liens**" means mortgages, liens, pledges, security interests, charges, claims, restrictions and encumbrances.

"**Losses**" means any claims, Liabilities, obligations, damages, losses, costs, expenses, penalties, fines or judgments (at equity or at law, including statutory and common) whenever arising or incurred (including reasonable attorneys' fees and expenses, any payments made with respect to deductible or retention amounts with respect to insurance coverage, and out of pocket costs of investigating, pursuing and defending any claim hereunder).

"**Material Adverse Effect**" means any state of facts, change, event, effect or occurrence (when taken together with all other states of fact, changes, events, effects or occurrences) that is, or is reasonably likely to be, individually or in the aggregate, materially adverse to the financial condition, results of operations, properties, assets or Liabilities of the Group Companies taken as a whole; provided, that, a "Material Adverse Effect" shall not include any state of facts, change, event, effect or occurrence arising out of or attributable to (a) a downturn in general economic, business or regulatory conditions, (b) the industries and markets in which the Group Companies operate, (c) the United States or world economies or securities or financial markets, (d) earthquakes, hostilities, acts of war or terrorism, (e) the failure of the Group Companies to meet any projections (it being understood that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining, whether a Material Adverse Effect has occurred or is reasonably likely to occur) or (f) any change in applicable Laws or GAAP; provided, that the exceptions provided in clauses "(a)," "(b)," "(c)" and "(d)" shall only apply so long as and to the extent that the state of facts, change, event, effect or occurrence does not affect the Group Companies in a materially disproportionate manner when compared to the effect of such state of facts, change, event, effect or occurrence on other Persons in the industry in which the Group Companies operate.

"**Net Working Capital**" means (a) the current assets of the Group Companies (excluding Cash but including inventory, accounts receivable, prepaid expenses and other current assets), minus (b) the current liabilities of the Group Companies (excluding income Taxes payable, but including accounts payable, payroll payable, and accrued liabilities), in each case, determined as of immediately prior to the Closing and calculated in accordance with Section 2.5 and the Working Capital Guidelines.

"**Net Working Capital Deficit**" means the amount by which the Estimated Working Capital is greater than the Net Working Capital.

"**Net Working Capital Surplus**" means the amount by which the Net Working Capital is greater than the Estimated Working Capital.

"**NLRB**" means the United States National Labor Relations Board.

"**Ordinary Course**" means the ordinary course of business of the Group Companies, consistent with past practice.

"**Par Value**" means the outstanding principal and accrued interest of the Senior Notes as of any applicable date.

"**Permitted Liens**" means (a) Liens for (i) Taxes not yet due and payable or (ii) Taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established on the Financial Statements in accordance with GAAP, (b) statutory Liens of landlords with respect to Leased Real Property, (c) Liens of carriers, warehousemen, mechanics, materialmen, and repairmen incurred in the Ordinary Course and not yet delinquent, (d) in the case of Company Real Property, in addition to clauses "(a)," "(b)" and "(c)," zoning, building, or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title, none of which, individually or in the aggregate, interfere in any material respect with the present ownership of, use of or occupancy of the affected parcel by the Group Companies, (e) in the case of Intellectual Property, third party license agreements entered into in the Ordinary Course and (f) liens incurred in connection with capital lease obligations of the Group Companies.

"**Person**" means any individual, partnership, joint venture, corporation, trust, limited liability company, unincorporated organization or other entity or any Governmental Entity.

"Plea Agreement" means that certain Plea Agreement entered into between the United States of America and the Company concerning Case Number 1:19-cr-079 filed in the United States District Court for the District of North Dakota concerning alleged violations by the Company of the federal Occupational Safety and Health Act.

"**Post-Closing Tax Period**" means any Tax Period beginning after the Closing Date and that portion of any Straddle Period beginning after the Closing Date.

"**Pre-Closing Tax Period**" means any Tax Period ending on or before the Closing Date and that portion of any Straddle Period ending at the close of business on the Closing Date.

"**Release**" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, dumping or disposing into the environment.

"**Release and Termination Agreement**" means evidence of Lien terminations and guaranty releases, in form and substance reasonably satisfactory to Buyer, to allow for the payoff, discharge and termination in full on or prior to the Closing Date of all obligations of the Group Companies in respect of Company Indebtedness of the type referred to in clauses "(a) and (b)" of the definition of Indebtedness and any related Liens granted by the relevant member of the Group Companies (other than Permitted Liens).

"**R&W Policy**" means a stand-alone representation and warranty insurance policy purchased by Buyer in connection with the transactions contemplated by this Agreement.

"**Seller Indemnified Parties**" means Seller and its Affiliates, and each of their respective successors and assigns.

"**Schedules**" means the Schedules referenced herein and delivered by Seller to Buyer in accordance with the express terms of this Agreement.

"**Seller Litigation**" means all claims or litigation of the Group Companies with respect to the matters listed on Schedule 9.2(g) to the extent, but only to the extent, such claims or litigation are based upon any facts occurring on or prior to the date hereof, and, for clarity, specifically excluding any and all other claims and litigation matters set forth on Schedule 3.11.

"**Seller Transaction Expenses**" means (a) all legal, accounting, financial advisory and other advisory, transaction or consulting fees and expenses incurred by the Group Companies or Seller, (b)(i) any change of control, severance, retention, bonus, equity appreciation, phantom equity or similar payments due and payable by the Group Companies, (ii) other accelerations or increases in rights or benefits of the Group Companies' employees under any plan, agreement or arrangement of the Group Companies and (iii) accrued but unpaid severance amounts, early termination, early retirement, retiree medical and / or other retirement obligations in respect of termination of service of any employee of the Group Companies whose retirement or termination occurred prior to the Closing, which such obligations, in this clause "(b)," arise or accrue either on or before the Closing Date (including, without limitation, obligations payable following the Closing Date) in connection with the consummation of the transactions contemplated by this Agreement, including, in all cases, all Taxes that are payable by the Group Companies in connection with or as a result of the payment of such obligations, (c) any social security, Medicare, unemployment or other employment, withholding or payroll Tax or similar amount owed by the Group Companies or Seller with respect to any of the transactions contemplated by this Agreement, (d) 50% of the premium of the R&W Policy, (e) 50% of the fees associated with the Escrow Agreement and (f) all third-party expenses related to Seller or the Group Companies that arise, or are triggered or become due or payable, as direct or indirect result of the consummation (whether alone or in combination with any other event or circumstance) of any of the transactions contemplated by this Agreement, in each case, whether in clause "(a)" through clause "(f)," solely to the extent not paid prior to the Closing.

"**Senior Notes**" means those certain 10.75% senior secured notes due October 2023, with a $300 million aggregate principal amount, issued by Buyer to Ascribe in an aggregate amount equal to Thirty-Four Million Three Hundred Fifty Thousand Dollars ($34,350,000). As used in this Agreement, the term "Senior Notes" refers only to those notes held by Seller and shall not refer to notes held by any other Person, it being understood that the rights of Seller set forth in Section 7.1 shall not be assignable and shall terminate, as to any note or portion thereof or interest therein, in the event of the sale, transfer or other disposition of such note or portion thereof or interest therein pursuant to Section 7.1, other than the right of Seller to receive the proceeds of such sale, transfer or other disposition and a Make-Whole Payment, if any, upon consummation of such sale, transfer or other disposition by Seller.

"**Subsidiary** or **Subsidiaries**" means any Person of which any other specified Person owns, directly or indirectly through a Subsidiary, a nominee arrangement or otherwise, at least a majority of the outstanding capital stock (or other units of beneficial interest) entitled to vote generally or otherwise have the power to elect a majority of the board of directors or similar governing body or the legal power to direct the business or policies of such Person.

"**Target Net Working Capital**" means $21,259,963.

"**Tax**" or "**Taxes**" means (a) any and all federal, state, local and foreign taxes, including taxes based upon or measured by gross receipts, income, profits, gain, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, alternative minimum, estimated, stamp, excise and property taxes, in each case, whether imposed directly or through withholding, and whether disputed or not; (b) all interest, penalties and additions imposed with respect to such amounts or such interest, penalties, or additions; (c) any Liability for amounts described under clauses "(a)" or "(b)" under applicable Law as a transferee, successor or as a result of being a member of a past or current affiliated, consolidated, unitary or similar group (including under Treasury Regulations Section 1.1502-6) for any period or otherwise through operation of Law and (d) any Liability for the payment of amounts described in clauses "(a)," "(b)" or "(c)" as a result of any Tax sharing, Tax indemnity or Tax allocation agreement or any other express or implied agreement. Grammatical variations of the term "Tax," such as "Taxable" or "Taxing," shall have correlative meanings.

"**Tax Authority**" means the IRS and any other domestic or foreign Governmental Entity responsible for the administration and/or collection of any Taxes.

"**Tax Law**" means any Law (whether domestic or foreign) relating to Taxes.

"**Tax Period**" means any period prescribed by any Tax Authority for which a Tax Return is required to be filed and/or for which a Tax is required to be paid.

"**Tax Return**" means any return, report or statement filed or required to be filed with respect to the determination, assessment, or collection of any Tax or the administration of any Tax Laws (including any elections, declarations, schedules or attachments thereto, and any amendment or supplement thereof), including any information return, estimate, claim for refund, amended return or declaration of estimated Tax.

"**Transaction Deductions**" means the sum of all items of loss or deduction for U.S. federal income tax purposes resulting from or attributable to (a) the payment of legal, financial advisory, accounting and other fees and expenses of the Group Companies (but not of Buyer) in connection with the transactions contemplated hereby, including the Seller Transaction Expenses and (b) any other payment contemplated by this Agreement that is in the nature of compensation for U.S. federal income tax purposes.

"**Transition Services Agreement**" means the Transition Services Agreement among Seller or one of more of its Affiliates, the Company, and Buyer, substantially in the form attached hereto as Exhibit 1.1(c).

"**Transfer**" means any direct or indirect voluntary or involuntary transfer, sale, assignment, pledge or other disposition or encumbrance.

"**Transfer Taxes**" means all sales (including bulk sales), use, transfer, recording, value added, ad valorem, privilege, documentary, gross receipts, registration, conveyance, excise, license, stamp or similar Taxes and fees arising out of, in connection with or attributable to the transactions effectuated pursuant to this Agreement.

"**Treasury Regulations**" means the income Tax regulations promulgated under the Code.

"**WARN**" means the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar state or local Law.

"**Working Capital Guidelines**" means the guidelines set forth in Exhibit 1.1(d) hereto.

Section 1.2 Other Definitions. Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Accounting Firm	2.5(d)
Agreement	Preamble
Ascribe	Preamble
Base Purchase Price	2.2(a)
Buyer	Preamble
Buyer Controlled Claims	9.5(a)
Buyer Losses	9.2
Closing	8.1
Closing Date	8.1
Closing Date Financial Certificate	2.4
Company	Preamble
Company Contracts	3.12(a)
Company Real Property	3.9(a)
Confidential Information	7.8(b)
Continuation Period	7.3(a)
Continuing Employee	7.3(a)
Data Room	1.3(c)
Deductible Amount	9.6(a)
Employment Agreement	8.2(c)
Environmental Threshold Amount	9.6(c)
Estimated Working Capital	2.4
Excluded Facilities	7.7(a)
Final Working Capital Statement	2.5(e)
Financial Statements	3.6(a)
Holding Period	7.1(b)
ICE	3.17(h)
Indemnifying Party	9.5(a)
Lease	3.9(b)
Leased Real Property	3.9(a)
Major Customers	3.21(a)
Major Suppliers	3.21(b)
Make-Whole Payment	7.1(c)
New Plans	7.3(b)
New Welfare Plans	7.3(b)
Notice of Disagreement	2.5(c)
Old Plans	7.3(b)
Owned Real Property	3.9(a)

Parties	Preamble
Party	Preamble
Per Diem Taxes	7.2(b)
Preliminary Working Capital Statement	2.5(b)
Purchase Price	2.2
Purchase Price Adjustment	2.5(a)
Redemption Date	7.1(b)
Sale Price	7.1(c)
Securities Act	5.6(a)
Seller	Preamble
Seller Losses	9.3
Senior Notes Transfer	2.3(b)
Shares	Recitals
Straddle Period	7.2(b)
Terminated Employee	7.3(a)
Third Party Claim	9.5(a)
Transfer Tax Returns	7.2(c)

Section 1.3 Construction.

(a) Unless the context of this Agreement otherwise clearly requires, (i) references to the plural include the singular, and references to the singular include the plural, (ii) references to one gender include the other genders, (iii) the words "include," "includes" and "including " do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation," (iv) the terms "hereof," "herein," "hereunder," "hereto" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (v) the terms "day" and "days" mean and refer to calendar day(s) unless references are to "Business Days," (vi) the terms "year" and "years" mean and refer to calendar year(s) and (vii) references to dollars or $ refer to United States dollars.

(b) Unless otherwise set forth in this Agreement, references in this Agreement to (i) any document, instrument or agreement (including this Agreement) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time and (ii) a particular Law means such Law, as amended, modified, supplemented or succeeded from time to time and in effect on the date hereof. All Article, Section, Exhibit and Schedule references herein are to Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specified.

(c) Whenever this Agreement indicates that the Group Companies or Seller have "made available" or "delivered" any document to Buyer, such statement will mean that such document was made available for viewing in the Donnelley Financial Solutions virtual data room (the "**Data Room**") on or before March 6, 2020 and not removed on or prior to the date hereof.

(d) This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

Article II

PURCHASE AND SALE

Section 2.1 Purchase and Sale of the Units. Pursuant to the terms and conditions of this Agreement, at the Closing, Seller will sell, transfer and deliver to Buyer, free and clear of all Liens, and Buyer will purchase and acquire from Seller, all of the Shares.

Section 2.2 Purchase Price. Subject to Section 2.5, the aggregate purchase price for the Shares (the "**Purchase Price**") shall be an amount equal to the sum of the following, payable in accordance with Section 2.3:

(a) Ninety-Three Million Seven Hundred Thousand Dollars ($93,700,000) (the '**Base Purchase Price**");

(b) plus the Estimated Working Capital Surplus, if any; and

(c) minus the Estimated Working Capital Deficit, if any.

Section 2.3 Payment of Purchase Price and Other Amounts at Closing.

(a) At the Closing, Buyer shall:

(i) pay to Seller (i) the Closing Payment as well as (ii) any Cash amounts held by the Group Companies immediately prior to the Closing, by wire transfer of immediately available funds to the bank account or accounts designated to Buyer not less than two Business Days prior to the Closing Date;

(ii) on behalf of the Company, pay to such account or accounts as the Company specifies to Buyer pursuant to the Closing Date Financial Certificate, the aggregate amount of any Company Indebtedness;

(iii) on behalf of the Company, pay to such account or accounts as the Company specifies to Buyer pursuant to the Closing Date Financial Certificate, the aggregate amount of the Seller Transaction Expenses; and

(iv) deposit the Adjustment Escrow Amount with the Escrow Agent by wire transfer of immediately available funds, which will be held by the Escrow Agent in accordance with the terms of the Escrow Agreement to secure the obligations of Seller under Section 2.5.

(b) At the Closing, Ascribe, on behalf of Buyer, shall transfer and deliver to Seller the Senior Notes, it being understood that, in order to effectuate such transfer and delivery, Ascribe shall instruct the Depository Trust Company to effect the transfer of the Senior Notes directly from Ascribe to Seller by book entry transfer, in accordance with the applicable procedures of the Depository Trust Company, for and on account of the Buyer (the "**Senior Notes Transfer**").

Section 2.4 Closing Date Statements. The Company has previously delivered to Buyer a certificate (the "**Closing Date Financial Certificate**"), signed by the Chief Financial Officer of the Company, which sets forth (i) the Company's estimate of the Net Working Capital (the "**Estimated**

Working Capital") and the Estimated Working Capital Surplus or the Estimated Working Capital Deficit, as the case may be, (ii) the amount of any Company Indebtedness, listed by each applicable lender, the amount due and wiring instructions for each such applicable lender, and with Release and Termination Agreements attached thereto, and (iii) the amounts comprising the Seller Transaction Expenses, listed by name, amount due and wiring instructions for each such amount.

Section 2.5 Adjustment to Purchase Price.

(a) The Purchase Price shall be increased or reduced as set forth in Section 2.5(f) hereof. Any increase or decrease in the Purchase Price pursuant to this Section 2.5 shall be referred to as a "**Purchase Price Adjustment**."

(b) Within 90 days after the Closing Date, Buyer shall prepare and deliver to Seller a statement (the "**Preliminary Working Capital Statement**"), which sets forth Buyer's calculation of Net Working Capital (calculated in accordance with the Working Capital Guidelines) and the Net Working Capital Deficit, if any, or the Net Working Capital Surplus, if any.

(c) Seller shall have a period of 30 days after the date Seller receives the Preliminary Working Capital Statement from Buyer to deliver to Buyer written notice of Seller's disagreement with any item contained in the Preliminary Working Capital Statement, which notice shall set forth in reasonable detail the basis for such disagreement (a "**Notice of Disagreement**"). During the 30-day period following Seller's receipt of the Preliminary Working Capital Statement, Buyer shall (i) permit Seller and its accountants to consult with Buyer's accountants and (ii) provide to Seller and its accountants reasonable access during reasonable hours and under reasonable circumstances to all relevant books and records and any work papers relating to the preparation of the Preliminary Working Capital Statement, in each case as reasonably requested by Seller in connection with Seller's review of the Preliminary Working Capital Statement. During the 30 days following Buyer's receipt of a Notice of Disagreement, if any, Buyer and Seller shall seek in good faith to resolve in writing any differences which they have with respect to the matters specified in the Notice of Disagreement, and upon such resolution, the Final Working Capital Statement shall be prepared in accordance with the agreement of Buyer and Seller.

(d) If Buyer and Seller are unable to resolve any disputed items set forth in the Notice of Disagreement within 30 days following Buyer's receipt of such Notice of Disagreement (or such longer period as Buyer and Seller shall mutually agree in writing), such dispute shall be submitted to, and all unresolved issues having a bearing on such dispute shall be resolved by, (i) KPMG US LLP or (ii) in the event such accounting firm is unable or unwilling to take such assignment, a nationally recognized accounting firm mutually agreed upon by Buyer and Seller or, if Buyer and Seller cannot agree on an accounting firm within 45 days after timely delivery of a Notice of Disagreement (or such longer period as Buyer and Seller shall mutually agree in writing), each of Buyer and Seller shall select a nationally recognized accounting firm and such two accounting firms shall designate a third nationally recognized accounting firm that neither presently is, nor in the past two years has been, engaged by either Party. KPMG US LLP, the accounting firm so agreed to by Buyer and Seller or the third accounting firm so selected by the two accounting firms is hereinafter referred to as the "**Accounting Firm**." Buyer and Seller shall submit to the Accounting Firm for review and resolution all matters (but only such matters) that are set forth in the Notice of Disagreement which remain in dispute. Buyer and Seller shall instruct the Accounting Firm to select one of its partners experienced in purchase price adjustment disputes to make a final determination of Net Working Capital and the Net Working Capital Deficit, if any, or the Net Working Capital Surplus, if any, based solely on the items that are in dispute as set forth in the Notice of Disagreement.

Buyer and Seller shall instruct the Accounting Firm that, in resolving the items in the Notice of Disagreement that are still in dispute and in determining Net Working Capital and the Net Working Capital Deficit, if any, or the Net Working Capital Surplus, if any, the Accounting Firm shall (A) not assign to any item in dispute a value that is (1) greater than the greatest value for such item assigned by Buyer, on the one hand, or Seller, on the other hand or (2) less than the smallest value for such item assigned by Buyer, on the one hand, or Seller, on the other hand, (B) make its determination based on an independent review (which will be in accordance with the guidelines and procedures set forth in this Agreement) and, if requested by Buyer or Seller, a one (1)-day conference concerning the dispute, at which conference each of Buyer and Seller shall have the right to present their respective positions with respect to the dispute and have present their respective advisors, counsel and accountants, (C) render a final resolution in writing to Buyer and Seller (which final resolution shall be requested by Buyer and Seller to be delivered not more than 45 days following submission of such disputed matters), which shall be final, conclusive and binding on the Parties with respect to Net Working Capital and the Net Working Capital Deficit or Net Working Capital Surplus, if any, and (D) provide a written report to Buyer and Seller, if requested by either of them, which sets forth in reasonable detail the basis for the Accounting Firm's final determination. The fees and expenses of the Accounting Firm shall be allocated between Buyer, on the one hand, and Seller, on the other hand, based upon the percentage by which the portion of the contested amount not awarded to each of Buyer and Seller bears to the amount actually contested by such Party.

(e) The Preliminary Working Capital Statement shall be deemed final for the purposes of this Section 2.5 upon the earliest of (i) the failure of Seller to notify Buyer of a dispute within 30 days after Seller receives the Preliminary Working Capital Statement, (ii) the resolution of all disputes, pursuant to Section 2.5(c), by Buyer and Seller and (iii) the resolution of all disputes, pursuant to Section 2.5(d), by the Accounting Firm. The Preliminary Working Capital Statement, as finalized in accordance with this Section 2.5, is referred to herein as the "**Final Working Capital Statement**"

(f) Within 10 days following the determination of the Final Working Capital Statement in accordance with Section 2.5(e):

(i) If there is a Net Working Capital Deficit as finally determined pursuant to this Section 2.5, then Buyer shall be entitled to recover an amount equal to such deficit from the Adjustment Escrow Fund; provided, however, that to the extent, if any, that such deficit exceeds the Adjustment Escrow Fund, then Seller shall pay the amount of such excess to Buyer. In accordance with the foregoing, Seller and Buyer shall promptly deliver a joint written instruction to the Escrow Agent instructing it to release (A) to Buyer or its designee, from the Adjustment Escrow Fund, an amount equal to the lesser of (i) the Net Working Capital Deficit, if any or (ii) the Adjustment Escrow Fund and (B) if an amount remains in the Adjustment Escrow Fund after giving effect to the foregoing clause "(A)," the remaining amount of the Adjustment Escrow Fund to Seller.

(ii) If there is a Net Working Capital Surplus as finally determined pursuant to this Section 2.5, then (A) Seller and Buyer shall promptly deliver a joint written instruction to the Escrow Agent instructing it to release the Adjustment Escrow Fund to Seller, and (B) Buyer shall also pay to Seller an amount equal to the lesser of (X) the amount of the Net Working Capital Surplus, and (Y) Two Million Dollars ($2,000,000).

(g) All payments required under this Section 2.5 shall be made in cash by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by the recipient(s) at least three Business Days prior to the applicable payment date.

(h) Any payments by Buyer required under this Section 2.5 shall be treated as an adjustment to the Purchase Price for U.S. federal income tax purposes.

Article III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Subject to the terms, conditions and limitations set forth in this Agreement, the Company hereby represents and warrants to Buyer, except as set forth in the Schedules (with the understanding and acknowledgement that Buyer would not have entered into this Agreement without being provided with the representations and warranties set forth in this Article III and that Buyer is relying on these representations and warranties), as follows:

Section 3.1 Organization. The Company is a corporation duly formed, validly existing and in good standing under the Laws of the State of Delaware. The Company is duly qualified or registered as a foreign company to transact business under the Laws of each jurisdiction where the character of its activities or the location of the properties owned or leased by it requires such qualification or registration, except where the failure of such qualification or registration would not, individually or in the aggregate, have a Material Adverse Effect.

Section 3.2 Authorization. The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company and, when duly executed by all Parties and delivered by the Company, will constitute the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar Laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

Section 3.3 Capitalization. There are 310,000 shares of convertible preferred stock, par value $0.01 per share, of the Company issued and outstanding. All of such issued and outstanding shares of capital stock are beneficially owned by Seller as set forth on Schedule 3.3 and are validly issued, fully paid and nonassessable and have been issued in accordance with applicable Law and preemptive rights. There are no other equity interests of the Company issued or outstanding. There are no subscriptions, options, warrants, calls, contracts, demands, commitments or other agreements requiring the Company to issue, or entitling any Person to acquire, any additional shares of capital stock of the Company or any other equity or debt security of the Company, including any right of conversion or exchange under any outstanding security or other instrument, and the Company is not obligated to issue any additional shares of capital stock or any other securities, including debt securities, for any purpose or reason. There are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire any outstanding shares of capital stock of the Company. All equity interests of the Company have been issued and granted in compliance with all applicable securities Laws and all other applicable Laws.

Section 3.4 Company Subsidiaries.

(a) Schedule 3.4 sets forth a correct and complete list of the Subsidiaries of the Company, listing for each Subsidiary its name, type of entity, the jurisdiction and date of its incorporation or organization, its authorized capital stock or other equity interests, the number and type of its issued and outstanding shares of capital stock or other equity interests and the current ownership of such shares or other equity interests. The Company has no direct or indirect Subsidiaries, other than the Subsidiaries set forth on Schedule 3.4.

(b) Each Company Subsidiary is a corporation, limited partnership, limited liability company or other business entity, as the case may be, duly organized, validly existing and in good standing (or the equivalent thereof, if applicable) under the laws of its respective jurisdiction of formation or organization (as applicable). Each Company Subsidiary is duly qualified or registered as a foreign company to transact business under the Laws of each jurisdiction where the character of its activities or the location of the properties owned or leased by it requires such qualification or registration, except where the failure of such qualification or registration would not, individually or in the aggregate, have a Material Adverse Effect.

(c) All of the outstanding equity securities of the Company Subsidiaries are validly issued, fully paid and nonassessable and have been issued in accordance with applicable Law and preemptive rights and are owned by the Company, free and clear of all Liens. There are no subscriptions, options, warrants, calls, Contracts, demands, commitments or other agreements requiring any Company Subsidiary to issue, or entitling any Person to acquire, any additional shares of capital stock or any other equity or debt security of any Company Subsidiary, including any right of conversion or exchange under any outstanding security or other instrument, and no Company Subsidiary is obligated to issue any additional units, shares of capital stock or any other securities, including debt securities, for any purpose or reason. The Company Subsidiaries do not have any outstanding obligation to repurchase, redeem or otherwise acquire any outstanding units or shares of capital stock of any Company Subsidiary. There are no bonds, debentures, notes or other Indebtedness of any Company Subsidiary having the right to vote or consent (or convertible into, or exchangeable for, securities having the right to vote or consent) on any matters on which equity interest holders of the Company Subsidiaries may vote. Schedule 3.4 also lists Contracts that could impact the future sale of the equity interests of certain Company Subsidiaries.

Section 3.5 Consents and Approvals; No Violations. Neither the execution and delivery of this Agreement by the Company nor the consummation by the Company of the transactions contemplated by this Agreement will (a) conflict with or result in any breach of any provision of the Certificate of Incorporation (or other similar governing document) of any Group Company, (b) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity, (c) violate, conflict with or result in a default under, in each case, in any material respect, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any Company Contract or (d) violate any Law, order, injunction or decree applicable to the Group Companies, excluding from the foregoing clause “(b),” such requirements, which (i) would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries or (ii) would not prevent or materially restrict or delay the consummation by Seller of the transactions contemplated by this Agreement.

Section 3.6 Financial Statements.

(a) The Company has made available to Buyer copies of the unaudited combined balance sheets of the Group Companies for the fiscal years ended 2018 and 2019, and the related unaudited combined statements of income of the Group Companies (collectively referred to as the "**Financial Statements**"). Each of the Financial Statements (i) has been prepared in accordance with GAAP consistently applied through the periods covered and in accordance with the Company's historic past practice, and (ii) fairly presents, in all material respects, the financial position and results of operations of the Group Companies as of the respective dates thereof and for the respective periods indicated therein.

(b) The Company maintains a system of internal accounting controls sufficient provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of the Financial Statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. There is not, and, since January 1, 2018, has not been, any fraud, whether or not material, that involves or involved the management or other employees of the Group Companies who have or had a significant role in the Group Companies' internal control over financial reporting. Since January 1, 2018, no significant deficiencies or material weaknesses in the design or operation of the system of internal control over financial reporting of the Group Companies have been identified that would be reasonably likely to adversely affect Seller's ability to record, process, summarize and report financial information.

Section 3.7 No Undisclosed Liabilities. Except as set forth in the Financial Statements, the Group Companies do not have any Liabilities, except for (a) Liabilities incurred since September 30, 2019 in the Ordinary Course, (b) Liabilities incurred since September 30, 2019 pursuant to or in connection with this Agreement or the transactions contemplated hereby, (c) Liabilities set forth on, reflected in, reserved against or disclosed in the most recent balance sheet included in the Financial Statements and (d) Liabilities which would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries.

Section 3.8 Absence of Certain Changes. Except as set forth on Schedule 3.8, since September 30, 2019 and through the date hereof:

(a) the Group Companies have conducted the Business in all material respects in the Ordinary Course;

(b) there has been no Material Adverse Effect;

(c) there has been no casualty, Loss, damage or destruction (whether or not covered by insurance) of any property that is material to the Group Companies;

(d) there has been no recognition of any union or other labor organization, entry into any collective bargaining agreement, written or oral, or modification of the terms of any such existing, contract or agreement, appraisal of or opposition to any union organization campaign, settlement of any material grievances or unfair labor practice charges, reception of any unfair labor practice charges, or otherwise been subject to any action similar to the foregoing;

(e) there has been no (i) increase in the compensation payable or those that will become payable to any employee or service provider of the Group Companies with a base salary of $100,000 or above, (ii) grant of any new bonus or severance arrangement to any employee of service provider of the Group Companies with respect to any employee or service provider of the Group Companies with a base salary of $100,000 or above, or (iii) establishment of any new Employee Benefit Plan;

(f) there has been no delay or postponement of the payment of accounts payable or other Liabilities or waiver, settlement, or compromise of any accounts receivable, debt or other rights outside of the Ordinary Couse; and

(g) there has been no material change in the accounting methods or practices of the Group Companies or any change in depreciation or amortization policies or rates theretofore adopted by the Group Companies.

Section 3.9 Real Property and Personal Property.

(a) Schedule 3.9(a) lists (i) all real property owned either (A) in fee simple or (B) as to surface (but not mineral) rights by the Group Companies (together with all buildings, improvements and fixtures located thereon, the "**Owned Real Property**") and sets forth the street address of each Owned Real Property and (ii) all real property leased, licensed, occupied, or subleased by the Group Companies (the "**Leased Real Property**," and together with the Owned Real Property, the "**Company Real Property**"), and sets forth the name of the landlord and the street address of each Leased Real Property. The Company Real Property constitutes all of the real property owned or leased and used by the Group Companies in connection with the Business.

(b) Copies of all ALTA land title surveys and all title insurance commitments or policies in respect of the Owned Real Property in Seller's possession have been made available to Buyer. Copies of all leases and amendments thereto with respect to the Leased Real Property (individually, a "**Lease**" and collectively, the "**Leases**") in Seller's possession have been made available to Buyer.

(c) With respect to each of the Owned Real Property, the Group Company that is the owner thereof has good and valid fee simple title thereto subject only to Permitted Liens.

(d) With respect to each of the Leased Real Property: (i) the Lease for such Leased Real Property is valid and subsisting, free and clear of any Liens, except for the Permitted Liens; (ii) the Group Companies are not in default (after expiration of applicable notice and cure periods) under any of the Leases, and there are no arrearages of rent under any of the Leases that would allow any termination thereof and, to the Knowledge of the Company, there does not exist under any Lease any event or condition that, after notice or lapse of time or both, would constitute a violation, breach or event of default thereunder as of the date hereof on the part of any Group Company; (iii) all Leases are in full force and effect and, to the Knowledge of the Company assuming the due authorization, execution and delivery by any other party thereto, are currently enforceable in all material respects against each Group Company party to such Lease and, to the Knowledge of the Company, as of the Closing will be, if not previously terminated or expired, enforceable in all material respects against the other party thereto in accordance with the express terms thereof, subject to bankruptcy, insolvency, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general principles of equity; (iv) no security deposit or portion thereof deposited with respect to such Lease has been applied in respect of a breach or default thereunder which has not been replenished to the extent required under such Lease; (v) the Group Companies do not owe any brokerage commissions or finder's fees with respect to such Lease;

and (vi) the Group Companies have not subleased, licensed or otherwise granted any Person the right to use or occupy the Leased Real Property (or any portion thereof) that is the subject matter of such Lease.

(e) The Group Companies have not collaterally assigned, mortgaged, or granted any other security interest in any Company Real Property or any interest therein.

(f) No Owned Real Property is subject to any decree or order of any Governmental Entity to be sold or is being condemned, expropriated or otherwise taken by any Governmental Entity with or without payment of compensation therefor (or, to the Knowledge of the Company, threatened or proposed order).

(g) All Taxes (including real and personal property Taxes and assessments and all special assessments, if any) payable by the Group Companies and pertaining to the Company Real Property have been, and will continue to be, paid in full on or before the date that such Taxes fall due, and there are no currently existing delinquencies with respect thereto. As of the date hereof, the Group Companies have not received any written notice of proposed local improvement charges or special levies of a material nature with respect to any of the Company Real Property.

(h) No written notice of violation of any applicable Law or of any covenant, restriction or easement affecting the Company Real Property or any part thereof or with respect to the use or occupancy of the Company Real Property or any part thereof has been received by the Group Companies from any Governmental Entity having jurisdiction over such Company Real Property.

(i) Each of the Company Real Properties has full and free legally enforceable access to and from public roads, which access is sufficient for the purposes of the operation of the Business thereon, and is zoned so as to permit its current use.

(j) The Group Companies own or hold under valid leases all material machinery, equipment and other tangible personal property necessary for the conduct of their businesses as currently conducted, subject to no Liens except for Permitted Liens.

Section 3.10 Intellectual Property.

(a) Schedule 3.10(a) sets forth a complete and accurate listing of (i) all patents, patent applications, trademark registrations, trademark applications, domain name registrations, service mark registrations, service mark applications, and copyright registrations and copyright registration applications for the Company Owned Intellectual Property, including the record owner and the jurisdiction in which each such Company Owned Intellectual Property has been issued or registered or in which any such application for issuance or registration has been filed; and (ii) all agreements pursuant to which the Group Companies are licensed to use the Company Licensed Intellectual Property (excluding all agreements for “off-the-shelf” commercially available software programs having an annual license, renewal or assurance fee of less than $50,000 in the aggregate).

(b) The Company Intellectual Property constitutes all of the material Intellectual Property necessary to enable the Group Companies to conduct the Business in the manner in which it is currently being conducted.

(c) (i) The Group Companies are the exclusive owner of the Company Owned Intellectual Property, free and clear of all Liens (other than Permitted Liens); (ii) as of the date hereof, no

proceedings, actions, suits, hearings, arbitrations, investigations, charges, complaints, claims, demands or similar actions have been instituted, are pending or, to the Knowledge of the Company, are threatened that challenge the validity, enforceability, use or ownership of any Company Intellectual Property; (iii) neither the use of any Company Owned Intellectual Property by any of the Group Companies in the conduct of the Business, nor the conduct of the Business, presently infringes, misappropriates or otherwise violates, or, since March 24, 2015, has infringed, misappropriated or otherwise violated, the Intellectual Property rights of any Person, and, from March 24, 2015 to the date hereof, the Group Companies have not received any written charge, complaint, claim, demand or notice alleging such infringement, misappropriation or violation; and (iv) no Person is infringing, misappropriating or otherwise violating any material item of the Company Owned Intellectual Property.

(d) The Group Companies are not in breach or default (with or without notice or lapse of time or both) in any material respect in the performance of any term or condition contained in any agreement pursuant to which any Group Company is licensed to use the Company Licensed Intellectual Property.

Section 3.11 Litigation. Except as provided on Schedule 3.11, (a) there are no Actions pending or, to the Knowledge of the Company, threatened, by any Governmental Entity with respect to the Group Companies; (b) there are no claims, actions, suits, proceedings, arbitrations or mediations pending or, to the Knowledge of the Company, threatened, against or affecting the Group Companies, or any of its properties, at Law or in equity; and (c) there are no judgments, orders, awards, injunctions or decrees of any Governmental Entity with respect to the Group Companies or any of their respective properties.

Section 3.12 Company Contracts.

(a) Schedule 3.12(a) sets forth a correct and complete list, as of the date hereof, of the following Contracts currently in effect and to which any Group Company is a party, by which the Group Companies or any property of any thereof is subject, or by which the Group Companies are otherwise bound (the "**Company Contracts**") (other than the Employee Benefit Plans set forth on Schedule 3.16(a)):

(i) all Contracts that individually require payments to or from any Group Company in excess of $100,000 on an annual basis;

(ii) all Contracts between any Group Company, on the one hand, and a Major Customer or Major Supplier, on the other hand;

(iii) any Contract for the employment of any employee employed by any Group Company that is not terminable at-will;

(iv) all bonds, debentures, notes, loans, credit or loan agreements or loan commitments, mortgages, indentures, guarantees or other contracts relating to the borrowing of money;

(v) all Lease Documents or other leases or licenses involving any properties or assets (whether real, personal or mixed, tangible or intangible) involving an annual commitment or payment of more than $100,000 by any Group Company;

(vi) all Contracts that provide for an increased payment or benefit, or accelerated vesting, upon the execution of this Agreement or the Closing or in connection with the transactions contemplated hereby;

(vii) all joint venture or partnership contracts, cooperative agreements and all other Contracts providing for the sharing of any profits;

(viii) all Contracts between any Group Company, on the one hand, and any member, stockholder, partner, officer, director, manager or employee or Affiliate of the foregoing on the other hand;

(ix) all Contracts for pending, or with respect to agreements entered into in the past five years, completed, dispositions of any assets having a value greater than $100,000 in the Ordinary Course; and

(x) all Contracts (A) restricting any Group Company from engaging in or competing with any business or with any Person in any geographic area or during any period of time, (B) providing for exclusivity or any similar requirement, (C) granting "most favored nation" pricing or terms, (D) restricting or purporting to restrict the ability of any Group Company to solicit or hire any person or (E) granting any right of first refusal, right of first negotiation or similar right.

(b) Copies of the Company Contracts, including all amendments and modifications thereto, have been made available to Buyer.

(c) Except as would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries, all Contracts are in full force and effect and, to the Knowledge of the Company assuming the due authorization, execution and delivery by any other party thereto, are currently enforceable in all material respects against each Group Company party to such Contract and, to the Knowledge of the Company, as of the Closing will be, if not previously terminated or expired, enforceable in all material respects against the other party thereto in accordance with the express terms thereof, subject to bankruptcy, insolvency, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general principles of equity. Except as would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries, there does not exist under any Contract, any event of default or event or condition that, after notice or lapse of time or both, would constitute a violation, breach or event of default thereunder as of the date hereof on the part of any Group Company, except as set forth on Schedule 3.12(c). No party to any Contract has given notice that it will exercise any termination rights with respect to such Contract and no party has given notice to the Company or any of its Affiliates of any material dispute with respect thereto, except for such notices as would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries.

Section 3.13 Tax Returns; Taxes.

(a) All Tax Returns filed or required to have been filed by or on behalf of the Group Companies have been duly and timely filed with the appropriate Tax Authority in all jurisdictions in which such Tax Returns were required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such filed Tax Returns are true, correct and complete in all respects. All Taxes shown to be due and owing on such filed Tax Returns or otherwise required to have been paid by or with respect to each of the Group Companies have been fully and timely

paid, except to the extent that such Taxes are being contested in good faith by appropriate proceedings, for which adequate reserves have been established on the Financial Statements in accordance with GAAP.

(b) Since December 31, 2018, no Group Company has (i) made, changed or revoked any election in respect of Taxes; (ii) made, changed or revoked any accounting method in respect of Taxes; (iii) prepared any Tax Returns in a manner which is not consistent with the past custom and practice with respect to the treatment of items on such Tax Returns; (iv) filed any amendment to a Tax Return; (v) incurred any Liability for Taxes other than in the Ordinary Course; (vi) settled any claim or assessment in respect of Taxes; (vii) consented to the extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes with any Governmental Entity; or (viii) surrendered any right to claim a refund of payments made in respect of Taxes.

(c) Since December 31, 2018, no written claim has been received by the Group Companies from a Tax Authority in a jurisdiction where the Group Companies do not file a Tax Return to the effect that the Group Companies are or may be subject to taxation in that jurisdiction, nor, to the Knowledge of the Company, has any Tax Authority threatened to make such an assertion.

(d) All deficiencies asserted or assessments made as a result of any examinations or audits by any Tax Authority with respect to the Group Companies have been fully paid, or each of the Group Companies has made full and adequate provision in its books and records and the Financial Statements for all Taxes which are not due and payable and all required estimated Tax payments sufficient to avoid any underpayment penalties have been made by or on behalf of the Group Companies. As of the date hereof, no federal, state, local or foreign Audits, examinations, matters in controversy, proposed adjustments or Actions by any Governmental Entity are presently pending, in progress or threatened with regard to any Taxes or Tax Returns filed by or on behalf of the Group Companies. No Group Company has received from a Governmental Entity any written notice indicating an intent to open an audit or other review with respect to any Group Company or any request for information related to Tax matters of or with respect to any Group Company.

(e) None of the Group Companies or any other Person on behalf of the Group Companies has been given or requested any extension of time within which to file any Tax Return, which Tax Return has not since been filed, nor been granted any extension for the assessment or collection of Taxes, other than extensions with respect to Tax Periods for which the applicable statute of limitations, as so extended, has since expired. No waivers of statutes of limitations have been given or requested with respect to any Taxes of any Group Companies.

(f) There are no Liens as a result of any unpaid Taxes (other than current Taxes not yet due and payable) upon any of the assets of the Group Companies.

(g) None of the Group Companies is a party to any Tax sharing, Tax allocation, Tax indemnity or any similar written or unwritten agreement, arrangement, understanding or practice relating to Taxes, and no Group Company has Liability or potential Liability for Taxes of another Person under any such agreement, arrangement, understanding or practice, or as a transferee or successor or by operation of law or otherwise.

(h) The Group Companies have withheld or collected and timely paid to the appropriate Tax Authority (or is properly holding for such timely payment) all Taxes required to have been withheld and complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes, including all applicable Laws relating to information reporting and record

retention, and paid (other than current Taxes not yet due and payable) in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party.

(i) None of the Group Companies (i) is subject to any private letter ruling of the IRS or comparable rulings of any other Governmental Entity; (ii) has ever had a permanent establishment (or other taxable presence) in any country other than the United States; (iii) has engaged in any "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4(b) or (iv) is a "United States real property holding corporation" within the meaning of Section 897 of the Code.

(j) None of the Group Companies will be required to include amounts in income, or exclude items of deduction, in a Taxable period beginning after the Closing Date as a result of: (i) a change in method of accounting occurring on or prior to the Closing Date; (ii) closing agreement as described in Section 7121 of the Code (or any similar provision of other applicable Law) on or prior to the Closing Date; (iii) an installment sale or open transaction arising in any Pre-Closing Tax Period; (iv) a prepaid amount received, or paid, prior to the Closing Date; (v) deferred gains arising prior to the Closing Date; (vi) Section 108(i) of the Code; or (vii) election to defer any Tax under Section 965 of the Code (including, an election under Section 965(h) of the Code).

(k) None of the Group Companies has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock intended to qualify for tax-free treatment under Sections 355 and 361 of the Code.

(l) Each Group Company is and has been at all times since its incorporation, properly classified as a corporation for U.S. federal and applicable state income tax purposes.

(m) The Company has no Liability for Taxes of any other Person (including predecessor) by operation of Law, Contract, assumption, transferee or successor Liability or otherwise (including by reason of Treasury Regulations Section 1.1502-6).

(n) The Company is not required to make any adjustments by reason of Treasury Regulations Section 1.1502-36(d).

(o) For purposes of this Section 3.13, any reference to the Group Companies shall be deemed to include any Person (i) that merged with or was liquidated or converted into the Group Companies or (ii) for which any Group Company is a successor under Section 381 of the Code (or under any similar provision of Law).

Section 3.14 Environmental, Health & Safety Matters.

(a) The Group Companies are, and since March 24, 2015 have been, in compliance in all material respects with applicable Environmental, Health & Safety Laws, including obtaining, maintaining and complying with all Environmental Permits necessary to operate the Business. No action or proceeding is pending or, to the Knowledge of the Company, threatened to revoke, modify or terminate any such Environmental Permit.

(b) No Group Company has received written notice from any Governmental Entity or other Person that any Group Company is subject to any pending or threatened claim or may have Liability (i) based upon any provision of any Environmental, Health & Safety Law and arising out of any act or omission of the Group Companies or any of their employees, agents or representatives

or (ii) arising out of the ownership, use, control or operation by the Group Companies of any facility, site, area or property from which there was a Release of any Hazardous Substance.

(c) Since March 24, 2015, there has been no Release of Hazardous Substances at, on, in under or from (i) any Company Real Property, (ii) any property formerly owned, operated or leased by any Group Company or (iii) any property or facility to which any Hazardous Substance has been transported for disposal, recycling or treatment by or on behalf of any Group Company, in each case, at concentrations that could reasonably be expected to result in any Group Company incurring material Liabilities.

(d) None of the Group Companies has assumed, provided an indemnity with respect to or otherwise become subject to any Liability of any other Person that could result in any Group Company incurring material Liability under Environmental, Health & Safety Laws.

(e) The Company has made all of the payments required pursuant to the Plea Agreement and the Court Judgment, is and has been in compliance with the Plea Agreement and any judgments (including the Court Judgment) entered or amendments made thereto, and is not aware of any facts, circumstances or conditions that would violate the terms of probation or the special conditions of supervision set forth in the Court Judgment.

(f) Except for the charged crime resolved by the Plea Agreement, none of the Group Companies have been named in any other action, claim, proceeding or litigation arising out of the facts, circumstances or conditions that gave rise to the Plea Agreement.

(g) The transactions contemplated by this Agreement do not require the approval or consent of any Governmental Entity under applicable Environmental, Health & Safety Laws.

(h) The Group Companies have made available to Buyer copies of (i) all material environmental assessments, studies, audits, analyses and reports relating to any property currently owned, operated or leased by the Group Companies or otherwise in connection with the Business and (ii) all material, non-privileged document relating to any material and outstanding Liabilities of the Group Companies under Environmental, Health & Safety Laws.

Section 3.15 Licenses and Permits. Schedule 3.15 sets forth a correct and complete list of all material Licenses (including Environmental Permits) held by any of the Group Companies as of the date hereof. Each of the Group Companies owns or possesses all Licenses that are necessary to enable it to carry on the Business as presently conducted, except, in each case, as would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries. No Group Company is in default or violation, and no event has occurred that, with notice or lapse of time, or both, would constitute a default or violation, in any material respect, of any term, condition or provision of any material License, and there are no facts or circumstances that would, individually or in the aggregate, reasonably be expected to form the basis for any such default or violation. No proceeding is pending, or to the Knowledge of the Company, threatened to revoke any material License. The Company has made available true and complete copies of all Licenses (including Environmental Permits).

Section 3.16 Employee Benefit Plans.

(a) Schedule 3.16(a) contains a complete list of each Employee Benefit Plan in effect as of the date hereof. None of the Group Companies will assume or retain sponsorship of, or be

required to contribute to or participate in, or remain a party to, any Employee Benefit Plans or other plan, program, arrangement, or agreement providing compensation or benefits to any current or former director, officer, employee or other service provider of Seller or its Affiliates, nor are there any Employee Benefit Plans or other plan, program, arrangement, or agreement providing compensation or benefits to any current or former director, officer, employee or other service provider of Seller or its Affiliates, in each case, with respect to which any Group Company will have any Liability (whether actual or contingent, or direct or indirect), in each case, following the Closing.

(b) A summary of all Employee Benefit Plans has been made available to Buyer.

(c) No Group Company or any Company ERISA Affiliate sponsors, contributes to, has contributed to, has ever had an obligation to contribute to, or has or could reasonably be expected to have any Liability with respect to: (i) a plan subject to Title IV of ERISA, the minimum funding standards of Section 302 of ERISA or Section 412 of the Code (including any "defined benefit plan" within the meaning of Section 3(35) of ERISA); (ii) a "multiemployer plan" (as defined in Section 3(37) of ERISA); (iii) a multiple employer plan (within the meaning of Section 4063 or 4064 of ERISA or Section 413(c) of the Code); or (iv) a multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA).

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, either alone or in connection with any other event, will (i) give rise to any payments or benefits that would be nondeductible to any Group Company under Section 280G of the Code or that could result in an excise Tax on any recipient under Section 4999 of the Code, (ii) result in any payment or benefit becoming due to any current or former Business Employee or Business Service Provider, (iii) increase the amount or value of any compensation or benefits payable under any Employee Benefit Plan or (iv) result in any acceleration of the time of payment or vesting of any compensation or benefits or provide any additional compensatory rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any current or former Business Employee or Business Service Provider.

Section 3.17 Labor Relationships.

(a) No Group Company is party to any labor or collective bargaining agreements and none of the Group Companies' employees are represented by a labor organization or group that was either voluntarily recognized or certified by any labor relations board (including the NLRB) or by any other Governmental Entity.

(b) To the Knowledge of the Company, none of the Group Companies' employees are a signatory to a collective bargaining agreement with any trade union, labor organization or group.

(c) No union, labor organization or group of employees of any of the Group Companies has made a pending demand for recognition, and there are no representation proceedings or petitions seeking a representation proceeding presently pending or, to the Knowledge of the Company, threatened to be brought or filed, with the NLRB or other labor relations tribunal. There is no organizing activity involving the Company or any of its Subsidiaries pending or, to the Knowledge of the Company, threatened by any union, labor organization or group of employees of the Group Companies.

(d) No labor dispute, walk out, strike, hand billing, picketing, or work stoppage involving the employees of any of the Group Companies has occurred, is in progress or, to the Knowledge of the Company, has been threatened in the two (2) years prior to the date hereof.

(e) No judgment, consent decree, or arbitration award imposes continuing remedial obligations or otherwise limits or affects any of the Group Companies' ability to manage its employees, service providers, or job applicants.

(f) Each of the Group Companies is, and has been, in material compliance with all Laws relating to the employment of labor, including all such Laws relating to wages (including minimum wage and overtime), hours of work, child labor, discrimination, civil rights, withholdings and deductions, classification and payment of employees, independent contractors, and consultants, equal employment opportunity, WARN and any similar state or local "mass layoff" or "plant closing" Law, collective bargaining, occupational health and safety, workers' compensation, and immigration. There has been no "mass layoff" or "plant closing" (as defined by WARN) with respect to any of the Group Companies within the six months prior to Closing.

(g) None of the Group Companies has incurred, and no circumstances exist under which any of the Group Companies would reasonably be expected to incur, any Liability arising from (i) the failure to pay wages (including overtime wages), (ii) the misclassification of employees as independent contractors and/or (iii) the misclassification of employees as exempt from the requirements of the Fair Labor Standards Act of 1938, as amended, or similar state Laws.

(h) The current employees of any of the Group Companies who work in the United States are authorized and have appropriate documentation to work in the United States. The Group Companies have never been notified of any pending or threatened investigation by any branch or department of U.S. Immigration and Customs Enforcement ("**ICE**"), or other federal agency charged with administration and enforcement of federal immigration laws concerning the Group Companies, and the Group Companies have never received any "no match" notices from ICE or any other Governmental Entity.

(i) Each of the Group Companies has promptly, thoroughly and impartially investigated (to the extent reasonable) all employment discrimination and sexual harassment allegations of, or against, the Group Companies or any employee, officer or director of any of the Group Companies. Each of the Group Companies has taken prompt corrective action that is reasonably calculated to prevent further discrimination and harassment found to exist, or potentially to exist, based upon such allegations. None of the Group Companies has incurred, and no circumstances exist under which any of the Group Companies would reasonably be expected to incur, any Liability arising from such allegations.

(j) The execution and delivery of this Agreement and the performance of this Agreement do not require any of the Group Companies to seek or obtain any consent, engage in consultation with, or issue any notice to or make any filing with (as applicable) any unions, labor organizations, or groups of employees of any of the Group Companies, or any Governmental Authority, with respect to any employee of any of the Group Companies.

Section 3.18 Certain Fees. Evercore, Inc. has served as the investment banker for the Company and Seller in connection with the transactions contemplated by this Agreement, and any fee or commission owed to it in connection with the transactions contemplated by this Agreement will be included in the Seller Transaction Expenses and paid pursuant to Section 2.3(a)(iii). Buyer

shall not otherwise, directly or indirectly, be obligated to pay or bear (*e.g.,* by virtue of any payment by or obligation of Seller or the Group Companies at or at any time after the Closing) any brokerage, finder's or other fee or commission to any broker, finder or investment banker in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Seller, the Group Companies or any of their respective Affiliates.

Section 3.19 Insurance Policies. Schedule 3.19 contains a correct and complete list of all insurance policies carried by or for the benefit of any of the Group Companies as of the date hereof. All insurance policies and bonds with respect to the Business and the assets of the Group Companies are in full force and effect (including with respect to any premium or other payments due under such insurance policies) as they apply to any matter, action or event relating to any of the Group Companies occurring through the Closing Date, except where failure would not be material, individually or in the aggregate, to the Company or any of its Subsidiaries.

Section 3.20 Compliance with Applicable Law. Each Group Company is, and has been since March 24, 2015, in compliance, in all material respects, with all applicable Laws applicable to the Group Companies and the Business, and no Group Company has received any notice of violation of any such Law. Since March 24, 2015, no Group Company has received any communication from any Governmental Entity with respect to the Business regarding any actual or potential violation of, or failure to comply with, any Law. To the Knowledge of the Company, no fact or circumstance exists that would be reasonably expected to give rise to a claim by any Governmental Entity based on any Group Company's failure to comply with any Law.

Section 3.21 Major Customers and Suppliers.

(a) Schedule 3.21(a) sets forth an accurate and complete list of each current or former customer of any Group Company which generated in the aggregate more than $2,000,000 in collections and accounts receivable since January 1, 2019 (the "**Major Customers**"), together with the amount of such collections and accounts receivable generated by each Major Customer during such period.

(b) Schedule 3.21(b) sets forth an accurate and complete list of each current or former supplier of goods or services to any Group Company collectively paid in the aggregate more than $500,000 since January 1, 2019 or that is a sole source supplier of any Group Company (collectively, the "**Major Suppliers**"), together with the amount paid to each Major Supplier during such period.

(c) Since January 1, 2019, no Major Customer or Major Supplier has terminated its relationship with any Group Company or materially reduced or changed pricing terms in a manner that would be material to any Group Company. No Group Company is engaged in any material dispute with any Major Customer or Major Supplier and, to the Knowledge of the Company, no Major Customer or Major Supplier intends to (i) terminate, limit or reduce its business relations with any Group Company or (ii) materially reduce or change the pricing or other terms of its business with any Group Company.

Section 3.22 No Other Representations or Warranties. Buyer, Ascribe and their representatives have not made any representation, warranty or other inducement to the Company other than the representations and warranties made by Buyer in Article V and Ascribe in Article VI, respectively, or in any other instruments or agreements to be delivered by Buyer or Ascribe as contemplated by this Agreement, and the Company is not relying on any representation, warranty or other inducement to enter into this Agreement, other than as set forth in Article V and Article VI.

The Company hereby acknowledges that Buyer and Ascribe are relying on the truth and accuracy of this statement, and the other representations and warranties of the Company set forth in this Article III.

Article IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Subject to the terms, conditions and limitations set forth in this Agreement, Seller hereby represents and warrants to Buyer, except as set forth in the Schedules (with the understanding and acknowledgement that Buyer would not have entered into this Agreement without being provided with the representations and warranties set forth in this Article IV and that Buyer is relying on these representations and warranties), as follows:

Section 4.1 Organization. Seller is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware, and has the corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted.

Section 4.2 Authorization. Seller has the legal right, capacity and authority to execute and deliver this Agreement and the Escrow Agreement and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and upon execution and delivery the Escrow Agreement, will be, duly executed and delivered by Seller, and, when duly executed by all other Parties and delivered by Seller, will constitute the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar Laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

Section 4.3 Share Ownership. Seller is the sole and exclusive, record and beneficial owner of the Shares set forth on Schedule 3.3. Seller has, and at the Closing, will have sole, exclusive and good title to such Shares. The delivery by Seller of the Shares at the Closing pursuant to the terms of this Agreement will transfer good and valid title to all of the Shares, free and clear of any restrictions on transfer or other Liens (other than any transfer restriction under any securities Law).

Section 4.4 Consents and Approvals; No Violations. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the certificate of incorporation, bylaws and other similar organizational documents of Seller; (b) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity; (c) violate, conflict with or result in a default under, in each case, in any material respect, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any note, mortgage, other evidence of indebtedness, guarantee, license, agreement, lease or other contract, instrument or obligation to which Seller is a party or by which Seller or any of its assets may be bound; or (d) violate any Law, order, injunction or decree applicable to Seller, excluding from the foregoing clause "(b)," such requirements (i) which would not prevent or materially restrict or delay the consummation by Seller of the transactions contemplated by this Agreement or the documents and agreements contemplated hereby or (ii) which become applicable as a result of any acts or omissions by, or the status of or any facts pertaining to, Seller.

Section 4.5 Litigation. There is no claim, action, suit, proceeding or governmental investigation pending or, to the Knowledge of Seller, threatened against Seller, by or before any Governmental Entity or by any third party which challenges the validity of this Agreement or the Escrow Agreement or which would be reasonably likely to prevent or materially restrict or delay Seller's ability to consummate the transactions contemplated by this Agreement or the Escrow Agreement.

Section 4.6 Material Non-Public Information. Seller understands and acknowledges that Buyer is in possession of information about the Buyer and its securities, including the Senior Notes, which may include material non-public information, that may or may not be material or superior to information available to Seller and that may or may not have been disclosed to Seller. Seller acknowledges that it has not requested Buyer to disclose any material or potentially material non-public information relating to Buyer or its securities other than as represented and warranted in this Agreement, and Buyer has not done so. Seller agrees that Buyer shall not be obligated to disclose any material non-public information it may have other than as represented and warranted in this Agreement, or have any liability with respect to such non-disclosure. Seller hereby waives any claim, or potential claim, it has or may have against Buyer relating to or arising out of any failure of Buyer or any of its Affiliates to disclose material non-public information in connection with the transactions contemplated by this Agreement other than as represented and warranted in this Agreement.

Section 4.7 No Other Representations or Warranties. Buyer, Ascribe and their representatives have not made any representation, warranty or other inducement to Seller other than the representations and warranties made by Buyer in Article V and Ascribe in Article VI, respectively, or in any other instruments or agreements to be delivered by Buyer or Ascribe as contemplated by this Agreement, and Seller is not relying on any representation, warranty or other inducement to enter into this Agreement, other than as set forth in Article V and Article VI. Seller hereby acknowledges that Buyer and Ascribe are relying on the truth and accuracy of this statement, and the other representations and warranties of Seller set forth in this Article VI.

Article V

REPRESENTATIONS AND WARRANTIES OF BUYER

Subject to the terms, conditions and limitations set forth in this Agreement, Buyer hereby represents and warrants to Seller and the Company (with the understanding and acknowledgement that Seller and the Company would not have entered into this Agreement without being provided with the representations and warranties set forth in this Article V and that Seller and the Company are relying on these representations and warranties), as follows:

Section 5.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has the corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted.

Section 5.2 Authorization. Buyer has the requisite corporate power and authority to execute and deliver this Agreement and the Escrow Agreement, and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement and the Senior Notes have been duly authorized, executed and delivered by Buyer, and this Agreement and the Senior Notes constitute, and the Escrow Agreement shall constitute,

as the case may be, when duly executed by all other Parties thereto and delivered by Buyer, the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar Laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

Section 5.3 Consents and Approvals; No Violations. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the certificate of incorporation, bylaws, or other similar organizational documents of Buyer; (b) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity; (c) violate, conflict with or result in a default under, in each case, in any material respect, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any note, mortgage, other evidence of indebtedness, guarantee, license, agreement, lease or other contract, instrument or obligation to which Buyer is a party or by which Buyer or any of its assets may be bound; or (d) violate any Law, order, injunction or decree applicable to Buyer, excluding from the foregoing clause "(b)," such requirements (i) which would not prevent or materially restrict or delay the consummation by Buyer of the transactions contemplated by this Agreement or the documents and agreements contemplated hereby or (ii) which become applicable as a result of any acts or omissions by, or the status of or any facts pertaining to, Seller or the Group Companies.

Section 5.4 Litigation. There is no claim, action, suit, proceeding or governmental investigation pending or, to the knowledge of Buyer, threatened against Buyer, by or before any Governmental Entity or by any third party which challenges the validity of this Agreement or the Escrow Agreement or which would be reasonably likely to prevent or materially restrict or delay Buyer's ability to consummate the transactions contemplated by this Agreement or the Escrow Agreement.

Section 5.5 No Other Representations or Warranties. The Company and Seller and their representatives have not made any representation, warranty or other inducement to Buyer other than the representations and warranties made by the Company in Article III and Seller in Article IV, respectively, and Buyer is not relying on any representation, warranty or other inducement to enter into this Agreement, other than as set forth in Article III and Article IV. Buyer hereby acknowledges that the Company and Seller are relying on the truth and accuracy of this statement, and the other representations and warranties of Buyer set forth in this Article V.

Section 5.6 Purchase for Investment.

(a) Buyer is acquiring the Shares solely for investment for its own account and not with the view to, or for resale in connection with, any "distribution" (as such term is used in Section 2(11) of the Securities Act of 1933, as amended (the "**Securities Act**")) thereof. Buyer understands that the Shares have not been registered under the Securities Act or any state or foreign securities laws by reason of specified exemptions therefrom that depend upon, among other things, the bona fide nature of its investment intent as expressed herein and as explicitly acknowledged hereby and that under such laws and applicable regulations such securities may not be resold without registration under the Securities Act or under applicable state or foreign law unless an applicable exemption from registration is available.

(b) Buyer is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

Section 5.7 Certain Fees. Neither the Group Companies nor any Seller shall be directly or indirectly obligated to pay or bear (*e.g.,* by virtue of any payment by or obligation of any of Buyer or any of its Affiliates at or at any time after the Closing) any brokerage, finder's or other fee or commission to any broker, finder or investment banker in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Buyer or any of its Affiliates.

Article VI

REPRESENTATIONS AND WARRANTIES OF ASCRIBE

Ascribe hereby represents and warrants to Seller and the Company, solely with respect to the obligations of Ascribe set forth in Section 2.3(b), Section 7.1, Section 8.4, and Article IX of this Agreement, as follows:

Section 6.1 Organization. Ascribe is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has the limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted.

Section 6.2 Authorization. Ascribe has the requisite limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Ascribe, and this Agreement constitutes, when duly executed by all other Parties thereto and delivered by Ascribe, as applicable, the legal, valid and binding obligation of Ascribe, enforceable against Ascribe in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar Laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

Section 6.3 Consents and Approvals; No Violations. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the certificate of formation, limited liability company agreement or other similar organizational documents of Ascribe; (b) require any filing with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity; (c) violate, conflict with or result in a default under, in each case, in any material respect, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any note, mortgage, other evidence of indebtedness, guarantee, license, agreement, lease or other contract, instrument or obligation to which Ascribe is a party or by which Ascribe or any of its assets may be bound; or (d) violate any Law, order, injunction or decree applicable to Ascribe, excluding from the foregoing clause "(b)," such requirements (i) which would not prevent or materially restrict or delay the consummation by Ascribe of the transactions contemplated by this Agreement or the documents and agreements contemplated hereby or (ii) which become applicable as a result of any acts or omissions by, or the status of or any facts pertaining to, Seller or the Group Companies.

Section 6.4 Ascribe Funds. The Ascribe Funds have sufficient unfunded capital to fund the Par Value of the Senior Notes, and Ascribe is authorized to call capital from the Ascribe Funds for purposes of making payments pursuant to Section 7.1.

Article VII

COVENANTS

Section 7.1 Senior Notes.

(a) At the Closing, Ascribe and Buyer will enter into the Exchange Agreement pursuant to which Ascribe will exchange its Senior Notes for common equity interests in Buyer.

(b) If (i) Seller holds the Senior Notes until the first anniversary of the Closing Date (the "**Holding Period**") or (ii) an Acceleration Event occurs prior to the first anniversary of the Closing Date, then within ten (10) Business Days following the date (the "**Redemption Date**") that is the earlier of (A) the expiration of the Holding Period or (B) the date of an Acceleration Event, Ascribe shall, as agent for Seller, sell the Senior Notes for cash and pay the proceeds thereof to Seller.

(c) If the sale of the Senior Notes by Ascribe in accordance with Section 7.1(b) or Section 7.1(d)(ii) results in a sale price for the Senior Notes (the "**Sale Price**") less than the Par Value of the Senior Notes as of the date of such sale, Ascribe shall pay to Seller, in cash, the amount equal to the excess of the Par Value over the Sale Price (the "**Make-Whole Payment**"). If the Sale Price for the Senior Notes is equal to or greater than the Par Value of the Senior Notes, then Ascribe shall not be obligated to pay, and Seller shall not be entitled to receive, any Make-Whole Payment. Furthermore, if the Sale Price for the Senior Notes is greater than the Par Value of the Senior Notes, then the amount equal to the excess of the Sale Price over the Par Value shall be paid to, or retained by, Ascribe (and Ascribe acknowledges and agrees that it shall take into account the amount of such excess it receives or retains for income tax reporting purposes). If Ascribe is unable to sell the Senior Notes as and when required pursuant to this Section 7.1, then Ascribe shall purchase the Senior Notes, for cash, at Par Value within fifteen (15) Business Days following the Redemption Date.

(d) Notwithstanding anything in this Section 7.1 to the contrary,

(i) Seller shall have the right and continuing option to sell the Senior Notes at any time during the Holding Period; provided, however, that if Seller sells the Senior Notes during the Holding Period, Seller shall not be entitled to any Make-Whole Payment; and

(ii) Ascribe shall have the right and continuing option to cause Seller to sell the Senior Notes at any time during the Holding Period; provided, that, if Ascribe exercises its option pursuant to this Section 7.1(d)(ii), Ascribe shall arrange for the sale of the Senior Notes as agent for Seller. If the sale of the Senior Notes in accordance with this Section 7.1(d)(ii) results in a Sale Price less than the Par Value of the Senior Notes, Ascribe shall pay to Seller the applicable Make-Whole Payment.

(e) Any amounts payable to Seller under this Section 7.1 shall be paid to Seller within ten (10) Business Days following the sale of the Senior Notes pursuant to this Section 7.1.

(f) At all times at and following the Closing, Ascribe shall cause the Ascribe Funds to reserve sufficient capital commitments to cover Ascribe's potential payment obligations to Seller pursuant to Section 7.1(c) or Section 7.1(d)(ii), in a minimum amount equal to the Par Value of the Senior Notes. In the event a payment is required to be made by Ascribe to Seller pursuant to Section

7.1(c) or Section 7.1(d)(ii), Ascribe will cause the Ascribe Funds to fund the amount of such payment, which shall be paid directly or indirectly by Ascribe to Seller in accordance with this Section 7.1.

(g) At all times following the Closing, if Ascribe arranges for the sale of the Senior Notes as agent for Seller, Seller shall provide such cooperation as shall reasonably be requested by Ascribe to facilitate and execute the sale of the Senior Notes, including, without limitation, establishing one or more accounts at financial institutions requested by Ascribe, providing know your customer and other information requested by any such financial institution and providing such documents and signatures as may be required in connection with the sale or transfer of the Senior Notes.

Section 7.2 Tax Matters.

(a) Tax Returns. Following the Closing, Seller shall prepare or cause to be prepared and file or cause to be filed, at the expense of Seller, all Tax Returns for the Group Companies for all Tax Periods ending on or prior to the Closing Date that are required to be filed after the Closing Date. Such Tax Returns shall be prepared in a manner consistent with the past practices of the Group Companies, except as otherwise required by applicable Tax Law or changes in facts. Seller shall permit Buyer to review and comment on such Tax Returns (together, with schedules, statements and, to the extent requested by Buyer, supporting documentation) at least 30 days prior to the due date for filing (including extensions) of such Tax Returns and shall revise such Tax Returns to reflect any reasonable comments made by Buyer prior to the filing of such Tax Returns. If any such Tax Return must be signed by Buyer, any Affiliate thereof or the Group Companies (or any representative of the foregoing), Buyer agrees that it will, or will cause such other parties to, cooperate fully and punctually in signing such Tax Return in order to permit the timely filing of such Tax Return. Following the Closing, Buyer shall prepare or cause to be prepared and file or cause to be filed, at the expense of Buyer, all Tax Returns for the Group Companies for all Straddle Periods. Such Tax Returns shall be prepared in a manner consistent with the past practices of the Group Companies, except as otherwise required by applicable Tax Law or changes in facts. Buyer shall permit Seller to review and comment on such Tax Returns (together, with schedules, statements and, to the extent requested by Seller, supporting documentation) at least 30 days prior to the due date for filing (including extensions) of such Tax Returns and shall revise such Tax Returns to reflect any reasonable comments made by Seller prior to the filing of such Tax Returns, but only to the extent the failure to include such comments could reasonably be expected to increase the Liability of the Seller for Taxes pursuant to this Agreement. Any amended Tax Return of the Group Companies or claim for Tax refund on behalf of the Group Companies for any Pre-Closing Tax Period shall be filed, or caused to be filed, only by Seller. Notwithstanding anything to the contrary anywhere in this Agreement, the Parties agree that all Transaction Deductions will be reported in Pre-Closing Tax Periods (and otherwise treated as attributable to Pre-Closing Tax Periods) to the extent permitted by Law.

(b) Straddle Period. Taxes for any Tax Period of the Group Companies that includes but does not end on the Closing Date (each such period, a "**Straddle Period**") shall be allocated for all purposes of this Agreement (i) to the Pre-Closing Tax Period for the portion of the Straddle Period up to and including the close of business on the Closing Date and (ii) to the Post-Closing Tax Period for the portion of the Straddle Period subsequent to the Closing Date. For that purpose, (A) real, personal and intangible property Taxes and any other Taxes levied on an annual or other periodic basis (" **Per Diem Taxes**") of the Group Companies for a Straddle Period shall be allocated between the periods described in clauses "(i)" and "(ii)" of the preceding sentence on a per diem basis based

on the number of days during the Straddle Period ending with and including the Closing Date and number of days during the Straddle Period commencing on the day after the Closing Date and (B) Taxes that are not Per Diem Taxes, including income Taxes and any transactional Taxes such as Taxes based on sales or revenue, of the Group Companies for a Straddle Period shall be allocated between the periods described in clauses "(i)" and "(ii)" of the preceding sentence as if such Tax Period ended as of the close of business on the Closing Date. For purposes of clause "(B)" of the preceding sentence, any allocation of gross or net income or deductions or other items required to determine any Taxes attributable to such a Straddle Period shall be made by means of a closing of the books and records of the Group Companies as of the close of the Closing Date, provided, that exemptions, allowances and deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period after the Closing Date in proportion to the number of days in each such period.

(c) Transfer Taxes . Any and all Transfer Taxes shall be split between Buyer and Seller equally. Seller shall timely and accurately file all necessary Tax Returns and other documentation with respect to Transfer Taxes or fees (the " **Transfer Tax Returns**") and timely pay all such Transfer Taxes. If required by applicable Tax Law, Buyer will join in the execution of any Transfer Tax Return.

(d) Cooperation. Buyer, the Group Companies and Seller and their respective Affiliates shall cooperate, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to this Section 7.2, any Audit, litigation or other proceeding with respect to Taxes, and other Tax matters addressed by this Section 7.2. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax matters and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Group Companies shall retain all books and records with respect to Tax matters pertinent to the Group Companies relating to any Tax Periods commencing on or before the Closing Date and shall abide by all record retention agreements entered into with any Tax Authority, and shall give Seller reasonable written notice prior to transferring, destroying or discarding any such books and records prior to the expiration of the applicable statute of limitations for that Tax Period, and, if Seller so requests, the Group Companies shall allow Seller to take possession of such books and records rather than destroying or discarding such books and records.

(e) Dispute Resolution. Any dispute, controversy, or claim between Buyer, on the one hand, and Seller, on the other hand, arising out of or relating to the provisions of this Agreement that relates to Taxes that cannot be resolved by negotiations between Buyer and Seller shall be submitted to the Accounting Firm for resolution. The Accounting Firm shall control the proceedings related to the dispute resolution and may request such evidence and information as it deems necessary. The Accounting Firm shall determine (it being understood that in making such determination, the Accounting Firm shall be functioning as an expert and not as an arbitrator), based solely on written submissions by Buyer and Seller and not by independent review, only those issues in dispute and shall render a written report as to the resolution of the dispute and the resulting computation of any Tax, fee, deduction or other amount in dispute which, absent manifest error, shall be conclusive and binding on Buyer, Seller and their respective Affiliates. In resolving any disputed item, the Accounting Firm may not assign a value to any item greater than the greatest value for such items claimed by either Party or less than the smallest value for such items claimed by either Party. The fees, costs and expenses of the Accounting Firm shall be allocated to and borne by Buyer and Seller, based on the inverse of the percentage that the Accounting Firm's

determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Accounting Firm. For example, should the items in dispute total an amount equal to $1,000 and should the Accounting Firm award $600 in favor of Seller's position, 60% of the costs of its review would be borne by Buyer and 40% of the costs would be borne by Seller.

(f) Seller's Indemnification for Taxes. Seller agrees to indemnify Buyer for (i) any Pre-Closing Taxes; (ii) any income Taxes of any member of an affiliated, consolidated, combined or unitary group of which any of the Group Companies (or their predecessors) is or was a member on or prior to the Closing Date, pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or non-U.S. Law or regulation and (iii) the failure of Seller to perform any covenant contained in this Agreement with respect to Taxes, including this Section 7.2, in each case, only if and to the extent such Taxes are not taken into account as a Liability in the calculation of Net Working Capital. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for U.S. federal income tax purposes.

(g) Certain Refunds and Other Tax Benefits. Any Tax refunds that are received by Buyer or the Group Companies, and any amounts credited against Tax to which Buyer or the Group Companies become entitled, that relate to a Pre-Closing Tax Period of the Group Companies shall be for the account of Seller, and Buyer shall pay over to Seller any such refund or the amount of any such credit within 15 days after receipt or entitlement thereto, except to the extent such refund or credit was treated as a current asset on the Final Working Capital Statement.

Section 7.3 Employees; Employee Benefits.

(a) For the 12-month period following the Closing Date (the "**Continuation Period**"), Buyer shall provide, or shall cause the Company to continue providing, to each individual who is a Business Employee as of the Closing (each, a "**Continuing Employee**"): (i) a base salary or hourly wage rate, as applicable, that is at least equal to the base salary or hourly wage rate provided to such Continuing Employee immediately prior to the Closing, (ii) annual or other short-term cash bonus opportunities (for the avoidance of doubt, excluding equity and equity based rights) that are substantially comparable to those provided to such Continuing Employee immediately prior to Closing, and (iii) medical and defined contribution retirement benefits that are substantially comparable, in the aggregate, to those provided to similarly situated employees of Buyer or its Affiliates. If Buyer terminates, or causes the Company to terminate, any Continuing Employee in the 6-month period following the Closing Date (each, a "**Terminated Employee**"), Buyer or the Company, as the case may be, shall provide to such Terminated Employee the amount of severance, as determined by Buyer in good faith, to which such Terminated Employee would have been entitled under the Company's existing severance plan in place as of the Closing Date.

(b) For all purposes, including vesting, eligibility to participate and level of benefits (other than benefits under defined benefit pension plans) under the Employee Benefit Plans of Buyer or its Affiliates (as applicable) providing benefits to Continuing Employees after the Closing in which such Continuing Employees are eligible to participate (the "**New Plans**"), each Continuing Employee in such plans shall be credited with his or her years of service with the Company and its predecessors prior to the Closing, to the same extent as such Continuing Employee was entitled, before the Closing, to credit for such service under any similar Employee Benefit Plan in which such Continuing Employee participated or was eligible to participate immediately prior to the Closing (such plans, collectively, the "**Old Plans**"); provided, however, that the foregoing shall not apply to the extent that its application would result in a duplication of benefits with respect to the same period of service.

In addition, and without limiting the generality of the foregoing, Buyer shall undertake commercially reasonable efforts to provide that (i) each Continuing Employee shall be immediately eligible to participate, without any waiting time, in any and all New Plans to the extent coverage under any such New Plan replaces coverage under any Old Plan and (ii) for purposes of each New Plan providing medical, dental, pharmaceutical, vision, disability, life insurance and/or other welfare benefits to any Continuing Employee (collectively, the "**New Welfare Plans**"), Buyer shall cause (A) all pre-existing conditions, exclusions or limitations, eligibility waiting periods and actively-at-work requirements of such New Welfare Plans to be waived for such Continuing Employee and his or her covered dependents (to the extent such conditions, exclusions, limitations, periods and requirements were waived or satisfied as of immediately prior to the Closing under comparable Old Plans), and (B) any eligible expenses incurred by each Continuing Employee and his or her covered dependents during the portion of the plan year of the Old Plan ending on the date such Continuing Employee's participation in the corresponding New Welfare Plan begins to be taken into account under such New Welfare Plan for purposes of satisfying all deductible, co-payment, coinsurance and maximum out-of-pocket requirements applicable to such Continuing Employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Welfare Plan.

(c) As of the Closing, Seller and its Affiliates (other than the Group Companies) shall assume and/or retain sponsorship of and be solely responsible for all Liabilities relating to or at any time arising under or in connection with or pursuant to any Employee Benefit Plan or other plan, program, arrangement, or agreement providing compensation or benefits to any current or former director, officer, employee or other service provider of Seller or its Affiliates.

(d) Nothing contained in this Section 7.3 or elsewhere in this Agreement, express or implied, shall confer upon any current or former Business Employee or Business Service Provider any right to continued employment or service (or resumed employment or service) subsequent to the Closing. This Section 7.3 shall operate exclusively for the benefit of the Parties and not for the benefit of any other Person, including any current or former Business Employees or the Continuing Employees, which Persons shall have no rights to enforce this Section 7.3 of this Agreement. Nothing in this Section 7.3 shall: (i) create any third party rights in any current or former Business Employee or Business Service Provider (including any beneficiary or dependent thereof) or (ii) be treated as an amendment of any Employee Benefit Plan or restrict the ability of the Parties or their Affiliates to amend, modify, discontinue or terminate any Employee Benefit Plan or any other employee benefit plan, practice or policy established or maintained by the Parties or their Affiliates.

Section 7.4 Confidentiality. As of the Closing Date, the Confidentiality Agreement shall be terminated and have no further force or effect.

Section 7.5 Noncompetition.

(a) During the period commencing on the Closing Date until the 2-year anniversary of the Closing Date and subject to Section 7.5(b), without the express, prior written consent of Buyer, Seller and its Affiliates agree not to, directly or indirectly, including as partner, member, stockholder or investor or in any other capacity, own, control, manage, operate or participate in, the Business.

(b) Notwithstanding the foregoing, nothing contained in Section 7.5(a) shall prohibit Seller or its Affiliates from acquiring (or owning or operating after its acquisition) any diversified business that engages in the Business so long as (i) the closing of such business acquisition occurs at least 12 months after the date of this Agreement and (ii) such business' revenues derived from the

Business for its fiscal year prior to when the acquisition occurs constitute no more than 10% of such business' revenues for such fiscal year.

(c) Seller and Buyer agree that the terms of the covenants in thisSection 7.5 are fair and reasonable with respect to its duration, geographical area and scope, are necessary to accomplish the full transfer of the goodwill and other intangible assets contemplated hereby, and were a material and necessary inducement for Purchaser to agree to the transactions herein contemplated. In the event that any provision contained in Section 7.5 shall be determined by any court of competent jurisdiction or any Governmental Entity to be unenforceable for any reason whatsoever (including in relation to duration or the scope of the activities covered thereby), then the Parties agree that the court should redefine such covenant so as to comply with applicable Law, it being specifically agreed by the Parties that it is each of their continuing desire that each covenant in this Section 7.5 be enforced to the full extent of its terms and conditions.

Section 7.6 R&W Policy. Exhibit 7.6 sets forth the binder for the R&W Policy. The R&W Policy shall provide that the insurers thereunder may not seek to or enforce any subrogation rights it might have against Seller (except in the case of Fraud by Seller), which provision shall not be amended by Buyer following the Closing in a manner that would adversely affect the rights or obligations of Seller hereunder or thereunder without the prior written consent of Seller.

Section 7.7 Access to Excluded Facilities.

(a) For a period of 60 days after the Closing Date, (i) Seller shall afford (and shall cause its Affiliates, employees, representatives and agents to afford) to Buyer and its Affiliates, employees, representatives and agents reasonable access to leased land, buildings, improvements and facilities set forth on Schedule 7.7 (the "**Excluded Facilities**"), upon advance written notice and during normal business hours for the purpose of removing, at Seller's sole cost and expense, the inventory set forth on Schedule 7.7 that is physically located at any Excluded Facility.

(b) To the fullest extent permitted by Law:

(i) Seller and its Affiliates, employees, representatives and agents shall (A) not be responsible or liable to Buyer for personal injuries or property damage sustained by Buyer or its Affiliates, employees, representatives and agents in connection with the access provided pursuant to this Section 7.7 and (B) shall be indemnified and held harmless by Buyer for any Losses suffered by any such Persons in connection with any such personal injuries and property damages, EXCEPTING LOSSES ACTUALLY RESULTING ON THE ACCOUNT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER; and

(ii) Buyer and its Affiliates, employees, representatives and agents shall (A) not be responsible or liable to Seller for personal injuries or property damage sustained by Seller or their respective Affiliates, employees, representatives and agents in connection with the access provided pursuant to this Section 7.7 and (B) shall be indemnified and held harmless by Seller for any Losses suffered by any such Persons in connection with any such personal injuries and property damage, EXCEPTING LOSSES ACTUALLY RESULTING ON THE ACCOUNT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF BUYER; provided, however, that Buyer shall indemnify Seller and its respective Affiliates, employees, representatives and agents for any property damage sustained to the Excluded Facilities in

connection with Buyer's exercise of its rights under Section 7.7(a), and any such property damage shall be recoverable from Buyer.

Section 7.8 Access to Information; Confidentiality.

(a) In connection with Buyer's filing obligations under applicable securities Laws, Seller and its Affiliates shall cooperate with Buyer and shall (i) give Buyer and its authorized representatives reasonable access to the books, records, work papers, offices and other facilities and properties of the Group Companies, (ii) permit Buyer to make such inspections thereof as Buyer may reasonably request and (iii) cause the officers of each of the Group Companies to furnish Buyer with such financial and operations data and other information as Buyer may reasonably request; provided, however, that any such investigation shall be conducted during normal business hours under the supervision of the applicable personnel of Seller, the Company or their Affiliates and in such a manner as to not interfere unreasonably with the operations of the Group Companies. Neither Seller nor the Group Companies shall be under any obligation to disclose to Buyer (A) any information the disclosure of which is restricted by Contract or Law, (B) any information that, in the reasonable judgment of Seller or the Group Companies, as the case may be, would result in the disclosure of any trade secrets or competitively sensitive information or (C) any information that consists of accounting workpapers or that may adversely affect the attorney-client privilege of Seller or the Group Companies, as the case may be; provided, however, that Seller and the Group Companies shall use commercially reasonable efforts to provide appropriate substitute arrangements in circumstances where this sentence applies.

(b) Following the Closing, the Parties shall cooperate with each other reasonably and in good faith, and in a timely manner, in connection with all Seller Litigation matters, by providing access to all such information and people as may be reasonably requested by any Party with respect to such matters.

(c) Following the Closing, the Seller and its Affiliates shall treat all documents and other information concerning the Group Companies, including all documents and information furnished to Buyer in connection with this Agreement or the transactions contemplated hereby, (together, "**Confidential Information**") as confidential and refrain from using any Confidential Information. In the event that Seller or any of its Affiliates or representatives is requested or required pursuant to a written or oral question or request for information or documents in any Action to disclose any Confidential Information by judicial or administrative process or by other requirements of any applicable Law, Seller will notify Buyer promptly of the request or requirement, so Buyer may seek an appropriate protective order. If, in the absence of a protective order, Seller or such Affiliate is, on the advice of counsel, required or compelled to disclose any such Confidential Information by judicial or administration process or by other requirements of any applicable Law, Seller or such Affiliate may disclose such Confidential Information to the extent so required to be disclosed, without liability hereunder; provided, however that Seller and its Affiliates shall reasonably cooperate with Buyer's efforts (if any) to obtain a protective order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed. Confidential Information does not include information that is generally available to the public immediately prior to the time of disclosure unless such Confidential Information is so available due to the actions of Seller or any of its respective Affiliates or representatives.

Section 7.9 Interest Reimbursement. Upon the receipt of the first payment of interest in the full amount of $1,843,625 on the Senior Notes (that is payable with respect to the time period beginning October 1, 2019 and ending March 31, 2020) after Seller takes delivery of the Senior

Notes from Ascribe, Seller shall, not more than two Business Days after the receipt of such payment, pay by wire transfer to the bank account or accounts designated by Buyer, $1,466,793 to Buyer, which shall represent a reimbursement of the interest accrued upon the Senior Notes prior to the Senior Notes being delivered to Seller pursuant to this Agreement.

Section 7.10 Reimbursement of Certain Payments. Following the Closing, Buyer shall reimburse Seller and its Affiliates for any post-Closing payments (including deductible payments or any payments that erode retention amounts under insurance coverage policies, and other non-insured payments) made by Seller or its Affiliates on account of any claims or litigation matters set forth on Schedule 3.11, exclusive, however, of any Seller Litigation. Buyer shall make such reimbursement payments promptly following receipt of an invoice therefor (accompanied by reasonable supporting documentation) from Seller. For clarity, neither Seller not its Affiliates shall be entitled to reimbursement for any such payments made prior to the Closing Date.

Article VIII

CLOSING

Section 8.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "**Closing**") shall occur contemporaneously with the execution and delivery of this Agreement. The date of the Closing shall be referred to herein as the "**Closing Date**." The Closing shall take place at the offices of King & Spalding LLP located at 1100 Louisiana Street, Suite 4000, Houston, Texas 77002, at 7:45 a.m. Houston, Texas time, or at such other place or at such other time as Seller and Buyer may agree in writing.

Section 8.2 Deliveries by Seller. At the Closing, Seller will deliver or cause to be delivered to Buyer (unless delivered previously) the following:

(a) the certificates (if certificated) for the Shares, together with a duly executed stock power from Seller, evidencing the transfer to Buyer of the beneficial and record ownership of the Shares, effective immediately upon the Closing;

(b) the Escrow Agreement executed by Seller;

(c) an Employment Agreement (the "**Employment Agreement**") entered into by Jack Renshaw and Buyer, effective as of the Closing Date, and attached hereto as Exhibit 8.2(c);

(d) a certificate executed by Seller, dated as of the Closing Date and prepared in accordance with Treasury Regulations section 1.1445-2(b), establishing that Seller is not a "foreign person" for purposes of section 1445 of the Code;

(e) the resignations of the directors and officers, effective as of the Closing Date, of the Group Companies;

(f) the Transition Services Agreement executed by Seller and the Company;

(g) the Release and Termination Agreements; and

(h) the Consent to Second Amended and Restated Asset-Based Revolving Credit Agreement, dated as of March 9, 2020, by and among Keane Group Holdings, LLC, certain Loan Parties thereto, certain Lenders party thereto and Bank of America, N.A., as Administrative Agent.

Section 8.3 Deliveries by Buyer. At the Closing, Buyer will deliver or cause to be delivered to Seller the following:

(a) the Closing Payment to be paid at the Closing and such other amounts to be paid at Closing by Buyer pursuant to Section 2.3, paid and delivered in accordance with such Section;

(b) the Transition Services Agreement executed by Buyer; and

(c) the Escrow Agreement executed by Buyer.

Section 8.4 Deliveries by Ascribe. At the Closing, Ascribe will deliver or cause to be delivered to Seller, the Senior Notes and the Ascribe Guarantees.

Article IX

INDEMNIFICATION

Section 9.1 Survival.

(a) Subject to Section 9.1(b) and Section 9.1(f), the representations and warranties made by the Company and Seller in this Agreement or in any certificates or documents delivered hereunder, in each case other than the Fundamental Representations and the representations and warranties made by the Company and Seller in Section 3.6 (Financial Statements) and Section 3.9 (Real Property and Personal Property), shall survive until 11:59 p.m. Central time on that date that is 12 months after the Closing Date; provided, however, that if at any time prior to such time, a Buyer Indemnified Party delivers to a Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of any such representations and warranties and asserting a claim for recovery pursuant to the terms of Article IX hereunder, then the claim asserted in such notice shall survive until such claim is fully and finally resolved. All pre-Closing covenants and agreements of Seller and the Company shall expire as of the Closing Date. Except as hereinafter provided, all post-Closing covenants and agreements of Seller and the Company shall survive the Closing until satisfied pursuant to their terms. Notwithstanding the foregoing, Seller's obligations with respect to Section 9.2(h) shall survive only until 11:59 p.m., Central time on the first anniversary of the Closing Date, and, for clarity, only with respect to claims for recovery thereunder asserted pursuant to the terms of Article IX on or prior to such anniversary date.

(b) Subject to Section 9.1(f), each Fundamental Representation made by the Company and Seller in this Agreement or in any certificates or documents delivered hereunder with respect to such representations and warranties, shall survive until 11:59 p.m. Central time on that date that is the longer of (i) three (3) years after the Closing Date and (ii) the expiration of the longest statute of limitations (as it may be and is actually extended) applicable to a Buyer Indemnified Party's right of recovery for the inaccuracy or breach of such representation; provided, however, that if at any time prior to such time, a Buyer Indemnified Party delivers to a Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of a Fundamental Representation and asserting a claim for recovery pursuant to the terms of Article IX hereunder, then the claim asserted in such notice shall survive until such claim is fully and finally resolved.

(c) Subject to Section 9.1(f), (i) the representations and warranties made by the Company in Section 3.6 (Financial Statements) or in any certificates or documents delivered hereunder with respect to such representations and warranties shall survive until 11:59 p.m. Central time on that

date that is 18 months after the Closing Date; and (ii) the representations and warranties made by the Company in Section 3.9 (Real Property and Personal Property) or in any certificates or documents delivered hereunder with respect to such representations and warranties shall survive until 11:59 p.m. Central time on that date that is 2 years after the Closing Date; provided, however, that if at any time prior to such time, a Buyer Indemnified Party delivers to a Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of any such representations or warranties and asserting a claim for recovery pursuant to the terms of Article IX hereunder, then the claim asserted in such notice shall survive until such claim is fully and finally resolved.

(d) Subject to Section 9.1(e) and Section 9.1(f), the representations and warranties made by Buyer and Ascribe in this Agreement or in any certificates or documents delivered hereunder, in each case other than the Fundamental Representations, shall survive until 11:59 p.m. Central time on that date that is 12 months after the Closing Date; provided, however, that if at any time prior to such time, a Seller Indemnified Party delivers to a Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of any such representations and warranties and asserting a claim for recovery pursuant to the terms of Article IX hereunder, then the claim asserted in such notice shall survive until such claim is fully and finally resolved. All pre-Closing covenants and agreements of Buyer and Ascribe shall expire as of the Closing Date. All post-Closing covenants and agreements of Buyer and Ascribe shall survive the Closing until satisfied pursuant to their terms.

(e) Subject to Section 9.1(f), each Fundamental Representation made by Buyer and Ascribe in this Agreement or in any certificates or documents delivered hereunder with respect to such representations and warranties shall survive until 11:59 p.m. Central time on that date that is the longer of (i) three (3) years after the Closing Date and (ii) the expiration of the longest statute of limitations (as it may be and is actually extended) applicable to a Seller Indemnified Party's right of recovery for the inaccuracy or breach of such representation; provided, however, that if at any time prior to such time, a Seller Indemnified Party delivers to a Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of a Fundamental Representation and asserting a claim for recovery pursuant to the terms of Article IX hereunder, then the claim asserted in such notice shall survive until such claim is fully and finally resolved.

(f) Notwithstanding anything to the contrary set forth in Section 9.1(a), Section 9.1(b), Section 9.1(c), Section 9.1(d) or Section 9.1(e), the survival limitations set forth in Section 9.1(a), Section 9.1(b), Section 9.1(c), Section 9.1(d) and Section 9.1(e) shall not apply in the event of any Fraud with respect to a Party.

Section 9.2 Indemnification Obligations of Seller. Subject to the provisions of this Article IX, from and after the Closing, Seller shall indemnify and hold harmless, and shall compensate and reimburse, each of the Buyer Indemnified Parties from, against and in respect of any and all Losses which are directly or indirectly suffered or incurred by them at any time, or to which any of the Buyer Indemnified Parties may otherwise directly or indirectly become subject at any time (regardless of whether or not such Losses relate to any third party claim) and which arise directly or indirectly from or as a result of, or are directly or indirectly connected with:

(a) any breach of any representation or warranty made by the Company or Seller in Article III or Article IV (without giving effect to any materiality, Material Adverse Effect or similar qualifications limiting the scope of such representation or warranty, other than with respect to Section 3.6(a)(ii) and Section 3.8(b), in which case such language shall be given effect);

(b) any breach of any covenant, agreement or undertaking made by the Company (to the extent performed or to be performed by the Company prior to the Closing) or Seller in this Agreement;

(c) violations of the Plea Agreement or any judgments (including the Court Judgment) entered or amendments made thereto, occurring prior to the Closing;

(d) any claim or right asserted or held by any person who is or at any time was an officer, director, employee or agent of any Group Company (against Seller, any Group Company or any Affiliate of Seller or against any other Person) involving a right or entitlement or an alleged right or entitlement to employment, indemnification, reimbursement of expenses or any other relief or remedy (under the Certificate of Incorporation (or other similar governing document) of any Group Company, under any indemnification agreement or similar Contract, under any Law or otherwise) with respect to any act or omission on the part of such person or any event or other circumstance that arose, occurred or existed at or prior to the Closing Date;

(e) any Fraud;

(f) any Company Indebtedness or Seller Transaction Expenses in excess of the respective amounts, if any, paid on the Closing Date pursuant to Section 2.3 or otherwise set forth on the Final Working Capital Statement;

(g) the Seller Litigation, but only with respect to Losses incurred in respect thereof after the date hereof;

(h) the presence prior to the Closing Date of any Hazardous Substances at concentrations in excess of those permitted under applicable Environmental, Health & Safety Laws at, on, in or under the Company Property, or any property formerly owned, leased or occupied by any Group Company, or any noncompliance with any Environmental, Health & Safety Law by any Group Company prior to the Closing; and

(i) all Liabilities relating to or at any time arising under or in connection with or pursuant to any Employee Benefit Plan or other plan, program, arrangement, or agreement providing compensation or benefits to any current or former director, officer, employee or other service provider of Seller or its Affiliate.

The Losses of the Buyer Indemnified Parties described in this Section 9.2 as to which the Buyer Indemnified Parties are entitled to indemnification are collectively referred to as "**Buyer Losses**."

Section 9.3 Indemnification Obligations of Buyer. Buyer shall indemnify and hold harmless each of the Seller Indemnified Parties from, against and in respect of any and all Losses arising out of:

(a) any breach of any representation or warranty made by Buyer in Article V; and

(b) any breach of any covenant, agreement or undertaking made by Buyer in this Agreement.

The Losses of the Seller Indemnified Parties described in this Section 9.3 and the Losses of the Seller Indemnified Parties described in Section 9.4 hereof as to which the Seller Indemnified Parties are entitled to indemnification are collectively referred to as "**Seller Losses**."

Section 9.4 Indemnification Obligations of Ascribe and Seller.

(a) Subject to the provisions of this Article IX, Ascribe shall indemnify and hold harmless each of the Seller Indemnified Parties from, against and in respect of any and all Losses arising out of:

(i) any breach of any representation or warranty made by Ascribe in Article VI; and

(ii) any breach of any covenant, agreement or undertaking made by Ascribe in Section 2.3(b), Section 7.1 and Section 8.4 of this Agreement; provided, however, that Ascribe's sole covenant, agreement or undertaking with respect to the Senior Notes under Section 2.3(b) and Section 8.4 of this Agreement is to assign the Senior Notes to Seller free and clear of all Liens created by, through or under Ascribe and notwithstanding any other provision of this Agreement Ascribe shall have no liability or obligation arising out of or relating to any acts or omissions by, or the status of, or any facts pertaining to, Seller or Buyer.

(b) Subject to the provisions of this Article IX, Seller shall indemnify and hold harmless each of the Ascribe Indemnified Parties from, against and in respect of any and all Losses arising out of any breach of any covenant, agreement or undertaking made by Seller in Section 7.1(g) of this Agreement.

(c) Notwithstanding any other provision of this Agreement, the maximum liability of Ascribe to the Seller Indemnified Parties or of Seller to the Ascribe Indemnified Parties under this Agreement shall be an amount equal to the Make-Whole Payment, plus the proceeds of the sale, transfer or other disposition of the Senior Notes in the event Ascribe acts as agent for Seller, and plus the reasonable costs and expenses (including reasonable attorney's fees and expenses) incurred by the Indemnified Party in enforcing its rights against Ascribe or Seller, as the case may be, under this Agreement.

Section 9.5 Indemnification Procedure.

(a) Promptly after receipt by an Indemnified Party of notice from a third party of a threatened or filed complaint or the threatened or actual commencement of any audit, investigation, action or proceeding (a "**Third Party Claim**") with respect to which such Indemnified Party may be entitled to indemnification hereunder, such Indemnified Party shall provide written notification to Buyer, Seller or Ascribe, as the case may be, but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim, whichever is the appropriate indemnifying Party hereunder (the "**Indemnifying Party**"); provided, however, that the failure to so notify the Indemnifying Party shall relieve the Indemnifying Party from liability under this Agreement with respect to such claim only if, and only to the extent that, such failure to notify the Indemnifying Party results in (i) the forfeiture by the Indemnifying Party of rights and defenses otherwise available to the Indemnifying Party with respect to such claim or (ii) material prejudice to the Indemnifying Party with respect to such claim. Buyer shall have the right, at its sole discretion, to control the defense of any Third Party Claim that (1) relates to the Business or the Company or any of its Subsidiaries, including those asserted on behalf of a customer or supplier of any Group Company, (2) seeks an injunction or other equitable relief against any Group Company or with respect to the Business or (3) alleges criminal liability with respect to any Group Company (together, the "**Buyer Controlled Claims**"), including the employment of counsel reasonably satisfactory to Seller and

the payment of the fees and disbursements of such counsel, and, to the extent that a Buyer Controlled Claim is required to be indemnified by Seller pursuant to Section 9.2, Buyer's reasonable expenses related to the defense of a Buyer Controlled Claim shall be borne and paid exclusively by Seller; provided, Seller shall have the right to participate in the defense of any Buyer Controlled Claim with counsel selected by them subject to Buyer's right to control the defense thereof and Seller's reasonable expenses related to such participation in a Buyer Controlled Claim shall be borne and paid exclusively by Seller. The Buyer Indemnified Parties shall at all times use reasonable efforts to keep Seller reasonably apprised of the status of any Buyer Controlled Claim and to cooperate in good faith with each other with respect to the defense of any such matter. For any Third Party Claim that is not a Buyer Controlled Claim, upon written notice to the Indemnified Party, the Indemnifying Party shall have the right to assume the defense of such Third Party Claim at the Indemnifying Party's sole expense and with counsel reasonably satisfactory to the Indemnified Party; provided, that the Indemnified Party may join in the defense of such Third Party Claim at its sole expense and with counsel reasonably satisfactory to the Indemnifying Party.

(b) No Indemnified Party may settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) If an Indemnified Party claims a right to payment pursuant to this Agreement not involving a Third-Party Claim, such Indemnified Party shall send written notice of such claim to the Indemnifying Party, but in any event not later than 30 calendar days after the Indemnified Party becomes aware of such claim. Such notice shall specify in reasonable detail the basis for such claim. As promptly as possible after the Indemnified Party has given such notice, such Indemnified Party and the Indemnifying Party shall establish the merits and amount of such claim (by mutual agreement, arbitration, litigation or otherwise) and, within five Business Days of the final determination of the merits and amount of such claim, the Indemnifying Party shall pay to the Indemnified Party immediately available funds in an amount equal to such claim as determined hereunder, if any.

Section 9.6 Liability Limits. Notwithstanding anything to the contrary set forth in this Agreement, Seller's obligation to indemnify, defend and hold the Buyer Indemnified Parties harmless shall be limited as follows:

(a) no amounts of indemnity shall be payable pursuant toSection 9.2(a) unless and until the Buyer Indemnified Parties shall have suffered Buyer Losses in excess of $468,500 (the "**Deductible Amount**") in the aggregate, in which case the Buyer Indemnified Parties shall be entitled to recover only Buyer Losses in excess of the Deductible Amount; provided, however, that Buyer Losses arising under Section 9.2(a) to the extent based on (i) Fundamental Representations or (ii) Fraud shall not, in each case, be subject to the Deductible Amount;

(b) in no event shall the aggregate amount of indemnity required to be paid by Seller pursuant toSection 9.2(a) exceed the Cap Amount; provided, that the limitation set forth in thisSection 9.6(b) shall not apply to (i) Fraud (it being understood that there shall be no limitation on the liability of Indemnifying Parties directly or indirectly involved in any Fraud) or (ii) the matters referred in Section 9.2(b) through Section 9.2(i);

(c) no Losses may be claimed by any Buyer Indemnified Party pursuant toSection 9.2(h) or shall be reimbursable by, Seller, other than Buyer Losses in excess of One Hundred Fifty

Thousand Dollars ($150,000) (the "**Environmental Threshold Amount**") resulting from a single claim or aggregated claims;

(d) in no event shall the aggregate amount of indemnity required to be paid by Seller pursuant to Section 9.2(h) exceed Two Million Dollars ($2,000,000);

(e) notwithstanding anything to the contrary contained in Section 9.2, but subject to the other limitations contained in this Article IX, any liability for indemnification obligations for Buyer Losses under Section 9.2(a) shall be satisfied solely up to the Cap Amount and, in the event that a claim for indemnification is made pursuant to Section 9.2 in excess of the Cap Amount, then such Buyer Losses will remain unsatisfied other than as covered by the R&W Policy and no Buyer Indemnified Party shall be entitled to recover any such shortfalls from Seller;

(f) for purposes of computing the aggregate amount of indemnifiable claims against Seller, the amount of each claim for Buyer Losses by a Buyer Indemnified Party shall be deemed to be an amount equal to, and any payments by Seller pursuant to Section 9.2 shall be limited to, the amount of such Buyer Losses that remain after deducting therefrom any third party insurance proceeds and any indemnity, contributions or other similar payment payable;

(g) the amount of indemnity payable pursuant to Section 9.2 with respect to any Buyer Loss shall be reduced to the extent such Buyer Loss is reflected on the Final Working Capital Statement;

(h) any Indemnified Party that becomes aware of a Loss for which it seeks indemnification under this Article IX shall be required to use commercially reasonable efforts to mitigate such Loss and an Indemnifying Party shall not be liable for any Loss to the extent that it is attributable to the Indemnified Party's failure to mitigate following a reasonable request;

(i) in any case where a Buyer Indemnified Party recovers from any third party any amount in respect of a matter with respect to which Seller has made indemnification payments to Buyer pursuant to this Agreement, such Buyer Indemnified Party shall promptly pay over to Seller the lesser of the amount so recovered and the aggregate of such indemnification payments;

(j) the liability of Seller for Buyer Losses shall be considered in the aggregate and shall be determined on a cumulative basis so that all Buyer Losses incurred under Article IX shall be combined for purposes of determining limitations on liability, including the maximum liability amounts described above;

(k) in any claim for indemnification under this Agreement, no Party shall be required to indemnify any Person for punitive or exemplary damages, except to the extent such damages are payable pursuant to a Third-Party Claim;

(l) any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for U.S. federal income tax purposes; and

(m) for the avoidance of doubt, this Section 9.6 shall not apply to any liability for indemnification obligation arising under Section 7.2(f).

Section 9.7 Knowledge Not Affected. Seller hereby agrees that (a) the Buyer Indemnified Parties' right to indemnification, compensation and reimbursement contained in this Article IX relating to the representations and warranties of or relating to Seller or any Group Company are

part of the basis of the bargain contemplated by this Agreement and (b) such representations and warranties (as modified by disclosures in the Schedules) and the rights and remedies that may be exercised by the Buyer Indemnified Parties with respect thereto, shall not be waived, limited or otherwise affected by or as a result of (and Buyer shall be deemed to have relied upon such representations and warranties (as modified by disclosures in the Schedules) any knowledge on the part of any of Buyer, its Affiliates or any of their representatives, regardless of whether obtained through any investigation by Buyer, its Affiliates or any of their representatives through disclosure by Seller, any Group Company or any other Person (other than as set forth in the Schedules), and regardless of whether such knowledge was obtained before or after the execution and delivery of this Agreement.

Section 9.8 Election of Claims. In the event that any Party alleges that they are entitled to indemnification hereunder, and that Party's claim is covered under more than one provision of this Agreement, such Party shall be entitled to elect the provision or provisions under which it may bring a claim for indemnification. For the avoidance of doubt, in no event shall the existence of multiple applicable provisions of this Agreement permit an Indemnified Party to recover the amount of any Losses suffered by such Party more than once.

Section 9.9 Exclusive Remedies. Except as provided for in Section 7.2(f), the Parties acknowledge and agree that following the Closing, (a) the indemnification provisions of this Article IX shall be the sole and exclusive remedies of the Parties for any breach by the other party of the representations and warranties in this Agreement and for any failure by the other party to perform or comply with the covenants or agreements contemplated by this Agreement, except (i) that if any of the covenants or agreements contemplated by this Agreement are not performed in accordance with their terms, the parties shall be entitled to specific performance of the terms of the terms thereof and (ii) in the case of Fraud shall not be so limited and (b) no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of any Party to rescind this Agreement or any of the transactions contemplated.

Article X

MISCELLANEOUS

Section 10.1 Fees and Expenses. Except as otherwise expressly provided herein, (a) Buyer shall pay its own fees, costs and expenses incurred in connection herewith and the transactions contemplated hereby, including the fees, costs and expenses of its financial advisors, accountants and counsel and (b) the Seller Transaction Expenses shall be paid by Seller to the extent not payable by Buyer pursuant to Section 2.3(a)(iii) or not otherwise accrued as a current liability on the Final Working Capital Statement.

Section 10.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered in person or (b) on the next Business Day when sent by overnight courier to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to Buyer, to:

Basic Energy Services, Inc.
801 Cherry Street, Suite 2100
Fort Worth, Texas 76102
Attention: David Schorlemer
Email: dschorlemer@basices.com

with a copy to (which shall not constitute notice):

Weil, Gotshal & Manges LLP

200 Crescent Court, Suite 300

Dallas, Texas 75201

Attention: James R. Griffin

Rodney L. Moore

Email: james.griffin@weil.com

rodney.moore@weil.com

If to Ascribe, to:

Ascribe III Investments LLC
299 Park Avenue, 34th Floor
New York, NY 10171
Attention: Lawrence First
Email: lfirst@ascribecapital.com

with a copy to (which shall not constitute notice):

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Warren S. de Wied
Email: warren.de.wied@friedfrank.com

If to Seller or the Group Companies (prior to the Closing Date) to:

NexTier Completion Solutions
3990 rogerdale
Houston, TX 77042
Attention: Kevin McDonald
EVP, Chief Administrative Officer & General Counsel

with a copy to (which shall not constitute notice):

King & Spalding LLP
1180 Peachtree Street, N.E.
Atlanta, Georgia 30309-3521
Attention: Russell B. Richards
Email: rrichards@kslaw.com

Section 10.3 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

Section 10.4 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including by operation of law, by any Party without the prior written consent of the other Parties; provided, that Buyer may assign its rights, interests and obligations hereunder (a) to any direct or indirect wholly-owned subsidiary or to any Affiliate of which Buyer is a direct or indirect wholly-owned subsidiary, (b) as collateral for the purpose of securing obligations under any financing arrangements and (c) to the provider of the R&W Policy obtained by Buyer in the case of Fraud by Seller.

Section 10.5 No Third-Party Beneficiaries. This Agreement is exclusively for the benefit of the Parties, and, as applicable, their respective successors and permitted assigns.

Section 10.6 Headings. The Article and Section headings contained in this Agreement are exclusively for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement.

Section 10.7 Consent to Jurisdiction. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN STATE OF DELAWARE FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY AND AGREES THAT ALL

CLAIMS IN RESPECT OF THE SUIT, ACTION OR OTHER PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT. EACH PARTY AGREES TO COMMENCE ANY SUCH SUIT, ACTION OR OTHER PROCEEDING IN THE STATE AND FEDERAL COURTS SITTING IN THE STATE OF DELAWARE. EACH PARTY WAIVES ANY DEFENSE OF IMPROPER VENUE OR INCONVENIENT FORUM TO THE MAINTENANCE OF ANY ACTION OR PROCEEDING SO BROUGHT AND WAIVES ANY BOND, SURETY OR OTHER SECURITY THAT MIGHT BE REQUIRED OF ANY OTHER PARTY WITH RESPECT THERETO. ANY PARTY MAY MAKE SERVICE ON ANY OTHER PARTY BY SENDING OR DELIVERING A COPY OF THE PROCESS TO THE PARTY TO BE SERVED AT THE ADDRESS AND IN THE MANNER PROVIDED FOR THE GIVING OF NOTICES IN Section 10.2. NOTHING IN THIS Section 10.7, HOWEVER, SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AT EQUITY. EACH PARTY AGREES THAT A FINAL JUDGMENT IN ANY ACTION OR PROCEEDING SO BROUGHT SHALL BE CONCLUSIVE AND MAY BE ENFORCED BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW OR AT EQUITY.

Section 10.8 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH ANY MATTER WHICH IS THE SUBJECT OF THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

Section 10.9 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto), the Confidentiality Agreement and the other documents delivered pursuant to this Agreement constitute the entire agreement among the Parties with respect to the subject matter of this Agreement and supersede all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter of this Agreement.

Section 10.10 Governing Law. THIS AGREEMENT AND ANY LEGAL DISPUTE ARISING UNDER OR RELATED IN ANY WAY TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER OR RELATED IN ANY WAY TO THE FOREGOING, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAW OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

Section 10.11 Specific Performance. The Parties acknowledge and agree that any breach of the terms of this Agreement could give rise to irreparable harm for which money damages may not be an adequate remedy and accordingly the Parties agree that, in addition to any other remedies, each Party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy.

Section 10.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by e-mail shall be as effective as delivery of a manually executed counterpart of the Agreement.

Section 10.13 Amendment; Modification. This Agreement may be amended, modified or supplemented at any time only by written agreement of the Parties.

Section 10.14 Schedules. Disclosure of any fact or item in any Schedule hereto referenced by a particular Section in this Agreement shall be deemed to have been disclosed with respect to every other Section in this Agreement to the extent that such disclosure is set forth with such specificity that it is readily apparent on the face of such disclosure that such disclosure is applicable to such Sections. The specification of any dollar amount in the representations or warranties contained in this Agreement or the inclusion of any specific item in any Schedules hereto is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no Party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation, items or matter not described herein or included in a Schedule is or is not material for purposes of this Agreement. Unless this Agreement specifically provides otherwise, neither the specification of any item or matter in any representation or warranty contained in this Agreement nor the inclusion of any specific item in any Schedule hereto is intended to imply that such item or matter, or other items or matters, are or are not in the Ordinary Course, and no Party shall use the fact of the setting forth or the inclusion of any such item or matter in any dispute or controversy between the Parties as to whether any obligation, item or matter not described herein or included in any Schedule is or is not in the Ordinary Course for purposes of this Agreement.

Section 10.15 Time of Essence. With regard to all dates and time periods set forth in this Agreement, time is of the essence.

Section 10.16 Limitation of Liability. In no event shall Buyer be liable for Ascribe's breach or failure to perform its obligations under this Agreement, in any manner, and Seller and the Company each agree and acknowledge that with respect to any Liabilities arising from any such breach or failure to perform by Ascribe, Seller and the Company's sole recourse with respect to such Liability shall be to Ascribe.

Section 10.17 Privilege; Counsel. King & Spalding LLP has been engaged by the Group Companies and Seller to represent them in connection with the transactions contemplated by this Agreement. Buyer (on its behalf and on behalf of its Affiliates) hereby (a) agrees that, in the event that a dispute arises after the Closing between Buyer or any of its Affiliates, on the one hand, and Seller, on the other hand, with respect to the transactions contemplated by this Agreement, King & Spalding LLP may represent Seller in such dispute even though the interests of Seller may be directly adverse to Buyer, the Group Companies, or any of their respective Affiliates and even though King & Spalding LLP may have represented the Group Companies in a matter substantially related to such dispute, or may be handling ongoing matters for Buyer or the Group Companies and (b) waives any conflict in connection therewith. Buyer (on its behalf and on behalf of its Affiliates) further understands and agrees that the parties have each undertaken commercially reasonable efforts to prevent the disclosure of confidential or attorney-client privileged information. Notwithstanding those efforts, Buyer (on its behalf and on behalf of its Affiliates) further agrees that, notwithstanding anything in this Agreement to the contrary, as to all communications among any of King & Spalding LLP, the Company, or the Sellers (including any of their respective directors, officers or employees and the Sellers' Representative) that relate to this Agreement or the transactions contemplated by this Agreement, the attorney-client privilege and the expectation of client confidence belongs to the Sellers and shall be controlled by the Sellers and shall not pass to or be claimed by Buyer, the Company, or any of their respective Affiliates. Buyer (on its behalf

and on behalf of its Affiliates) further understands and agrees that the consummation of the transactions contemplated by this Agreement may result in the inadvertent disclosure of information that may be confidential or subject to a claim of privilege. Buyer (on its behalf and on behalf of its Affiliates) further understands and agrees that any disclosure of information that may be confidential or subject to a claim of privilege will not prejudice or otherwise constitute a waiver of any claim of privilege. Buyer (on its behalf and on behalf of its Affiliates) agrees to use commercially reasonable efforts to return promptly any inadvertently disclosed information to the appropriate Person upon becoming aware of its existence. Notwithstanding the foregoing, in the event that a dispute arises between Buyer, the Group Companies, or any of their respective Affiliates and a third party other than a party to this Agreement after the Closing, the Group Companies may assert the attorney-client privilege to prevent disclosure of confidential communications by King & Spalding LLP to such third party; provided, however, that the Group Companies may not waive such privilege without the prior written consent of Seller. King & Spalding LLP shall be a third-party beneficiary for purposes of this Section 10.17.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first above written.

BUYER:

BASIC ENERGY SERVICES, INC.

By: _____
Name: _____
Title: _____

ASCRIBE:

ASCRIBE III INVESTMENTS LLC

By: _____
Name: _____
Title: _____

COMPANY:

C&J WELL SERVICES, INC.

By: _____
Name: _____
Title: _____

SELLER:

NEXTIER HOLDING CO.

By: _____
Name: _____
Title: _____

Exhibit 3.1

CERTIFICATE OF DESIGNATIONS
OF
SERIES A PARTICIPATING PREFERRED STOCK
OF
BASIC ENERGY SERVICES, INC.

The undersigned duly authorized officer of Basic Energy Services, Inc., a Delaware corporation (the "**Corporation**"), in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, hereby certifies that, pursuant to the authority conferred upon the board of directors of the Corporation (the "**Board of Directors**") by the Second Amended and Restated Certificate of Incorporation of the Corporation (the "**Certificate of Incorporation**"), the Board of Directors on March 8, 2020 adopted a resolution which creates a series of preferred stock of the Corporation designated as Series A Participating Preferred Stock as follows:

RESOLVED, that pursuant to Section 151(g) of the General Corporation Law of the State of Delaware and the authority vested in the Board of Directors in accordance with the provisions of the Certificate of Incorporation, a series of preferred stock, par value $0.01 per share, of the Corporation be, and hereby is, created and the powers, designations, preferences and relative, participating, optional or other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof, be, and hereby are, as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Participating Preferred Stock" (the "**Series A Preferred Stock**"), par value $0.01 per share, and the number of shares constituting such series shall be 118,805. Subject to the Certificate of Incorporation, such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease shall reduce the number of shares of Series A Preferred Stock to less than the number of shares then issued and outstanding plus the number of shares issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation.

Section 2. Dividends and Distributions.

(a) The holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for that purpose, dividends with respect to each share of Series A Preferred Stock in an amount per share equal to, subject to the provisions for adjustment hereinafter set forth, one thousand (1,000) times the aggregate per share amount of each cash dividend declared on the common stock, $0.01 par value per share, of the Corporation (the "**Common Stock**"). In the event the Corporation shall, at any time after the issuance of any share or fraction of a share of Series A Preferred Stock, make any distribution on the shares of Common Stock, whether by way of a dividend or a reclassification of stock, a recapitalization, reorganization or partial liquidation of the Corporation or otherwise, which is payable in cash or any debt security, debt instrument, real or personal property or any other property (other than cash dividends subject to the immediately preceding sentence, a distribution or dividend of shares of Common Stock or other capital stock of the Corporation or a distribution of options, rights or warrants to acquire any such share, including any debt security convertible into or exchangeable for any such share, at a price less than the fair market value (as determined

by the Board of Directors) of such share of Common Stock or a subdivision or split of the outstanding shares of Common Stock by reclassification or otherwise), then, and in each such event, the Corporation shall simultaneously pay on each then outstanding share of Series A Preferred Stock a distribution, in like kind, of one thousand (1,000) times the aggregate distribution paid on a share of Common Stock (subject to the provisions for adjustment hereinafter set forth). The dividends and distributions on the Series A Preferred Stock to which holders thereof are entitled pursuant to the first sentence of this paragraph and pursuant to the second sentence of this paragraph are hereinafter referred to as "**Dividends**" and the multiple of such cash and non-cash dividends on the Common Stock applicable to the determination of the Dividends, which initially shall be one thousand (1,000) but shall be adjusted from time to time as hereinafter provided, is hereinafter referred to as the "**Dividend Multiple**." In the event the Corporation shall at any time declare or pay any dividend or make any distribution on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation, reverse split or reclassification of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the Dividend Multiple thereafter applicable to the determination of the amount of Dividends which holders of shares of Series A Preferred Stock shall be entitled to receive shall be the Dividend Multiple applicable immediately prior to such event multiplied by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare each Dividend at the same time it declares any cash or non-cash dividend or distribution on the Common Stock in respect of which a Dividend is required to be paid. No cash or non-cash dividend or distribution on the Common Stock in respect of which a Dividend is required to be paid shall be paid or set aside for payment on the Common Stock unless a full Dividend in respect of such dividend or distribution on the Common Stock shall be simultaneously paid or set aside for payment (as the case may be), on the Series A Preferred Stock.

(c) The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of any Dividend declared thereon, which record date shall not be more than sixty (60) days prior to the date fixed for the payment thereof and, if a record date is fixed for a dividend or distribution on the Common Stock in respect of which a Dividend is required to be paid, such record date for such Dividend shall be the same record date as fixed for such dividend or distribution on the Common Stock.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Subject to the provisions for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to one thousand (1,000) votes on all matters submitted to a vote of the holders of Common Stock. The number of votes which a holder of shares of Series A Preferred Stock is entitled to cast, as the same may be adjusted from time to time as hereinafter provided, is hereinafter referred to as the "**Vote Multiple**." In the event the Corporation shall at any time declare or pay any dividend or make any distribution on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation, reverse split or reclassification of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the Vote Multiple thereafter applicable to the determination of the number of votes per share to which holders of shares of Series A Preferred

Stock shall be entitled after such event shall be the Vote Multiple immediately prior to such event multiplied by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as a single class on all matters submitted to a vote of holders of Common Stock.

(c) Except as otherwise required by the Certificate of Incorporation, by law or as set forth herein, holders of Series A Preferred Stock shall have no other special voting rights with respect to the Series A Preferred Stock and their consent shall not be required for the taking of any corporate action.

Section 4. Optional Conversion.

(a) Corporation's Right to Convert. The Corporation may, at any time in its sole option on any date set by the Board of Directors elect to convert, subject to the conversion procedures set forth in this Section 4(a) and the limitations, if any, imposed by the General Corporation Law of the State of Delaware, all or any portion of the outstanding shares of Series A Preferred Stock into shares of authorized but unissued shares of Common Stock, on the following terms and conditions (any such conversion pursuant to this Section 4(a) or Section 4(b), an "**Optional Conversion**"):

(i) The Corporation may elect to convert all or any portion of the outstanding shares of Series A Preferred Stock into a number of shares of Common Stock equal to the product of (i) the number of shares of Series A Preferred Stock being so converted and (ii) the Conversion Multiple, with fractional shares of Common Stock rounded up or down as provided herein. The number of shares of Common Stock to which each holder of a share of Series A Preferred Stock may be entitled upon Optional Conversion pursuant to this Section 4(a) shall be the number of shares of Series A Preferred Stock held of record by such holder to be converted as of the Conversion Date multiplied by the Conversion Multiple, with any fractional share of Common Stock to which such holder is entitled being rounded up or down to the nearest whole share (with 0.5 being rounded up) (the "**Conversion Amount**"). The "**Conversion Multiple**" initially shall be one thousand (1,000) but shall be adjusted from time to time as hereinafter provided. In the event the Corporation shall at any time declare or pay any dividend or make any distribution on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation, reverse split or reclassification of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then, in each such case, the Conversion Multiple thereafter applicable to the determination of the Conversion Amount to which holders of Series A Preferred Stock shall be entitled after such event shall be the Conversion Multiple applicable immediately prior to such event multiplied by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(ii) In order to effectuate an Optional Conversion of shares of Series A Preferred Stock pursuant to Section 4(a), the Corporation shall submit a written notice to the holders of shares of Series A Preferred Stock, or otherwise provide such notice as may be required by the applicable procedures of DTC, stating (1) that the Corporation elects to convert the number of shares of Series A Preferred Stock specified in such notice to the holders of the shares of Series A Preferred Stock

being converted, (2) the Conversion Amount applicable to each such holder and (3) the date on which such conversion shall occur (the "**Conversion Date**"). The conversion of all shares of Series A Preferred Stock with respect to which an Optional Conversion election is made, and the issuance of all shares of Common Stock to be issued pursuant to such conversion, shall be effective as of the Conversion Date for such election. As promptly as practicable following each Conversion Date, the Corporation or the Transfer Agent shall deliver to the applicable holder, by delivery of stock certificate or book-entry delivery via DTC to the account(s) specified by DTC, a number of shares of Common Stock equal to the number of shares to which such holder is entitled pursuant to the Optional Conversion of the shares of such holder's Series A Preferred Stock that were converted as of such Conversion Date.

(iii) With respect to each Optional Conversion pursuant to Section 4(a) of less than all outstanding shares of Series A Preferred Stock, the conversion of shares of Series A Preferred Stock pursuant to such Optional Conversion shall be effectuated by the Corporation pro rata among all holders of shares of Series A Preferred Stock.

(b) Holder's Right to Convert. Each holder of Series A Preferred Stock may elect to convert, at the option of such holder, at any time in such holder's sole discretion, subject to the conversion procedures set forth in this Section 4(b) and the limitations, if any, imposed by the General Corporation Law of the State of Delaware, all or any portion of the outstanding shares of Series A Preferred Stock held by such holder into authorized but unissued shares of Common Stock out of the Available Shares, on the following terms and conditions:

(i) A holder of Series A Preferred Stock may elect to convert all or any portion of the outstanding shares of Series A Preferred Stock held by such holder into a number of shares of Common Stock equal to the product of (1) the number of shares of Series A Preferred Stock being so converted and (2) the Conversion Multiple, with fractional shares of Common Stock rounded up or down as provided herein. The number of shares of Common Stock to which such holder may be entitled upon Optional Conversion pursuant to this Section 4(b) shall be the number of shares of Series A Preferred Stock held of record by such holder to be converted as of the Conversion Date multiplied by the Conversion Multiple, with any fractional share of Common Stock to which such holder is entitled being rounded up or down to the nearest whole share (with 0.5 being rounded up).

(ii) In order to effectuate an Optional Conversion of shares of Series A Preferred Stock pursuant to Section 4(b), a holder of Series A Preferred Stock shall (1) submit a written notice to the Corporation, or otherwise provide such notice as may be required by the applicable procedures of DTC, (such notice, a "**Holder Conversion Notice**") stating that such holder elects to convert shares of Series A Preferred Stock and the number of shares such holder elects to convert and (2) if such holder's shares are certificated, surrender the certificate or certificates for such shares of Series A Preferred Stock at the office of the Corporation or as otherwise directed in writing by the Corporation. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or its attorney duly authorized in writing. Upon receipt of a Holder Conversion Notice, the Corporation shall set the "Conversion Date" for such Optional Conversion, which shall be not less than three Business Days or more than 20 Business Days following receipt by the Corporation of the applicable Holder Conversion Notice, and the shares of Common Stock issuable upon conversion of the specified shares of Series A Preferred Stock shall be deemed to be outstanding of record as of such date.

As promptly as practicable following each Conversion Date, the Corporation or the Transfer Agent shall deliver to the applicable holder, by delivery of stock certificate or book-entry delivery via DTC to the account(s) specified by DTC, a number of shares of Common Stock equal to the number of shares to which such holder is entitled pursuant to the Optional Conversion of the shares of such holder's Series A Preferred Stock that were converted as of such Conversion Date.

(c) The Transfer Agent, if applicable, or the Corporation shall maintain a written record that lists each Optional Conversion election that is made and, with respect to each such election, (A) the number of shares of Series A Preferred Stock with respect which such election was made and (B) the Conversion Date(s) for the shares of Series A Preferred Stock converted pursuant to such election and the number of shares of Common Stock issued pursuant to such Optional Conversion on each such Conversion Date.

(d) All shares of Series A Preferred Stock that are converted pursuant to Optional Conversion shall automatically, upon such conversion, be cancelled and retired and cease to exist, and shall not thereafter be reissued or sold and shall return to the status of authorized but unissued shares of preferred stock undesignated as to series. Upon the conversion of shares of Series A Preferred Stock pursuant to Optional Conversion, all such shares of Series A Preferred Stock shall thereupon cease to confer upon the holder thereof any rights (other than the right to receive the shares of Common Stock that such holder is entitled to receive pursuant to such Optional Conversion and all Dividends payable on the shares of Series A Preferred Stock in respect of any period prior to the date of the conversion of the shares of Series A Preferred Stock pursuant to Optional Conversion) of a holder of shares Series A Preferred Stock, and the person(s) in whose name the shares of Common Stock are to be issued upon such Optional Conversion shall be deemed to have become the holder(s) of record of such shares of Common Stock as of the date of conversion pursuant to Optional Conversion.

(e) All shares of Common Stock delivered upon any Optional Conversion will, upon such conversion, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights, free from all taxes, liens, security interests, charges and encumbrances (other than liens, security interests, charges or encumbrances created by or imposed upon the holder thereof or taxes in respect of any transfer occurring contemporaneously therewith involving the issuance or delivery of shares in name other than that of the holder of the shares to be converted) and shall not be subject to any legend restricting trading thereof other than as provided for in the Certificate of Incorporation.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares upon their retirement and cancellation shall become authorized but unissued shares of preferred stock, without designation as to series, and such shares may be reissued as part of a new series of preferred stock to be created by resolution or resolutions of the Board of Directors.

Section 6. Liquidation, Dissolution or Winding Up. Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock shall be entitled to receive for each share of Series A Preferred Stock, subject to adjustment as hereinafter provided, an amount equal to the product of (a) the aggregate amount to be distributed per share to holders of Common Stock and (b) the Liquidation Multiple. The amount to which each holder of a share of Series A Preferred Stock may be entitled upon liquidation, dissolution or winding up of the Corporation pursuant to this Section 6 is hereinafter referred to as

the "**Participating Liquidation Amount**. " The "**Liquidation Multiple**" initially shall be one thousand (1,000) but shall be adjusted from time to time as hereinafter provided. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation, reverse split or reclassification of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then, in each such case, the Liquidation Multiple thereafter applicable to the determination of the Participating Liquidation Amount to which holders of Series A Preferred Stock shall be entitled after such event shall be the Liquidation Multiple applicable immediately prior to such event multiplied by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, Combination or Other Transaction In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each outstanding share of Series A Preferred Stock shall at the same time be similarly exchanged for or changed into the aggregate amount of stock, securities, cash and/or other property (payable in like kind), as the case may be, for which or into which each share of Common Stock is changed or exchanged multiplied by the highest of the Vote Multiple, the Dividend Multiple or the Liquidation Multiple in effect immediately prior to such event.

Section 8. Effective Time of Adjustments.

(a) Adjustments to the Series A Preferred Stock required by the provisions hereof shall be effective as of the time at which the event requiring such adjustments occurs.

(b) The Corporation shall give prompt written notice to each holder of a share of Series A Preferred Stock of the effect of any adjustment to the voting rights, dividend rights or rights upon liquidation, dissolution or winding up of the Corporation of such shares required by the provisions of this Certificate of Designations. Notwithstanding the foregoing sentence, the failure of the Corporation to give such notice shall not affect the validity of or the force or effect of or the requirement for such adjustment.

Section 9. No Redemption. The shares of Series A Preferred Stock shall not be redeemable at the option of the Corporation or any holder thereof. Notwithstanding the foregoing sentence, the Corporation may acquire shares of Series A Preferred Stock in any other manner permitted by law, the provisions hereof and the Certificate of Incorporation.

Section 10. Ranking. Unless otherwise provided in the Certificate of Incorporation, or a certificate of designations relating to a subsequent series of preferred stock of the Corporation, the Series A Preferred Stock shall rank junior to all other series of the Corporation's preferred stock as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding up and senior to the Common Stock.

Section 11. Amendment. The provisions hereof, the Certificate of Incorporation and the Third Amended and Restated Bylaws of the Corporation (the "**Bylaws**") shall not be amended, by merger, consolidation or otherwise, in any manner which would adversely affect the rights, privileges or powers of the Series A Preferred Stock without, in addition to any other vote

of stockholders required by law, the affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of Series A Preferred Stock, voting separately as a single class.

Section 12. Fractional Shares. Shares representing Series A Preferred Stock may, but are not required to, be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of holders of shares of Series A Preferred Stock. Any reference in this Certificate of Designations to shares of Series A Preferred Stock shall be deemed also to refer to fractions of shares of Series A Preferred Stock.

Section 13. Uncertificated Shares; Certificated Shares; Transfers and Exchanges of Series A Preferred Stock

(a) Uncertificated Shares.

(i) Form. Notwithstanding anything to the contrary herein, unless requested in writing by a holder of shares of Series A Preferred Stock to the Corporation, the shares of Series A Preferred Stock shall be in uncertificated, book entry form as permitted by the Bylaws and the General Corporation Law of the State of Delaware. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall, or shall cause the Transfer Agent to, send to the registered owner thereof an Ownership Notice.

(ii) Transfer. Transfers of Series A Preferred Stock held in uncertificated, book-entry form shall be made only upon the transfer books of the Corporation kept at an office of the Transfer Agent upon receipt of proper transfer instructions from the registered owner of such uncertificated shares, or from a duly authorized attorney or from an individual presenting proper evidence of succession, assignment or authority to transfer the stock. The Corporation may refuse any requested transfer until furnished evidence satisfactory to it that such transfer is proper and not in contravention of any legends or other restrictions on transfer.

(iii) Legends.

(1) Each Ownership Notice issued with respect to a share of Series A Preferred Stock shall bear a legend in substantially the following form:

"SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE CERTIFICATE OF INCORPORATION OF BASIC ENERGY SERVICES, INC. (THE "COMPANY"), INCLUDING THE CERTIFICATES OF DESIGNATIONS INCLUDED THEREIN (AS FURTHER AMENDED AND RESTATED FROM TIME TO TIME, THE "CHARTER"). THE COMPANY IS AUTHORIZED TO ISSUE MORE THAN ONE CLASS OF STOCK OR MORE THAN ONE SERIES OF ANY CLASS AND THE COMPANY 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 AND/OR RIGHTS. THE SHARES EVIDENCED BY THIS NOTICE ARE SUBJECT TO THE OBLIGATIONS AND RESTRICTIONS STATED IN THE PROVISIONS OF THE CHARTER. THE TERMS OF THE CHARTER ARE HEREBY INCORPORATED INTO THIS NOTICE BY REFERENCE."

(2) Each Ownership Notice issued with respect to a share of Transfer Restricted Security shall, in addition to the legend required by Section 13(a)(iii)(1), bear a legend in substantially the following form:

"THE SECURITIES IDENTIFIED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THESE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION."

(3) Each Ownership Notice issued with respect to a share of Series A Preferred Stock issued in global form and deposited with or on behalf of DTC shall, in addition to the legend required by Section 13(a)(iii)(1), bear a legend in substantially the following form:

"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 CERTIFICATE OF DESIGNATIONS REFERRED TO BELOW."

(b) Certificated Shares.

(i) Form and Dating. When a share of Series A Preferred Stock is in certificated form ("**Certificated Series A Preferred Stock**"), the Series A Preferred Stock certificate and the Transfer Agent's certificate of authentication shall be substantially in the form set forth in Exhibit A, which is hereby incorporated in and expressly made a part of this Certificate of Designations. The Series A Preferred Stock certificate may have notations, legends or endorsements required by applicable Law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage; provided that any such notation, legend or endorsement is in a form acceptable to the Corporation. Each Series A Preferred Stock certificate shall be dated the date of its authentication.

(ii) Execution and Authentication. Two authorized Officers shall sign each Series A Preferred Stock certificate for the Corporation by manual or facsimile signature.

If an Officer whose signature is on a Series A Preferred Stock certificate no longer holds that office at the time the Transfer Agent authenticates the Series A Preferred Stock certificate, the Series A Preferred Stock certificate shall be valid nevertheless.

A Series A Preferred Stock certificate shall not be valid until an authorized signatory of the Transfer Agent manually or by facsimile signs the certificate of authentication on the Series A Preferred Stock certificate. The signature shall be conclusive evidence that the Series A Preferred Stock certificate has been authenticated under this Certificate of Designations.

The Transfer Agent shall authenticate and deliver certificates for shares of Series A Preferred Stock for original issue upon a written order of the Corporation signed by two Officers or by an Officer and an Assistant Treasurer of the Corporation. Such order shall specify the number of shares of Series A Preferred Stock to be authenticated and the date on which the original issue of the Series A Preferred Stock is to be authenticated.

The Transfer Agent may appoint an authenticating agent reasonably acceptable to the Corporation to authenticate the certificates for the Series A Preferred Stock. Unless limited by the terms of such appointment, an authenticating agent may authenticate certificates for the Series A Preferred Stock whenever the Transfer Agent may do so. Each reference in this Certificate of Designations to authentication by the Transfer Agent includes authentication by such agent. An authenticating agent has the same rights as the Transfer Agent or agent for service of notices and demands.

(iii) Transfer and Exchange. When Certificated Series A Preferred Stock is presented to the Transfer Agent with a request to register the transfer of such Certificated Series A Preferred Stock or to exchange such Certificated Series A Preferred Stock for an equal number of shares of Certificated Series A Preferred Stock, the Transfer Agent shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; provided, however, that the Certificated Series A Preferred Stock surrendered for transfer or exchange:

(1) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Corporation and the Transfer Agent, duly executed by the holder thereof or its attorney duly authorized in writing; and

(2) is being transferred or exchanged pursuant tosubclause (A) or (B) below, and is accompanied by the following additional information and documents, as applicable: (A) if such Certificated Series A Preferred Stock is being delivered to the Transfer Agent by a holder for registration in the name of such holder, without transfer, a certification from such holder to that effect in substantially the form of Exhibit B hereto; or (B) if such Certificated Series A Preferred Stock is being transferred to the Corporation or to a “qualified institutional buyer” in accordance with Rule 144 under the Securities Act or pursuant to another exemption from registration under the Securities Act, (I) a certification to that effect (in substantially the form of Exhibit B hereto) and (II) if the Corporation so requests, an opinion of counsel or other evidence reasonably satisfactory to it as to the compliance with the restrictions set forth in the legend set forth in Section 13(b)(iv).

(iv) Legends.

(1) Each certificate evidencing Certificated Series A Preferred Stock shall bear a legend in substantially the following form:

“SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE CERTIFICATE OF INCORPORATION OF BASIC ENERGY SERVICES, INC. (THE “COMPANY”), INCLUDING THE CERTIFICATES OF DESIGNATIONS INCLUDED THEREIN (AS FURTHER AMENDED AND

RESTATED FROM TIME TO TIME, THE "CHARTER"), THE COMPANY IS AUTHORIZED TO ISSUE MORE THAN ONE CLASS OF STOCK OR MORE THAN ONE SERIES OF ANY CLASS AND THE COMPANY 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 AND/OR RIGHTS. THE SHARES EVIDENCED BY THIS NOTICE ARE SUBJECT TO THE OBLIGATIONS AND RESTRICTIONS STATED IN, AND ARE TRANSFERABLE ONLY IN ACCORDANCE WITH, THE PROVISIONS OF THE CHARTER. THE TERMS OF THE CHARTER ARE HEREBY INCORPORATED INTO THIS CERTIFICATE BY REFERENCE.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(2) Each certificate evidencing Certificated Series A Preferred Stock issued with respect to Transfer Restricted Securities shall, in addition to the legends required in Section 13(b)(iv)(1), bear a legend in substantially the following form:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THESE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.

THE FORGOING LEGEND WILL BE REMOVED AND A NEW CERTIFICATE PROVIDED WITH RESPECT TO THESE SECURITIES UPON THE REQUEST OF THE HOLDER AFTER THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT."

(3) Each certificate evidencing Series A Preferred Stock issued in global formshall, shall in addition to the legends required in Section 13(b)(iv)(1) and Section 13(b)(iv)(2), as applicable, bear a legend in substantially the following form:

"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 CERTIFICATE OF DESIGNATIONS REFERRED TO BELOW."

(4) Upon any sale or transfer of a Transfer Restricted Security held in certificated form pursuant to Rule 144 under the Securities Act or another exemption from registration under the Securities Act or an effective registration statement under the Securities Act, the Transfer Agent shall permit the holder thereof to exchange such Transfer Restricted Security for Certificated Series A Preferred Stock that does not bear a restrictive legend and rescind any restriction on the transfer of such Transfer Restricted Security.

(v) Replacement Certificates. If any of the Series A Preferred Stock certificates shall be mutilated, lost, stolen or destroyed, the Corporation shall issue, in exchange and in substitution for and upon cancellation of the mutilated Series A Preferred Stock certificate, or in lieu of and substitution for the Series A Preferred Stock certificate lost, stolen or destroyed, a new Series A Preferred Stock certificate of like tenor and representing an equivalent amount of shares of Series A Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Series A Preferred Stock certificate and a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction, if requested, satisfactory to the Corporation and the Transfer Agent.

(vi) Cancellation. In the event the Corporation shall purchase or otherwise acquire Certificated Series A Preferred Stock, the same shall thereupon be delivered to the Transfer Agent for cancellation. The Transfer Agent and no one else shall cancel and destroy all Series A Preferred Stock certificates surrendered for transfer, exchange, replacement or cancellation and deliver a certificate of such destruction to the Corporation unless the Corporation directs the Transfer Agent to deliver cancelled Series A Preferred Stock certificates to the Corporation. The Corporation may not issue new Series A Preferred Stock certificates to replace Series A Preferred Stock certificates to the extent they evidence Series A Preferred Stock which the Corporation has purchased or otherwise acquired.

(c) Certain Obligations with Respect to Transfers and Exchanges of Series A Preferred Stock

(i) To permit registrations of transfers and exchanges, the Corporation shall execute and the Transfer Agent shall authenticate Certificated Series A Preferred Stock as required pursuant to the provisions of this Section 13(c).

(ii) All shares of Series A Preferred Stock, whether or not Certificated Series A Preferred Stock, issued upon any registration of transfer or exchange of such shares of Series A Preferred Stock shall be the valid obligations of the Corporation, entitled to the same benefits under this Certificate of Designations as the shares of Series A Preferred Stock surrendered upon such registration of transfer or exchange.

(iii) Prior to due presentment for registration of transfer of any shares of Series A Preferred Stock, the Transfer Agent and the Corporation may deem and treat the Person in whose name such shares of Series A Preferred Stock are registered as the absolute owner of such Series A Preferred Stock and neither the Transfer Agent nor the Corporation shall be affected by notice to the contrary.

(iv) No service charge shall be made to a holder for any registration of transfer or exchange of any Series A Preferred Stock on the transfer books of the Corporation or the Transfer Agent or upon surrender of any Series A Preferred Stock certificate at the office of the Transfer Agent maintained for that purpose. However, the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Series A Preferred Stock if the person receiving shares in connection with such transfer or exchange is not the holder thereof.

(d) No Obligation of the Transfer Agent The Transfer Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Certificate of Designations or under applicable law with respect to any transfer of any interest in any Series A Preferred Stock 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 this Certificate of Designations, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 14. Definitions. As used in this Certificate of Designations, the following terms have the following meanings:

(a) "**Available Shares**" means, as of any date of determination, all authorized but unissued shares of Common Stock less any shares of Common Stock reserved by the Corporation for issuances for other purposes, including, without limitation, pursuant to options and other awards granted under the Corporation's incentive plans or other securities exercisable or exchangeable for, or convertible into, shares of Common Stock.

(b) "**Business Day**" means any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

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

(d) "**Officer**" means the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, the Secretary or any Assistant Secretary of the Corporation.

(e) "**Ownership Notice**" shall mean the notice of ownership of capital stock of the Corporation containing the information required to be set forth or stated on certificates pursuant to the General Corporation Law of the State of Delaware and, in the case of an issuance of capital stock by the Corporation, in substantially the form attached hereto as Exhibit C.

(f) "**Securities Act**" means the Securities Act of 1933, as amended.

(g) "**Transfer Agent**" means the transfer agent that may be appointed from time to time by the Corporation to maintain a register and record transfers of record ownership of the shares of Series A Preferred Stock.

(h) "**Transfer Restricted Securities**" shall mean each share of Series A Preferred Stock until (i) such shares shall be freely tradeable pursuant to an exemption from registration under the Securities Act under Rule 144 thereunder or (ii) such shares are covered under an

effective Registration Statement, in each case unless otherwise agreed to by the Corporation and the holder thereof.

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Designations and affirmed the foregoing as true under the penalties of perjury this 9th day of March, 2020.

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President & CEO

EXHIBIT A

FORM OF SERIES A PREFERRED STOCK

FACE OF SECURITY

[Legends to be added as provided in Section 13(b)(iv) of Certificate of Designations]

Certificate Number [_____] [_____] Shares of Series A Series A Preferred Stock

Series A Preferred Stock

of

BASIC ENERGY SERVICES, INC.

BASIC ENERGY SERVICES, INC., a Delaware corporation (the "**Company**"), hereby certifies that [_____] (the "**Holder**") is the registered owner of [_____] fully paid and non-assessable shares of preferred stock, par value $0.01 per share, of the Company designated as the Series A Participating Preferred Stock (the "**Series A Preferred Stock**"). The shares of Series A Preferred Stock are transferable on the books and records of the Transfer Agent, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series A Preferred Stock represented hereby are set forth in the Certificate of Designations dated March 9, 2020, as the same may be amended from time to time (the "**Certificate of Designations**"). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designations. The Company will provide a copy of the Certificate of Designations to a Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Series A Preferred Stock set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, the Company has executed this certificate this _____ day of _____, _____.

BASIC ENERGY SERVICES, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION

These are shares of the Series A Preferred Stock referred to in the within-mentioned Certificate of Designations.

Dated:

[_____],

as Transfer Agent,

By:

Authorized Signatory

REVERSE OF SECURITY

Dividends on each share of Series A Preferred Stock shall be payable, when, as and if declared by the Company's Board of Directors out of legally available funds as provided in the Certificate of Designations.

The Company will furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series A Preferred Stock evidenced hereby to:

_____

_____

(Insert assignee's social security or tax identification number)

_____

(Insert address and zip code of assignee)

_____

and irrevocably appoints:

_____

_____

_____

agent to transfer the shares of Series A Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date: _____

Signature: _____

(Sign exactly as your name appears on the other side of this Series A Preferred Stock Certificate)

Signature Guarantee: _____[1]

[1]Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR

REGISTRATION OF TRANSFER OF SERIES A PREFERRED STOCK

Re: Series A Participating Preferred Stock (the "**Series A Preferred Stock**") of Basic Energy Services, Inc. (the "**Company**")

This Certificate relates to shares of Series A Preferred Stock held by (the "**Transferor**") in*/:

☐ book entry form; or

☐ definitive form.

The Transferor has requested the Transfer Agent by written order to exchange or register the transfer of Series A Preferred Stock.

In connection with such request and in respect of such Series A Preferred Stock, the Transferor does hereby certify that the Transferor is familiar with the Certificate of Designations relating to the above-captioned Series A Preferred Stock and that the transfer of this Series A Preferred Stock does not require registration under the Securities Act of 1933 (the " **Securities Act**") because*/:

☐ such Series A Preferred Stock is being acquired for the Transferor's own account without transfer;

☐ such Series A Preferred Stock is being transferred to the Company; or

☐ such Series A Preferred Stock is being transferred in reliance on and in compliance with Rule 144 under the Securities Act or with another exemption from the registration requirements of the Securities Act (and based on an Opinion of Counsel if the Company so requests).

[INSERT NAME OF TRANSFEROR]

By: _____

Date:

---

*/ Please check applicable box.

EXHIBIT C

OWNERSHIP NOTICE

[Legends to be added as provided in Section 13(a) of the Certificate of Designations]

This letter confirms and acknowledges that you are the registered owner of the number and the class or series of shares of capital stock of the Company listed on Schedule A to this letter.

In addition, please be advised that the Company will furnish without charge to each stockholder of the Company who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock, or series thereof, of the Company and the qualifications, limitations or restrictions of such preferences and/or rights, which are fixed by the Charter. Any such request should be directed to the Secretary of the Company.

[The shares of Series A Participating Preferred Stock of the Company have not been registered under the Securities Act and, accordingly, may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an effective registration statement under the Act or an exemption from the registration requirements of the Act.][2]

Dated:

_____

[ ], as Transfer Agent,

By: _____
Authorized Signatory

[2]To be included for Transfer Restricted Securities.

Exhibit 10.1

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (this "Agreement"), is made and entered into as of March 9, 2020, by and between Basic Energy Services, Inc., a Delaware corporation (the "Company"), and Ascribe III Investments LLC, a Delaware limited liability company (the "Noteholder").

RECITALS

WHEREAS, the Company has issued and outstanding $300,000,000 principal amount of the 10.75% Senior Secured Notes due 2023 (the "Notes"), issued pursuant to that certain Indenture, dated as of October 2, 2018 (the "Base Indenture") by and among the Company, the guarantors party thereto and UMB Bank, National Association, as trustee and collateral agent (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of August 22, 2019, by and among the Company, the guarantors party thereto and the Trustee (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture");

WHEREAS, the Noteholder is the Beneficial Owner of the aggregate principal amount of Notes set forth on Schedule A attached hereto (the "Exchange Notes");

WHEREAS, the Parties have determined to enter into this Agreement, pursuant to which, among other things, the Noteholder shall exchange the Exchange Notes with the Company in exchange for 118,805 shares of CS Equivalent Stock ("CSE Shares") (the "Exchange Transaction"), subject to the terms and conditions set forth in this Agreement;

WHEREAS, the Company intends to use the Exchange Notes as a portion of the consideration under the NexTier PSA, and, in order to facilitate the transfer and delivery of the Exchange Notes to NexTier, the Noteholder shall transfer and deliver to NexTier the Exchange Notes, it being understood that, in order to effectuate such transfer and delivery, the Noteholder shall instruct the Depository Trust Company to effect the transfer of the Exchange Notes directly from the Noteholder to NexTier by book entry transfer, in accordance with the applicable procedures of the Depository Trust Company, for and on account of the Company; and

WHEREAS, in connection with the Exchange Transaction, the Company and the Noteholder are entering into this Agreement, the NexTier PSA, the Bridge Note and the Stockholders Agreement (each, an "Additional Agreement" and, together, the "Additional Agreements") in accordance herewith.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, the benefits to be derived by each Party hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Noteholder agree as follows:

AGREEMENT

1. Exchange of Notes. Subject to the terms and conditions set forth in this Agreement, at the Closing the Noteholder shall exchange the Exchange Notes with the Company for (i) 118,805 CSE Shares (the "Exchange Transaction Shares") and (ii) an amount in cash equal to $1,466,792.71

(representing the accrued (but unpaid) interest, from and including the most recent date to which interest has been paid pursuant to the terms of the Notes and the Indenture but excluding the date of the Closing, on the aggregate principal amount of Exchange Notes) (the "Company Cash Payment"). At the Closing, the Noteholder, for and on account of the Company, shall deliver the Exchange Notes to NexTier in the manner set forth below in this Section 1, free and clear of all mortgages, liens, pledges, security interests, charges, claims, restrictions and encumbrances of any nature whatsoever (collectively, "Liens"). In order to effectuate the transfer and delivery of the Exchange Notes to NexTier, the Noteholder shall instruct the Depository Trust Company to effect the transfer of the Exchange Notes directly from the Noteholder to NexTier by book entry transfer, in accordance with the applicable procedures of the Depository Trust Company, for and on account of the Company.

2. Closing and Closing Deliveries. The closing of the Exchange Transaction (the "Closing") shall take place at the offices of Weil, Gotshal & Manges LLP, 200 Crescent Court, Suite 300, Dallas, Texas 75201, at 7:45 a.m., local time, on the date of this Agreement, subject to the filing and acceptance by the Delaware Secretary of State of the Certificate under the General Corporation Law of the State of Delaware, simultaneous with the closing of the transactions under the NexTier PSA; provided that, for the avoidance of doubt, no party shall be obligated to attend the Closing in person. A party may choose to participate in the Closing by email or other electronic means.

At the Closing:

(a) the Company shall:

(i) deliver to the Noteholder's custodian designated onSchedule B attached hereto by means of book-entry transfer or delivery of irrevocable instructions to the Transfer Agent to issue certificated securities, 118,805 CSE Shares registered in the name of the Noteholder;

(ii) pay to the Noteholder, by wire transfer of immediately available funds to such account or accounts as designated on Schedule B attached hereto, (i) the Company Cash Payment and (ii) the Make-Whole Fee;

(iii) pay to the Noteholder, the Closing Fee, pursuant to and in accordance with the terms set forth in the Bridge Note;

(iv) deliver to the Noteholder a counterpart of the Stockholders Agreement dated as of the date hereof between the Company and Noteholder (the "Stockholders Agreement") duly executed by the Company;

(v) deliver to the Noteholder (A) executed resignations of each of Timothy H. Day and Samuel E. Langford, and (B) and written evidence that the Company has taken all necessary action to increase the number of directors on the Board from six directors to seven directors and appoint each of Lawrence First, Derek Jeong and Ross Solomon as directors of the Company and members of Class I, Class II and Class III of the Board, respectively; and

(vi) deliver to the Noteholder a counterpart of the Senior Secured Promissory Note dated the date hereof between the Noteholder, as payee, and the Company, as obligor (the "Bridge Note") duly executed by the Company.

(b) the Noteholder shall:

(i) transfer and deliver the Exchange Notes to the Company, it being acknowledged and agreed that, in order to facilitate the transfer and delivery of the Exchange Notes to NexTier in accordance with Section 2.3 of the NexTier PSA, the Noteholder shall cooperate with the Company in order to effect a book entry transfer, in accordance with the applicable procedures of the Depository Trust Company, of the Exchange Notes directly to NexTier, for and on account of the Company, and shall deliver all other documents and instruments reasonably requested by the Company to effect the transfer of the Exchange Notes to NexTier in accordance with Section 2.3 of the NexTier PSA;

(ii) deliver to the Company a counterpart of the Stockholders Agreement duly executed by the Noteholder;

(iii) deliver to the Company a counterpart of the Bridge Note duly executed by the Noteholder; and

(iv) deliver to the Company, by wire transfer of immediately available funds to such account or accounts as designated on Schedule C attached hereto, an amount equal to $15,000,000 pursuant to the Bridge Note.

3. Representations and Warranties of the Noteholder. The Noteholder represents and warrants to the Company as follows:

(a) Title to Notes; Common Stock Ownership. (i) The Noteholder is the sole Beneficial Owner of the Exchange Notes, the Exchange Notes are held by the Noteholder free and clear of all Liens, and neither the Noteholder nor any Affiliate of the Noteholder owns or holds beneficially or of record any Notes (or any rights or interests of any nature whatsoever in or with respect to any Notes) other than the Exchange Notes, and (ii) the Noteholder is the sole Beneficial Owner of the number of shares of Common Stock set forth on Schedule A ("Owned Shares"), the Owned Shares are held by the Noteholder free and clear of all Liens and neither the Noteholder nor any Affiliate of the Noteholder owns or holds beneficially or of record any shares of Common Stock (or any rights or interests of any nature whatsoever in or with respect to any Common Stock) other than Owned Shares. Other than this Agreement and the NexTier PSA, neither the Noteholder nor any Affiliate of the Noteholder is party to or bound by any contract, option or other arrangement or understanding with respect to the purchase, sale, delivery, transfer, gift, pledge, hypothecation, encumbrance, assignment or other disposition or acquisition of (including by operation of law) (i) any Notes (or any rights or interests of any nature whatsoever in or with respect to any Notes), or as to voting, agreeing or consenting (or abstaining therefrom) with respect to any amendment to or waiver of any terms of, or taking any action whatsoever with respect to, the Notes and/or the Indenture or (ii) any shares of Common Stock (or any rights or interests of any nature whatsoever in or with respect to any shares of Common Stock), or as to voting or acting by written consent (or abstaining therefrom) with respect to any matter relating to any shares of Common Stock (whether or not a Beneficial Owner thereof as of the date hereof).

(b) Existence; Authority; Binding Effect. The Noteholder is duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of organization. The Noteholder has full legal capacity, power and authority to execute and deliver this Agreement, the Additional Agreements, and any other agreements or instruments executed or to be executed by it in connection herewith and to consummate the transactions contemplated herein and therein.

The execution, delivery and performance by the Noteholder of this Agreement, the Additional Agreements and any other agreements or instruments executed or to be executed and delivered by the Noteholder in connection herewith, and the consummation of the transactions contemplated hereby and thereby by the Noteholder, have been duly and validly authorized and approved by the board of directors or other governing body of the Noteholder, and no other actions on the part of the Noteholder are necessary in respect thereof. This Agreement is, and each of the Additional Agreements and the other agreements and instruments executed hereunder by the Noteholder in connection herewith will be, a valid and binding obligation of the Noteholder, in each case, to the extent party thereto, enforceable in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws relating to or affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(c) No Violation. Neither the execution and delivery of this Agreement or any of the Additional Agreements or any of the other agreements or instruments executed and delivered by the Noteholder in connection herewith, nor the performance of any obligations hereunder or thereunder by the Noteholder, including the exchange of the Exchange Notes pursuant to this Agreement, will conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under or result in the creation of any Lien upon the Exchange Notes held by the Noteholder under (i) the organizational documents of the Noteholder, including any limited liability company agreement, certificate of incorporation or bylaws or similar agreement; (ii) any law, order, writ, injunction or decree applicable to the Noteholder or by which any property or asset of the Noteholder is bound or affected; or (iii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise, or other instrument or obligation to which the Noteholder is a party or by which the Noteholder or any property or asset of the Noteholder is bound or affected, except, in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults, events, losses, payments, cancellations, encumbrances, or other occurrences that are not, individually or in the aggregate, reasonably expected to prevent or materially delay the Closing or the performance by the Noteholder of any of its obligations under this Agreement or any Additional Agreement to which it is or will be a party.

(d) Consents and Approvals. No consent, approval, order or authorization of, or registration, declaration, filing with or notice to, any governmental entity or any other Person is required to be obtained, made or given by the Noteholder in connection with the execution and delivery of this Agreement or any Additional Agreements or other agreements or instruments executed and delivered hereunder or thereunder by the Noteholder, or the performance of any obligations hereunder or thereunder by the Noteholder, including the exchange of the Exchange Notes, except for such filings by the Noteholder with the SEC as are appropriate in connection with or required by the federal and state securities laws and rules and regulations thereunder in connection with the transactions contemplated hereby.

(e) Transfer Restrictions. The offer and sale of the Exchange Transaction Shares to be issued pursuant to this Agreement are intended to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act. The Noteholder acknowledges and agrees that (i) the Exchange Transaction Shares are "restricted securities" (as such term is commonly used with regard to federal and state securities laws), (ii) the Exchange Transaction Shares may not be offered or sold except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of

the Securities Act, and otherwise in accordance with applicable state securities laws, (iii) the Exchange Transaction Shares, upon issuance, will be subject to the terms and conditions of the Stockholders Agreement, and (iv) in connection with any transfer of the Exchange Transaction Shares, other than pursuant to an effective registration statement, the Company may require the transferor thereof to provide to the Company documents or other support, including, but not limited to, certain representations by the Noteholder, reasonably requested by the Company and a customary opinion of counsel experienced in such matters and reasonably acceptable to the Company. The Noteholder acknowledges and agrees that the Exchange Transaction Shares will contain legends in accordance with the Certificate (and customary corresponding instructions and stop-transfer orders will be made in the stock transfer records, electronically or otherwise, for shares in book-entry form).

(f) Ability to Bear Risk and Sophistication. The Noteholder understands that the transactions contemplated hereby and ownership and investment in the Exchange Transaction Shares, involves substantial risk. The Noteholder has such knowledge and experience in financial and business matters, and its financial situation is such, that it is capable of evaluating the merits and risks of its participation in the transactions contemplated hereby and of bearing the economic risk of its investment in the Exchange Transaction Shares (including the complete loss of such investment).

(g) Qualified Institutional Buyer. The Noteholder is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, and is acquiring the Exchange Transaction Shares for investment purposes and solely for its account and not with a view to further distribution or resale in violation of the Securities Act.

(h) No Brokers or Finders. The Noteholder has not incurred nor become liable for any broker's commission or finder's fee relating to the transactions contemplated by this Agreement.

(i) Advice. The Noteholder has completed its own independent inquiry and has relied fully upon the advice of its own legal counsel, accountant, financial and other advisors in determining the legal, tax, financial and other consequences of this Agreement and the transactions contemplated hereby and the suitability of this Agreement and the transactions contemplated hereby for the Noteholder and its particular circumstances.

(j) No Other Representations or Warranties. Except for the representations and warranties contained in Section 4 hereof, neither the Company nor any Affiliate or Representative of the Company nor any other Person on behalf of the Company, its Affiliates and Representatives has made or is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied with respect to the Company, this Agreement, the Additional Agreements or the transactions contemplated hereby or thereby and the Noteholder disclaims any reliance on any representation or warranty of the Company or any Affiliate or Representative of the Company except for the representations and warranties expressly set forth in Section 4 hereof.

4. Representations and Warranties of the Company. The Company represents and warrants to the Noteholder as follows:

(a) Existence; Authority; Binding Effect. The Company and each subsidiary of the Company is (i) duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of organization and has full power and authority to own, lease and operate its

properties and to carry on its business as it is now being conducted and (ii) duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for any such failures to be so qualified or licensed and in good standing as that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect (as defined below) on the Company. The execution and delivery of this Agreement, the Additional Agreements and any other agreements or instruments executed or to be executed and delivered in connection herewith, and the consummation of the transactions contemplated hereby and thereby, by the Company, including the issuance and delivery of the Exchange Transaction Shares to the Noteholder pursuant to this Agreement, have been duly and validly authorized and approved by the board of directors of the Company and no other actions on the part of the Company are necessary in respect thereof. This Agreement is, and each of the Additional Agreements and the other agreements and instruments executed hereunder by the Company in connection herewith will be, a valid and binding obligation of the Company, enforceable in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws relating to or affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(b) No Violation. Neither the execution, delivery or performance of this Agreement, each of the Additional Agreements and each of the other agreements or instruments executed and delivered by the Company in connection herewith, will conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under or give rise to a right of termination, cancellation, modification or acceleration of any obligation or to a loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its subsidiaries under (i) the certificate of incorporation, bylaws or similar organizational documents of the Company or any of its subsidiaries; (ii) any law, order, writ, injunction or decree applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected; or (iii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise, or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any property or asset of the Company or any of its subsidiaries is bound or affected, except, in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults, events, losses, payments, cancellations, encumbrances, or other occurrences that are not, individually or in the aggregate, reasonably expected to (A) have a material adverse effect on the assets, liabilities, condition (financial or otherwise), business or results of operations of the Company and its subsidiaries taken as a whole, or (B) prevent or materially delay the performance by the Company of any of its obligations under this Agreement or any Additional Agreement to which it is or will be a party (collectively, (A) and (B), a "Material Adverse Effect").

(c) Consents and Approvals. No consent, approval, order or authorization of, or registration, declaration, filing with or notice to, any governmental entity or any other Person is required to be obtained, made or given by the Company or any subsidiary of the Company in connection with the execution and delivery of this Agreement or any Additional Agreements or other agreements or instruments executed and delivered hereunder by the Company, or the performance of any obligations hereunder or thereunder by the Company, except for (i) the filing of the Certificate with the Delaware Secretary of State, (ii) approval of the board of directors of the Company, which approval has been obtained, (iii) consent required pursuant to the Credit Facility, which consent is

set forth in the First Amendment to Credit Facility, and (iv) such filings by the Company with the SEC as are appropriate in connection with or required by the federal and state securities laws and rules and regulations thereunder in connection with the transactions contemplated hereby.

(d) Capitalization.

(i) As of the date of this Agreement, (A) the authorized capital stock of the Company consists of 80,000,000 shares of Common Stock, par value $0.01 per share, and 5,000,000 shares of preferred stock, par value $0.01 per share; (B) (x) 24,936,864 shares of Common Stock are issued and outstanding and (y) no shares of preferred stock of the Company are issued and outstanding; and (C) all outstanding shares of Common Stock have been duly authorized and validly issued and are fully paid and nonassessable and have been issued in compliance with all applicable preemptive, participation, rights of first refusal and other similar rights.

(ii) Other than the Exchange Transaction Shares pursuant to this Agreement and the Stockholders Agreement and other than the shares of Common Stock issuable pursuant to options and other rights granted under the Company's Management Incentive Plan, Non-Employee Director Incentive Plan and 2019 Long Term Incentive Plan, each as may be amended from time to time, there are no securities, options, warrants, calls, pre-emptive exchange, conversion, purchase or subscription rights, or other rights, agreements, arrangements or commitments of any kind, contingent or otherwise, that could require the Company to issue, sell or otherwise cause to become outstanding, any shares of capital stock or other equity or debt interest in the Company or require the Company to grant or enter into any such option, warrant, call, subscription, conversion, purchase or other right, agreement, arrangement or commitment, and no authorization has been given therefor. There are no commitments or agreements of any kind to which the Company or any subsidiary is bound obligating the Company or any subsidiary to either (x) repurchase, redeem or otherwise acquire any shares of the Company's capital stock or any of the Notes (other than to the extent required by the Indenture) or (y) other than pursuant to the terms of, and options and other awards granted under, the Company's Management Incentive Plan, Non-Employee Director Incentive Plan and 2019 Long Term Incentive Plan, accelerate the vesting or exercisability of any shares of capital stock or other equity interest in the Company as a result of the transactions contemplated by this Agreement or any Additional Agreements, either alone or upon the occurrence of any additional subsequent events.

(e) Issuance of the Exchange Transaction Shares. Upon issuance in accordance herewith, the Exchange Transaction Shares issuable hereunder will be duly authorized, validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under applicable federal and state securities laws and under the Additional Agreements or any Liens created or imposed by the Noteholder.

(f) Offering. Subject to the accuracy of the Noteholder's representations and warranties in Section 3(e), (f), (g), and (i) hereof, the offer, exchange, purchase and issuance of the Exchange Transaction Shares to the Noteholder constitute transactions exempt from the registration requirements of Section 5 of the Securities Act and will be issued in compliance with all applicable federal and state securities laws.

(g) No Solicitation. No form of general solicitation or advertising (within the meaning of Regulation D under the Securities Act) has been or will be used by the Company or any of its Representatives in connection with the offer or sale of any of the Exchange Transaction

Shares, including, without limitation, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(h) Litigation. There is no pending action, suit, claim, inquiry, investigation, audit or proceeding by or before any governmental authority, or any arbitration, mediation or other similar proceeding (each of the foregoing, a "Proceeding"), and to the knowledge of the Company, there is no Proceeding threatened against the Company or any of its subsidiaries, that seeks to prevent, hinder, modify, delay or challenge the transactions contemplated hereby or any action taken or to be taken pursuant hereto.

(i) SEC Documents. The Company has filed and furnished all required reports, schedules, forms, certifications, prospectuses, and registration, and other statements with the SEC since January 1, 2019 (collectively and together with all documents filed on a voluntary basis on Form 8-K, and in each case including all exhibits and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates and as of their respective SEC filing dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act, the Securities Act and the Sarbanes-Oxley Act of 2002, as the case may be, applicable to such SEC Documents, and none of the SEC Documents as of such respective dates contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except for (v) liabilities and obligations reflected or reserved against in the consolidated balance sheet of the Company at September 30, 2019 or the notes thereto, (w) liabilities and obligations arising under this Agreement and the Additional Agreements and costs and expenses (including fees and expenses of legal counsel and financial advisors) incurred in connection with the negotiation thereof and evaluation of alternatives to the transactions contemplated by this Agreement, (x) liabilities and obligations incurred by the Company and its subsidiaries in the ordinary course of business since September 30, 2019, (y) liabilities and obligations not required by GAAP to be accrued or disclosed on the financial statements of the Company and its subsidiaries and which would not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect and (z) other liabilities and obligations which (individually or in the aggregate) are not material, the Company and its subsidiaries have no liabilities or obligations of any kind, character, description or nature whatsoever, whether known or unknown.

(j) The Company is not and has not been during the applicable period specified in Section 897(c)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

(k) No Other Representations or Warranties. Except for the representations and warranties contained in Section 3 hereof, neither the Noteholder nor any Affiliate or Representative of the Noteholder nor any other Person on behalf of the Noteholder, its Affiliates and Representatives has made or is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied with respect to the Noteholder, this Agreement, the Additional Agreements or the transactions contemplated hereby or thereby and the Company (on behalf of itself and each of its subsidiaries) disclaims any reliance on any representation or warranty of the Noteholder or any Affiliate or Representative of the Noteholder except for the representations and warranties expressly set forth in Section 3 hereof.

5. Covenants of the Company and of the Noteholder

(a) Press Release. The Company and the Noteholder agree that the Company shall issue a press release, in form and substance reasonably acceptable to the Company and the Noteholder, announcing the Exchange Transaction.

(b) Payment of Expenses. The Company shall pay or cause to be paid the (i) the Company's fees and expenses incurred in connection with the Exchange Transaction, and (ii) all reasonable and documented fees and expenses incurred by the Noteholder in connection with the Exchange Transaction and the transactions contemplated by the NexTier PSA, including the fees and expenses of its advisors, counsel, and accountants.

(c) Make-Whole Payment. If the Noteholder is required to pay NexTier the Make-Whole Payment pursuant to Section 7.1 of the NexTier PSA, the Company shall promptly pay to the Noteholder the amount of the Make-Whole Payment paid by Noteholder to NexTier (the "Make-Whole Reimbursement Amount"). The Make-Whole Reimbursement Amount shall be paid (i) in cash (x) to the extent the Company has available cash as determined by an Independent Committee and (y) subject to satisfaction of the "Payment Conditions" (as defined in the Credit Facility) or (ii) to the extent the Company is unable to pay the full Make-Whole Reimbursement Amount in cash pursuant to clause (i), in Additional Notes, which Additional Notes shall be valued at the average closing price for the Notes for the 10 Business Days preceding the "Redemption Date" (as defined in the NexTier PSA) on which sales of the Notes occur (provided the Additional Notes shall not be valued at greater than the principal amount of the Additional Notes).

6. Indemnification.

(a) Indemnification Obligation. From and after the Closing, (i) the Company agrees to indemnify and hold harmless the Noteholder and its Representatives from and against any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, attorneys' fees, expenses and disbursements of any kind ("Losses") which may be imposed upon, incurred by or asserted against the Noteholder or its Representatives in any manner relating to or arising out of any breach of any representation, warranty, covenant or agreement by the Company contained in this Agreement and (ii) the Noteholder agrees to indemnify and hold harmless the Company and its Representatives, from and against any Losses which may be imposed upon, incurred by or asserted against the Company or its Representatives in any manner relating to or arising out of any breach of any representation, warranty, covenant or agreement by the Noteholder contained in this Agreement (collectively, the "Indemnification Obligation"). Notwithstanding any other provision of this Agreement or any other agreement entered into in connection with the transactions contemplated hereby, the Company agrees that the Noteholder's sole covenant, agreement or undertaking with respect to the Exchange Notes under Section 1 and Section 2(b)(i) of this Agreement is to assign and deliver the Exchange Notes to NexTier free and clear of all Liens created by, through or under the Noteholder and the Noteholder shall have no liability or obligation with respect to or under Section 1 and Section 2(b)(i) of this Agreement (including any liability or obligation to indemnify or hold harmless the Company and its Representatives under clause (ii) of the preceding sentence) arising out of or relating to any acts or omissions by, or the status of, or any facts pertaining to, the Company or NexTier.

(b) Indemnification Procedure. All claims for indemnification by one or more Parties or Representatives entitled to be indemnified hereunder (each, an "Indemnitee" and

collectively, the "Indemnitee") by one or more Parties hereto (each, an "Indemnitor" and collectively, the "Indemnitor"), shall be asserted and resolved as follows:

(i) Promptly after receipt by an Indemnitee of notice from a third party of a threatened or filed complaint or the threatened or actual commencement of any audit, investigation, action or proceeding (a "Third Party Claim") with respect to which such Indemnitee may be entitled to indemnification hereunder, such Indemnitee shall provide written notification to the Indemnitor, but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim; provided, however, that the failure to so notify the Indemnitor shall relieve the Indemnitor from liability under this Agreement with respect to such claim only if, and only to the extent that, such failure to notify the Indemnitor results in (i) the forfeiture by the Indemnitor of rights and defenses otherwise available to the Indemnitor with respect to such claim or (ii) material prejudice to the Indemnitor with respect to such claim. Upon written notice to the Indemnitee, the Indemnitor shall have the right to control the defense of any Third Party Claim at the Indemnitor's sole expense and with counsel reasonably satisfactory to the Indemnitee; provided, that the Indemnitee shall have the right to participate in the defense of such Third Party Claim at its sole expense (unless there is a conflict of interest between the Indemnitor and the Indemnitee in respect of such Third Party Claim, in which case the expenses of defense of the Indemnitee shall be borne by the Indemnitor) and with counsel reasonably satisfactory to the Indemnitor, subject to the Indemnitor's right to control the defense thereof.

(ii) No Indemnitee may settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed).

(iii) If an Indemnitee claims a right to payment pursuant to this Agreement not involving a Third-Party Claim, such Indemnitee shall send written notice of such claim to the Indemnitor, but in any event not later than 30 calendar days after the Indemnitee becomes aware of such claim. Such notice shall specify in reasonable detail the basis for such claim. As promptly as possible after the Indemnitee has given such notice, such Indemnitee and the Indemnitor shall establish the merits and amount of such claim (by mutual agreement, arbitration, litigation or otherwise) and, within five Business Days of the final determination of the merits and amount of such claim, the Indemnitor shall pay to the Indemnitee immediately available funds in an amount equal to such claim as determined hereunder, if any.

(c) Survival. All representations and warranties of (i) the Noteholder in Section 3 shall survive the Closing indefinitely and (ii) the Company in Section 4(a), Section 4(b) and Section 4(d) shall survive the Closing and terminate on the date of expiration of the statute of limitations for any claims of the Noteholder thereunder. All other representations and warranties of the Parties made in this Agreement shall survive for six-months following the Closing. The covenants and agreements of the Parties made in this Agreement shall survive until performed (each such survival period as provided in this sentence and the two preceding sentences, a "Survival Period"). The indemnifications set forth in Section 6(a) shall terminate in accordance with the applicable Survival Period, except that any matters for which a specific written claim for indemnity has been delivered to the Indemnitor on or before the termination of the applicable Survival Period shall survive until the final resolution of such claim.

(d) Limitations.

(i) Any Indemnitee that becomes aware of a Loss for which it seeks indemnification under this Section 6 shall be required to use commercially reasonable efforts to mitigate such Loss and an Indemnitor shall not be liable for any Loss to the extent that it is attributable to the Indemnitee's failure to mitigate following a reasonable request; and

(ii) in any claim for indemnification under this Agreement, no Indemnitor shall be required to indemnify the Indemnitee for punitive or exemplary damages, except to the extent such damages are payable pursuant to a Third-Party Claim against an Indemnitee for which such Indemnitee is entitled to indemnification under this Agreement.

(e) Remedies; Exclusive Remedy. Except in the case of knowing and intentional actual fraud with respect to the representations and warranties set forth in Section 3 and Section 4 of this Agreement or Willful and Material Breach of any covenant contained in this Agreement by the Party against whom rights and remedies are sought to be enforced, from and after Closing, the rights and remedies under this Section 6 are the sole and exclusive rights and remedies and in lieu of any and all other rights and remedies that the Company and its Representatives or the Noteholder and its Representatives may have against the Noteholder or the Company, respectively, under this Agreement or otherwise with respect to any breach of any representation or warranty or any failure to perform any covenant or agreement by the Noteholder or the Company set forth in this Agreement. Effective as of the Closing, each of the Parties expressly waives, on their own behalf and on behalf of their Representatives any and all other rights, remedies and causes of action (other than under this Section 6 and any exceptions thereto listed in the first sentence of this Section 6(e) it or its Affiliates may have, in the case of the Company and its Representatives, against the Noteholder and, in the case of the Noteholder and its Representatives, against the Company, now or in the future under any law with respect to the transactions contemplated by this Agreement (other than in respect of obligations undertaken pursuant to any of the Additional Agreements).

7. Miscellaneous.

(a) Amendments and Waivers. Amendments or modifications to this Agreement may only be made, and compliance with any term, covenant, agreement, condition or provision set forth herein may only be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), upon the written consent of each party hereto.

(b) Notices. All notices, requests, consents, reports and demands shall be in writing, shall be deemed effectively given upon receipt and shall be hand delivered, sent by email or other electronic transmission (provided confirmation of receipt of the transmission is mechanically or electronically generated and kept on file by the sending party), or mailed, postage prepaid, to the Noteholder at the applicable addresses and email addresses or to the Company at the address set forth below or, in each case, to such other address as may be furnished in writing to the other parties hereto:

If to the Company:

Basic Energy Services, Inc.
801 Cherry Street, Suite 2100
Fort Worth, Texas 76102
Attention: David Schorlemer
Email: dschorlemer@basices.com

with a copy to (which shall not constitute notice):

Weil, Gotshal & Manges LLP

200 Crescent Court, Suite 300

Dallas, Texas 75201

Attention: James R. Griffin

Rodney L. Moore

Email: james.griffin@weil.com

rodney.moore@weil.com

If to the Noteholder:

Ascribe III Investments LLC
299 Park Avenue, 34th Floor
New York, NY 10171
Attention: Lawrence First
Email: lfirst@ascribecapital.com

with a copy to (which shall not constitute notice):

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Warren S. de Wied
Email: warren.de.wied@friedfrank.com

(c) Titles and Headings. The section and paragraph headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(d) Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile transmission or other electronic transmission shall be deemed an original signature hereto.

(e) Governing Law; Jurisdiction; Jury Trial. This Agreement and all claims or causes of action (whether in contract, tort or statute) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty

made in this Agreement) shall in all respects be construed in accordance with and governed by the substantive laws of the State of Delaware, without reference to any choice of law rules (whether of the State of Delaware or any other jurisdictions) to the extent such rules would cause the application of the laws of any jurisdictions other than the State of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of the Court of Chancery in the State of Delaware or, if the Court of Chancery is not available or will not otherwise hear the action, any state or federal court in the State of Delaware, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(f) Entire Agreement. This Agreement, including the Exhibits hereto and the Additional Agreements (which are an integral part hereof), embody the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersede all prior and contemporaneous oral or written agreements, representations, warranties, contracts, correspondence, conversations, memoranda and understandings between or among the Parties or any of their agents, Representatives or Affiliates relative to such subject matter, including, without limitation, any term sheets, emails or draft documents.

(g) Certain Definitions and Interpretive Principles. Capitalized terms in this Agreement shall have the meanings specified below, or as specified elsewhere in this Agreement, for all purposes hereof. The following terms, as used in this Agreement, shall have the meanings as set forth below:

(i) "Additional Agreement" or "Additional Agreements" has the meaning set forth in the Recitals.

(ii) "Additional Notes" shall have the meaning given such term in the Indenture.

(iii) "Affiliate" or "Affiliated" means, with respect a specified Person, any other Person, directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person; provided, however, that the Company and its Subsidiaries shall not be deemed an Affiliate of the Noteholder.

(iv) "Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently

exercisable or is exercisable only after the passage of time. The term "Beneficially Owned" has a corresponding meaning.

(v) "C&J Well Services" means C&J Well Services, Inc., a Delaware corporation.

(vi) "Certificate" means the Certificate of Designations in the form attached to this Agreement as Exhibit A.

(vii) "Closing Fee" shall have the meaning given such term in the Bridge Note.

(viii) "Control," "Controlling" or "Controlled" means, as to a specified Person, the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

(ix) "Common Stock" shall mean the common stock, par value $0.01 per share, of the Company.

(x) "Credit Facility" means that certain ABL Credit Agreement, dated as of October 2, 2018, by and among the Company, as borrower, Bank of America, N.A., as administrative agent, swingline lender and an L/C issuer, each of the lenders party thereto and the other parties thereto, as amended by that certain Limited Consent and First Amendment to ABL Credit Agreement dated as of March 9, 2020 (the "First Amendment to Credit Facility"), and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time.

(xi) "CS Equivalent Stock" shall mean the Series A Participating Preferred Stock, par value $0.01 per share, of the Company having the designations, rights, preferences, powers, restrictions and limitations set forth in the Certificate.

(xii) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder.

(xiii) "First Amendment to Credit Facility" has the meaning set forth in the definition of "Credit Facility."

(xiv) "GAAP" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession that are in effect from time to time, applied on a consistent basis for the periods involved.

(xv) "Independent Committee" means a special committee of the board of directors of the Company comprised solely of at least two independent (including independence as to the Noteholder) directors.

(xvi) "Liens" has the meaning set forth in Section 1.

(xvii) "Make-Whole Fee" means an amount in cash equal to $1,000,000, to be paid to the Noteholder as consideration for the Noteholder agreeing to (and performing, as applicable) its obligations under Section 7.1(b) through Section 7.1(f) of the NexTier PSA.

(xviii) "NexTier" means NexTier Holding Co., a Delaware corporation.

(xix) "NexTier PSA" means that certain Purchase Agreement, dated as of the date hereof by and among the Noteholder, the Company, NexTier and C&J Well Services.

(xx) "Party" or "party" means the Company or the Noteholder, and "Parties" and "parties" mean the Company and the Noteholder.

(xxi) "Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

(xxii) "Representatives" means, with respect to any Person, such Person's directors, officers, partners, employees, members, managers, agents, advisors (including attorneys, accountants, consultants and financial advisors and any representatives of a Person's advisors) and other representatives.

(xxiii) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

(xxiv) "SEC" means the U.S. Securities and Exchange Commission.

(xxv) "Willful and Material Breach" means a deliberate act or a deliberate failure to act, which act or failure to act constitutes in and of itself a material breach of this Agreement and which was undertaken with the knowledge that such act or failure to act would be, or would reasonably be expected to cause, a material breach of this Agreement.

(xxvi) The words such as "herein," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, and vice versa, unless the context otherwise requires. The masculine shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

(h) Parties in Interest; Assignment. This Agreement binds and inures solely to the benefit of each party hereto and its successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. This Agreement may not be assigned by any party without the prior written consent of the other parties. Any purported assignment without consent as required by this Section 7(i) shall be null and void.

(i) Severability. In the event that one or more provisions of this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

(j) Further Assurances. From time to time, as and when requested by either party, the other party will execute and deliver, or cause to be executed and delivered, all such documents and instruments as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

(k) Specific Performance. It is understood and agreed by the parties hereto that money damages would not be a sufficient remedy for any breach of this Agreement by the Company or the Noteholder, as applicable, and the non-breaching party of the Company or the Noteholder, as applicable, shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach.

(l) Tax Matters. Absent a change in law or Internal Revenue Service practice, or a contrary determination (as defined in Section 1313(a) of the Code), the Noteholder and the Company agree for United States federal income tax and withholding tax purposes not to treat the CSE Shares (based on their terms as set forth in the Certificate) as "preferred stock" within the meaning of Section 305 of the Code and Treasury Regulations Section 1.305-5.

[*Remainder of page intentionally left blank; Signature pages follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President & CEO

NOTEHOLDER:

ASCRIBE III INVESTMENTS LLC

By: /s/ Lawrence First
Name: Lawrence First
Title: Managing Director

Schedule A

Noteholder		Principal Amount of Notes Beneficially Owned (Exchange Notes)	Number of Shares of Common Stock Beneficially Owned
Ascribe III Investments LLC		$34,350,000	3,691,846
	Total	$34,350,000	3,691,846

Schedule B

Custodian Info for Noteholder:

N/A

Noteholder Wiring Instructions:

Name of Bank: JP Morgan Chase Bank NA (DTC 902)

ABA: 021000021

Account Number: 2253566002

For Account of: Ascribe III Investments LLC

Schedule C

Company Wiring Instructions:

Name of Bank: BANK OF AMERICA

Address: 700 Louisiana St
HOUSTON, TEXAS

Bank Account Name: Basic Energy Services LP Depository Account

ABA WIRE DEPOSIT ROUTING: 026009593

ACH/EFT ROUTING: 111000025

ACCOUNT #: 488038478705

Please make attention to Doug Dunlap DDunlap@BasicES.com

Exhibit A

Certificate of Designations

[*Attached*.]

Exhibit 10.2

STOCKHOLDERS AGREEMENT

by and between

BASIC ENERGY SERVICES, INC.,

and

ASCRIBE III INVESTMENTS LLC

Dated as of March 9, 2020

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STOCKHOLDERS AGREEMENT

This STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of March 9, 2020, is entered into by and between BASIC ENERGY SERVICES, INC., a Delaware corporation (the "Company"), and ASCRIBE III INVESTMENTS LLC, a Delaware limited liability company ("Ascribe").

WHEREAS, the Company and Ascribe entered into the Exchange Agreement (as hereinafter defined); and

WHEREAS, in connection with the Closing (as defined in the Exchange Agreement), the Company and the Holder have agreed to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the obligations under the Exchange Agreement and the mutual covenants and agreements of the Company and the Holder hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article 1

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Section 1.1:

"Affiliate" means, with respect to a specified Person, any other Person who, directly or indirectly, controls, is controlled by or is under common control with such specified Person, and the term "control" (including the terms "controlled", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract (including proxy) or otherwise; provided, however, for the avoidance of doubt that a Holder shall not be deemed an Affiliate of the Company for the purposes of this Agreement.

"Agreement" shall have the meaning set forth in the introductory paragraph hereof.

"Ascribe Affiliated Entities" means (i) Ascribe and each investment fund which Ascribe or its Affiliates controls (as defined in the definition of "Affiliate") or for which Ascribe or its Affiliates act as manager or investment advisor and (ii) each Person in which Person(s) described in clause (i), directly or indirectly, individually or collectively, holds a majority of the outstanding Equity Securities or Voting Securities. For the purposes of determining whether a Person described in clause (ii) holds a majority of the outstanding Equity Securities of a Person, the outstanding Equity Securities of all classes of such Person shall be taken into account and ownership shall be determined on the basis of all such classes of Equity Securities taken as a whole.

"Beneficially Own" or "Beneficial Ownership" shall have the meaning as determined under Rule 13d-3 of the Exchange Act.

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

"Board Designees" shall have the meaning set forth in Section 2.1.3(b).

"Board Rights Termination Date" means, the earlier of (i) the earlier to occur of (A) the Holder Ownership Percentage being reduced to less than twenty-five percent (25%) or (B) the Holders and their Affiliates, collectively, no longer constituting the largest holder of the Fully-Diluted Common Equity or (ii) the waiver of Section 2.1.2 by an Independent Committee.

"Bridge Note" means the Senior Secured Promissory Note issued by the Company to Ascribe on March 9, 2020, as the same may be amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time in accordance with its terms.

"Business Day" means any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York City, New York or Fort Worth, Texas are not required to be opened.

"Bylaws" means the Third Amended and Restated Bylaws of the Company, as adopted on March 9, 2020, as the same may be amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time in accordance with its terms.

"Certificate of Designations" means the Certificate of Designations of Series A Participating Preferred Stock of the Company filed with the Secretary of State of Delaware on March 9, 2020, as the same may be amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time in accordance with its terms.

"Certificate of Incorporation" means the Second Amended and Restated Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on December 23, 2016 and supplemented by the Certificate of Designations, as the same may be further amended, restated, amended and restated, waived, further supplemented or otherwise modified from time to time in accordance with its terms.

"Class I" means the class of directors of the Board designated as Class I pursuant to the Bylaws.

"Class II" means the class of directors of the Board designated as Class II pursuant to the Bylaws.

"Class III" means the class of directors of the Board designated as Class III pursuant to the Bylaws.

"Commission" means the United States Securities and Exchange Commission.

"Common Equity" means Common Stock, CS Equivalent Stock and any other common stock equivalent Equity Securities of the Company.

"Common Stock" means the common stock, par value $0.01 per share, of the Company, and any shares or capital stock for or into which such common stock hereafter is exchanged, converted, reclassified or recapitalized by the Company or pursuant to an agreement to which the Company is a party.

"Common Stock Equivalent Number" means, as of any date of determination, the number of shares of Common Stock that a holder of a share of CS Equivalent Stock would have received

assuming such share of CS Equivalent Stock was converted pursuant to an Optional Conversion as of such date of determination.

"Company" shall have the meaning set forth in the introductory paragraph hereof.

"Contracting Parties" shall have the meaning set forth in Section 5.9.

"Credit Facility" means that certain ABL Credit Agreement, dated as of October 2, 2018, by and among the Company, Bank of America, N.A., as administrative agent, swingline lender and an L/C issuer, UBS Securities LLC, as syndication agent, PNC Bank National Association, as documentation agent and an L/C issuer, and each of the lenders party thereto, as amended by that certain Limited Consent and First Amendment to ABL Credit Agreement dated as of March 9, 2020, and as further amended from time to time.

"CS Equivalent Stock" means Series A Participating Preferred Stock, par value $0.01 per share, of the Company having the designations, rights, preferences, powers, restrictions and limitations set forth in the Certificate of Designations.

"DGCL" means the General Corporation Law of the State of Delaware, as amended.

"Equity Cap" means 85.06%.

"Equity Securities" means shares of common stock or other equity securities of any class of an issuer, including any security, convertible security, exercisable warrant, option or other similar instrument conveying rights with respect to equity securities, including, in the case of the Company as of the date hereof, Common Stock and CS Equivalent Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder.

"Exchange Agreement" means the Exchange Agreement, dated March 9, 2020, by and between the Company and Ascribe.

"Exempt Offerings" means (i) an issuance of awards of Equity Securities ("Awards") to an employee pursuant to any plan or arrangement approved by the Board, or a duly authorized subcommittee of the Board, or the issuance of Equity Securities upon the exercise or conversion of any such Awards, (ii) an issuance of Equity Securities pursuant to an exercise or conversion of any Equity Securities with respect to which preemptive rights were provided at the time such Equity Securities were issued (or the issuance of which was itself an Exempt Offering), (iii) a subdivision of the issued and outstanding Equity Securities into a larger number of Equity Securities or the issuance of Equity Securities as a pro rata dividend or distribution in respect of outstanding Equity Securities approved by the Board, (iv) an issuance of Common Stock or CS Equivalent Stock in connection with the Exchange Agreement, (v) Equity Securities issued as consideration in a bona fide acquisition by the Company or any of its Subsidiaries, joint venture or other strategic transaction that was approved by the Board or (vi) an issuance of Common Stock in connection with the conversion of CS Equivalent Stock pursuant to the Certificate of Designations.

"Fully-Diluted Common Equity" means, as of the date of determination, the outstanding shares of Common Stock as calculated giving effect to the full conversion of all outstanding CS Equivalent Stock.

"GAAP" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession that are in effect from time to time, applied on a consistent basis for the periods involved.

"Holder" and "Holders" initially shall mean Ascribe and also shall mean each other Ascribe Affiliated Entity which at any time owns any Common Equity.

"Holder Ownership Percentage" means, as of any date of determination, a fraction (expressed as a percentage and after giving effect to Section 5.13), the numerator of which is the number of shares of Common Stock Beneficially Owned, collectively, by the Ascribe Affiliated Entities at such time, and the denominator of which is the Fully-Diluted Common Equity.

"Independent" means, with respect to any individual, that (i) such individual qualifies as an independent director of the Company under the Company's corporate governance and independence guidelines, applicable law and the rules and regulations of the Commission (or any successor thereto) and Listing Rules, including, if applicable, any enhanced requirements with respect to certain committees of the Company and (ii) such individual does not have any material financial interest in or other relationship (business or otherwise) with any Ascribe Affiliated Entity that could reasonably be expected to affect (or give the appearance of affecting) the ability of such individual to exercise independence as to the Ascribe Affiliated Entities in any matter to be considered or acted upon by the Board, as determined in good faith by an Independent Committee or, if an Independent Committee shall not exist as of the time of such determination, by a majority of the Board excluding such individual.

"Independent Committee" means a special committee of the Board comprised solely of at least two (2) Independent directors. The individual Board members deemed to be Independent as of immediately following the execution of this Agreement shall be Julio M. Quintana, Timothy H. Day, and John E. Jackson.

"Listing Rules" means the rules and regulations of such national securities exchange national securities exchange, domestic over-the-counter market reported by the OTC Bulletin Board or the pink sheets, as applicable, on which the Common Stock is listed for trading or traded.

"New Registration Rights Agreement" shall have the meaning set forth in Section 3.3.5.

"Non-Party Affiliates" shall have the meaning set forth in Section 5.9.

"Optional Conversion" shall have the meaning given such term in the Certificate of Designations.

"Person" or "person" means any individual, firm, partnership, company or other entity, and shall include any successor (by merger or otherwise) of such entity.

"Preemptive Equity Election Notice" shall have the meaning set forth in Section 3.2.7.

"Preemptive Equity Notice" shall have the meaning set forth in Section 3.2.6.

"Preemptive Equity Offer Period" shall have the meaning set forth in Section 3.2.7.

"Preemptive Equity Purchase Election" shall have the meaning set forth in Section 3.2.2.

"Preemptive Equity Securities" means Common Equity or rights to acquire Common Equity issued by the Company from and after the date of this Agreement except Equity Securities issued in an Exempt Offering.

"Representatives" means, with respect to any Person, such Person's directors, officers, partners, employees, members, managers, agents, advisors (including attorneys, accountants, consultants and financial advisors and any representatives of a Person's advisors) and other representatives.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

"Subsidiary" of any Person means (a) a corporation a majority of whose outstanding shares of capital stock or other equity interests with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person, and (b) any other Person (other than a corporation) in which such Person, a subsidiary of such Person or such Person and one or more subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of the directors or other governing body of such Person.

"Transfer" means, when used as a verb, to sell, transfer, assign, convey or otherwise dispose, and when used as a noun, any direct or indirect sale, transfer, assignment, conveyance or other disposition, including by merger, exchange, operation of law, bequest or pursuant to any domestic relations order, whether voluntarily or involuntarily.

"Voting Securities" means any securities (including Equity Securities) that vote generally in the election of directors or managers, in the admission of general partners or in the selection of any other similar governing body.

Section 1.2 Other Definitional and Interpretive Matters. For purposes of this Agreement, the following rules shall apply: All references in this Agreement to Exhibits, Schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, Schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections and other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof. The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular Article, Section, subsection or other subdivision unless expressly so limited. The word "including" (in its various forms) means including without limitation. Unless expressly provided to the contrary, the word "or" is not exclusive. All references to "$" or "dollars" shall be deemed references to United States dollars. Each accounting term not defined herein, and each accounting term partly defined herein to the extent not defined, will have the meaning given to it under GAAP as in effect from time to time. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Except as expressly provided otherwise in this Agreement, references to any law or agreement means such law or agreement as it may be

amended from time to time. References to any date shall mean such date in Fort Worth, Texas and for purposes of calculating the time period in which any notice or action is to be given or undertaken hereunder, such period shall be deemed to begin at 12:01 a.m. on the applicable date in Fort Worth, Texas. The word "extent" in the phrase "to the extent" shall mean the degree or proportion to which a subject or other thing extends, and such phrase shall not mean simply "if." If a date specified herein for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day.

Article 2

MANAGEMENT OF THE COMPANY AND CERTAIN ACTIVITIES

Section 2.1 Board.

2.1.1 Initial Composition of the Board. Effective as of the date of this Agreement, three (3) directors shall be appointed to the Board as follows: (i) Lawrence First shall be appointed as a Class I director on the Board; (ii) Derek Jeong shall be appointed as a Class II director on the Board; and (iii) Ross Solomon shall be appointed as a Class III director on the Board. Following such appointments to the Board, the Board shall be comprised of seven (7) directors, constituted as follows: (a) three (3) Class I directors; (b) two (2) Class II directors; and (c) two (2) Class III directors.

2.1.2 Independent Directors. Ascribe agrees that, from and after the date hereof and until the Board Rights Termination Date, Ascribe shall, and shall cause each other Holder to, vote all Voting Securities of the Company (including the Common Stock and the CS Equivalent Stock) held by Ascribe and such other Holders or over which any Ascribe Affiliated Entity has voting control, and each of the Company and Ascribe agrees to take all other necessary or desirable actions within its control (including, as applicable, in its capacity as a stockholder or otherwise, and whether at a regular or special meeting of the stockholders or by written consent in lieu of a meeting), to cause the Board to include no less than two (2) directors that are Independent.

2.1.3 Board Representation.

(a) Until such time as the Holder Ownership Percentage is reduced to fifty percent (50%) or less, Ascribe shall be entitled (i) to designate for nomination for election to the Board all of the members of the Board and (ii) in the event of any vacancy arising from the death, incapacity, resignation or removal of any member of the Board, to designate an individual to fill the vacancy created thereby, in each case, subject to (1) Section 2.1.2 and (2) compliance with applicable Listing Rules.

(b) Members of the Board designated by Ascribe pursuant to thisSection 2.1.3 shall be referred to as the "Board Designees." The Company and the Board shall, subject to and consistent with the Board's fiduciary duties, applicable law and applicable Listing Rules, take such actions as necessary to cause Board Designees to be nominated and submitted to the stockholders of the Company for election to the Board, or appointed to the Board by the remaining members of the Board, as applicable.

Section 2.2 Independent Committee Consent Rights. From and after the date hereof, neither the Company nor any of its Subsidiaries shall, and no Holder shall cause or otherwise permit the Company or any of its Subsidiaries to, take any of the following actions:

2.2.1 amend the Certificate of Incorporation to elect to not be governed by Section 203 of the DGCL, as contemplated by Section 203(b)(3) of the DGCL; or

2.2.2 without the prior approval of an Independent Committee:

(a) approve any business combination or transaction for purposes of Section 203(a)(1) or Section 203(a)(3) of the DGCL with any Person that is an "interested stockholder" within the meaning of Section 203(c)(5) of the DGCL prior to such business combination or transaction;

(b) amend, alter or repeal the Certificate of Incorporation (other than as described in Section 2.2.1), the Certificate of Designations, or the Bylaws of the Company, other than amendments to the Certificate of Incorporation to (i) increase the number of authorized shares of Common Stock of the Company, (ii) effect a reverse stock split for the purpose of facilitating a listing of the Common Stock under the Listing Rules of a national securities exchange, or (iii) permit stockholders to act by written consent;

(c) issue or sell any Equity Securities in the Company or any Subsidiary of the Company to any Holder or any Affiliate of any Holder; provided this Section 2.2.2(c) shall not require approval of an Independent Committee for the issuance of Common Equity to any Holder pursuant to Section 3.2; and provided, further that the approval of an Independent Committee shall not be required for any Holder or any Affiliate of any Holder to receive Equity Securities of the Company or any Subsidiary of the Company in connection with any merger or other business combination between the Company or any Subsidiary of the Company and any Person (other than an Ascribe Affiliated Entity) in which any Ascribe Affiliated Entity owns or otherwise holds debt securities or Equity Securities, subject to the provisions of Section 3.3.1, to the extent applicable; or

(d) enter into any contract or agreement, or consummate any transaction (including any merger or business combination, or acquisition of a material portion of the assets of the Company or its Subsidiaries), between the Company or any of its Subsidiaries, on the one hand, and any Ascribe Affiliated Entity, on the other hand; provided that the approval of an Independent Committee shall not be required for (i) the exercise by the Ascribe Affiliated Entities of their rights, or the performance by the Company of its obligations, under this Agreement, the Bridge Note, the Exchange Agreement, the Certificate of Designations, the New Registration Rights Agreement (provided that the New Registration Rights Agreement has been approved by an Independent Committee in accordance with Section 3.3.5) or any other agreement or instrument entered into in connection with any of the foregoing, or (ii) any Ascribe Affiliated Entity to participate in, and receive consideration in any merger or other business combination between the Company or any Subsidiary of the Company with any Person (other than an Ascribe Affiliated Entity) in which any Ascribe Affiliated Entity owns or otherwise holds debt securities or Equity Securities, subject to the provisions of Section 3.3.1, to the extent applicable.

Article 3

ACQUISITIONS; TRANSFERS

Section 3.1 Restrictions on Acquisitions.

3.1.1 Subject to Sections 3.1.2 and 3.2 and subject to the right of any Holder to receive shares of Common Stock upon conversion of the CS Equivalent Stock, from and after the date hereof, each Holder agrees that, without the prior approval of an Independent Committee, such Holder shall not, and shall cause each other Ascribe Affiliated Entity not to, directly or indirectly, in any manner acquire, agree to acquire or make any proposal or offer to acquire, any Common Equity or any rights or options to acquire any such Common Equity.

3.1.2 Notwithstanding Section 3.1.1, (a) if a Holder Transfers any shares of Common Equity to any Person other than an Ascribe Affiliated Entity, then the Ascribe Affiliated Entities shall be permitted to acquire Common Equity up to an amount such that immediately after any such acquisition the Holder Ownership Percentage does not exceed the Equity Cap; and (b) any Ascribe Affiliated Entity shall be entitled to acquire, agree to acquire or make any proposal or offer to acquire Common Equity (without any limitations under this Section 3.1) in connection with any merger or other business combination between the Company or any Subsidiary of the Company and any Person (other than an Ascribe Affiliated Entity) in which any Ascribe Affiliated Entity owns or otherwise holds debt securities or Equity Securities.

Section 3.2 Preemptive Rights.

3.2.1 The Company shall not issue or sell, or agree to issue or sell, any Preemptive Equity Securities to any third party unless the Company shall have first delivered written notice (a "Preemptive Equity Notice") to the Holders of the Company's intent to issue, sell or exchange Preemptive Equity Securities, which Preemptive Equity Notice (a) shall state the number and type of Preemptive Equity Securities proposed to be issued and (b) may include the price and other material terms and conditions on which the Company proposes to issue the Preemptive Equity Securities (provided if the Company does not include the price at which the Company proposes to issue the Preemptive Equity Securities in a Preemptive Equity Notice, the Company shall use good faith efforts to provide to the Holders reasonable advance notice of the price range or price, when determined, at which the Company proposes to issue the Preemptive Equity Securities).

3.2.2 Notwithstanding Section 2.2.2 or Section 3.1.1, for a period of twenty (20) Business Days from the date the Preemptive Equity Notice is delivered to the Holders (the "Preemptive Equity Offer Period"), the Holders may, by written notice to the Company (the "Preemptive Equity Election Notice") elect to purchase (the "Preemptive Equity Purchase Election"), on the terms and conditions specified in the Preemptive Equity Election Notice, up to a number of Preemptive Equity Securities, in the aggregate as to all Holders, equal to (a) the number of Preemptive Equity Securities proposed to be issued or sold by the Company multiplied by (b) the Holder Ownership Percentage immediately prior to the delivery of the Preemptive Equity Notice by the Company, which shall constitute an offer to purchase such Preemptive Equity Securities; provided that Holders shall not be entitled to acquire any Common Equity pursuant to this Section 3.2 to the extent that, immediately following such acquisition, the Ascribe Affiliated Entities shall own Common Equity in excess of the Equity Cap; the Preemptive Equity Securities acquired by the Holders pursuant to this Section 3.2 shall be allocated pro-rata among the Holders based on

their ownership of Common Equity immediately prior to such acquisition, unless otherwise agreed among the Holders.

3.2.3 If one or more Holders makes a timely Preemptive Equity Purchase Election, the Company shall provide written notice to such Holder(s) establishing the date of the new issuance of Preemptive Equity Securities and the procedures for purchasing the Preemptive Equity Securities. Notwithstanding the foregoing, the Company shall be under no obligation to consummate any proposed issuance of Preemptive Equity Securities, nor shall there be any liability on the part of the Company or the Board to the Holders if the Company has not consummated any proposed issuance of Preemptive Equity Securities pursuant to this Section 3.2 for whatever reason, regardless of whether the Company shall have delivered a Preemptive Equity Notice.

3.2.4 If no Holder delivers a Preemptive Equity Election Notice during the Preemptive Equity Offer Period, the Company shall be entitled to sell such Preemptive Equity Securities in the Preemptive Equity Notice on such terms and conditions as determined by the Company in its sole discretion for a period of one hundred fifty (150) days following the expiration of the Preemptive Equity Offer Period. Any Preemptive Equity Securities not sold by the Company prior to the expiration of such one hundred and fifty (150) day period must be reoffered to the Holders pursuant to the terms of this Section 3.2.

Section 3.3 Restrictions on Transfers.

3.3.1 Each Holder agrees that, until the Ascribe Affiliated Entities, collectively, cease to Beneficially Own Common Equity representing a majority of the Fully-Diluted Common Equity, such Holder shall not, individually or collectively with any other Holders, Transfer (directly or indirectly), in one or a series of related transactions, Common Equity representing more than 50% of the Fully-Diluted Common Equity unless each holder of Common Stock (other than the Ascribe Affiliated Entities) is entitled to participate in such transaction or transactions and is entitled to receive (i) the same form of consideration per share of Common Stock as the Holders (as determined giving effect to the full conversion of all outstanding CS Equivalent Stock) with respect to such Transfer(s) or (ii) equivalent cash consideration per share of Common Stock as the Holders (as determined giving effect to the full conversion of all outstanding CS Equivalent Stock) with respect to such Transfer(s).

3.3.2 Notwithstanding the foregoing, any Holder may Transfer shares of Common Equity held by such Holder to any Ascribe Affiliated Entity; provided that, as a condition to such Transfer, and such Transfer shall not be effective until, the Transferring Holder shall have delivered to the Company a stock power or other assignment instrument effecting such Transfer together with a joinder to this Agreement, in form and substance acceptable to an Independent Committee, pursuant to which such transferee agrees to be bound by the terms of this Agreement, duly executed by such transferee.

3.3.3 Ascribe shall cause any Ascribe Affiliated Entity that is not a party to this Agreement and which acquires any Common Equity to deliver to the Company a joinder to this Agreement, in form and substance acceptable to an Independent Committee, pursuant to which such Ascribe Affiliated Entity agrees to be bound by the terms of this Agreement, duly executed by such Ascribe Affiliated Entity, and any such Ascribe Affiliated Entity shall not be entitled to any rights or benefits under this Agreement until such joinder is delivered to the Company.

3.3.4 All Transfers of Common Equity Beneficially Owned by the Holders shall be in compliance with applicable state and federal securities laws and the terms of this Agreement.

3.3.5 Promptly following the date of this Agreement, the Company shall use good faith efforts to enter into a registration rights agreement for the benefit of the Ascribe Affiliated Entities with respect to the Common Stock and CS Equivalent Stock in form and substance reasonably satisfactory to the Company and Ascribe (the "New Registration Rights Agreement"); provided that the New Registration Rights Agreement and any amendment thereto shall require the approval of an Independent Committee.

Article 4

TERMINATION

This Agreement shall terminate automatically upon the earlier to occur of (i) the Holder Ownership Percentage being reduced to less than fifteen percent (15%) or (ii) the Holders and their Affiliates, collectively, no longer constituting the largest holder of the Fully-Diluted Common Equity.

Article 5

MISCELLANEOUS

Section 5.1 Notices. All notices and communications which are required or may be given to a party hereunder shall be in writing and shall be deemed to have been duly given upon the earliest of: (a) if by personal delivery, then the date of delivery if such date is a Business Day during normal business hours, or, if such date is not a Business Day during normal business hours, then the next Business Day, (b) if sent by U.S. certified mail, postage prepaid, return receipt requested, then the date shown as received on the return notice, (c) if sent by email, with delivery receipt to sender or (d) if by Federal Express overnight delivery (or other reputable overnight delivery service), the date shown on the notice of delivery if such date is a Business Day during normal business hours, or, if such date is not a Business Day during normal business hours, then on the next Business Day:

If to the Company:

Basic Energy Services, Inc.
801 Cherry Street, Suite 2100
Fort Worth, Texas 76102
Attention: David Schorlemer
Email: dschorlemer@basices.com

with a copy to (which shall not constitute notice):

Weil, Gotshal & Manges LLP

200 Crescent Court, Suite 300

Dallas, Texas 75201

Attention: James R. Griffin

Rodney L. Moore

Email: james.griffin@weil.com

rodney.moore@weil.com

If to Ascribe:

Ascribe III Investments LLC
299 Park Avenue, 34th Floor
New York, NY 10171
Attention: Lawrence First
Email: lfirst@ascribecapital.com

with a copy to (which shall not constitute notice):

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Warren S. de Wied
Email: warren.de.wied@friedfrank.com

The parties may change the identity, address and email addresses to which such communications are to be addressed by giving written notice to the other parties in the manner provided in this Section 5.1.

Section 5.2 Governing Law: Venue: Jurisdiction. THIS AGREEMENT and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in this Agreement) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. Each party hereby agrees that any action based upon, arising out of or relating to this Agreement (including any action concerning the violation or threatened violation of this Agreement) shall be heard and determined in any state or federal court sitting in the Court of Chancery of the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction

over a particular matter, in the United States District Court for the District of Delaware), and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts (and, in the case of appeals, appropriate appellate courts therefrom) in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. In addition, each party consents to process being served in any such lawsuit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such services shall constitute good and sufficient service of process and notice thereof. The consents to jurisdiction set forth in this paragraph shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this Section 5.2 and shall not be deemed to confer rights on any Person other than the parties hereto. Nothing in this Section 5.2 shall affect or limit any right to serve process in any other manner permitted by law.

Section 5.3 Waiver of Jury Trial. **EACH PARTY HEREBY WAIVES ITS RESPECTIVE RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT WHETHER BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS 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.**

Section 5.4 Successors and Assigns. This Agreement shall be binding upon the Company, the Holders, and their respective successors and permitted assigns (which shall be deemed to include any Ascribe Affiliated Entity to which a Holder Transfers any shares of Common Equity); provided that if any Holder Transfers any shares of Common Equity to any Ascribe Affiliated Entity such Holder shall remain the sole party entitled to exercise the rights of such Holder under this Agreement unless and until such Ascribe Affiliated Entity shall execute a joinder to this Agreement in form and substance acceptable to an Independent Committee agreeing to be bound by the terms of this Agreement with respect to all shares of Common Equity held by such Ascribe Affiliated Entity. Except as to any Ascribe Affiliated Entity to which a Holder Transfers Common Equity (and subject to the terms of this Section 5.4), no Holder may assign any of its rights under this Agreement to any other Person (including any transferee of any Common Equity held by a Holder) without the prior written consent of the Company, which consent may be granted or denied by the Company in its sole discretion and to be valid must be approved by an Independent Committee, and any assignment in violation of the foregoing shall be void *ab initio*.

Section 5.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. This Agreement and any signed agreement entered into in connection herewith or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by facsimile, by electronic mail in “portable document format” (“.pdf”) form, or any other electronic transmission, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

Section 5.6 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction is, as to such jurisdiction, ineffective to the extent of any such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof, or affecting the validity, enforceability or legality of such provision in any other jurisdiction, unless the ineffectiveness of such provision would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable. Upon a determination that any provision of this Agreement is prohibited, unenforceable or not authorized, the parties hereto agree to negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible, in a mutually acceptable manner, in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 5.7 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, including if the parties hereto fail to take any action required of them hereunder to consummate this Agreement. It is accordingly agreed that, in addition to any other applicable remedies at law or equity, the parties shall be entitled to an injunction or injunctions, without proof of damages, to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement. Each party hereto agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that (i) the other party has an adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or in equity. Each of the parties hereto hereby waives (i) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

Section 5.8 No Waivers; Amendments.

5.8.1 No failure or delay on the part of the Company or the Holder in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Company or any Holder at law or in equity or otherwise.

5.8.2 Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver makes specific reference to this Agreement, and, (i) in the case of an amendment, such amendment is with the written consent of the Company and each Holder, and (ii), in the case of a waiver, such waiver is signed by the Person against whom it is to be enforced; provided that any amendment of this Agreement or waiver by the Company hereunder shall only be effective if such amendment or waiver is approved by an Independent Committee.

Section 5.9 Non-Recourse. All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and are expressly limited to) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No Person who is not a Contracting Party, including any director, officer, employee, incorporator, member, partner, manager, stockholder,

Affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any Contracting Party, or any director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Non-Party Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Non-Party Affiliates.

Section 5.10 Further Assurances. Each party shall cooperate and shall take such further action and shall execute and deliver such further documents as may be reasonably requested by any other party in order to carry out the provisions and purposes of this Agreement.

Section 5.11 Joint Drafting. It is the intention of the parties that every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party (notwithstanding any rule of law requiring an agreement to be strictly construed against the drafting party). Further, prior drafts of this Agreement or any ancillary agreements hereto or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any ancillary agreements hereto shall not be used as an aide of construction or otherwise constitute evidence of the intent of the parties hereto; and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of such prior drafts.

Section 5.12 Entire Agreement. This Agreement (including all schedules and exhibits hereto) contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 5.13 Ownership and Aggregation of Common Stock and Common Stock Equivalent Equity Securities; Action by Holders.

5.13.1 For purposes of interpreting the term and terms of, and determining the application and availability of any obligations and rights under, this Agreement, (a) all shares of Common Stock (including, as applicable, all shares of CS Equivalent Stock and other Common Equity) Beneficially Owned by each Holder and its Affiliates shall be aggregated and (b) all determinations in respect of shares of CS Equivalent Stock shall be calculated based on the Common Stock Equivalent Number (or with respect to any other shares of Common Equity, the multiple applicable to such shares of Common Equity, if any), in each case, unless the context otherwise requires.

5.13.2 Any action to be taken or consent or approval to be given by the Holders pursuant to this Agreement shall be deemed taken, consented to or approved upon the affirmative consent or approval by the Holders; provided that, if the Company receives conflicting direction, consents or approvals from the Holders with respect to any action to be taken or consent or approval to be given by the Holders pursuant to this Agreement, then any action to be taken or consent or approval to be given by the Holders pursuant to this Agreement shall be deemed taken, consented to or approved upon the affirmative consent or approval by the Holder(s) that holds a majority of the Common Equity then-held by all Holders.

5.13.3 From time to time upon the written request by the Company, each Holder shall provide to the Company in writing a statement setting forth the number of shares of Common Equity Beneficially Owned by such Holder, certified by an officer or other duly authorized representative of such Holder.

[*Remainder of Page Intentionally Left Blank; Signature Pages Follow*]

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

COMPANY:

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President & CEO

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

HOLDER:

ASCRIBE III INVESTMENTS LLC

By: /s/ Lawrence First
Name: Lawrence First
Title: Managing Director

LIMITED CONSENT AND FIRST AMENDMENT
TO ABL CREDIT AGREEMENT

This **LIMITED CONSENT AND FIRST AMENDMENT TO ABL CREDIT AGREEMENT** (this "***Amendment***"), is made and entered into as of March 9, 2020, by and among **Basic Energy Services, Inc.**, a Delaware corporation (the "***Borrower***"), the Subsidiaries of the Borrower party to the Amendment (collectively, the "***Guarantors***"), the financial institutions party to this Amendment (collectively, "***Lenders***"), and **BANK OF AMERICA, N.A.**, a national banking association ("***Bank of America***"), as administrative agent for the Lenders (in such capacity, "***Administrative Agent***"), a Swing Line Lender and an L/C Issuer.

A. The Borrower has entered into that certain ABL Credit Agreement, dated as of October 2, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with the Lenders party thereto and the Administrative Agent;

B. The Borrower has advised the Administrative Agent and the Lenders that it intends to acquire all of the issued and outstanding shares of capital stock of C&J Well Services, Inc., a Delaware corporation ("***C&J Well Services***"), pursuant to the C&J Acquisition Agreement (as defined herein) (the "***C&J Acquisition***").

C. In connection with the C&J Acquisition, the Borrower has advised the Administrative Agent and the Lenders that (i) Ascribe III Investments LLC, a Delaware limited liability company ("***Ascribe***"), will transfer, for the benefit and account of the Borrower, certain Senior Notes held by Ascribe to NexTier Holding Co., a Delaware corporation, as partial payment for the capital stock of C&J Well Services, and the Borrower will deliver to Ascribe Equity Interests (the "***Exchange Transaction***") in the Borrower that will cause Ascribe to own greater than eighty percent (80%) of the aggregate Equity Interests of the Borrower (the "***Change of Control Transaction***"), and (ii) the Borrower will issue the Bridge Note (as defined below) to evidence a loan made by Ascribe to finance a portion of the C&J Acquisition.

D. The Borrower and the parties hereto have agreed to reduce the Aggregate Commitments from $150,000,000 to $120,000,000.

E. In consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**. All terms used herein that are defined in the Credit Agreement and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

2. **Amendments**.

(a) **New Definitions**. *Section 1.01* of the Credit Agreement is hereby amended by adding the following definitions, in appropriate alphabetical order:

"Ascribe" means Ascribe III Investments LLC, a Delaware limited liability company.

"BHC Act Affiliate" means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)).

"Bridge Note" means that certain Senior Secured Promissory Note dated as of the First Amendment Effective Date, executed by the Borrower and payable to Ascribe, and guaranteed by the Guarantors, in the principal amount of $15,000,000.00.

"C&J Acquisition" means the Acquisition by the Borrower of all of the issued and outstanding shares of capital stock of C&J Well Services pursuant to the C&J Acquisition Agreement and the other related transactions contemplated thereby.

"C&J Acquisition Agreement" means that certain Purchase Agreement dated as of March 9, 2020, by and among the Borrower, Ascribe, NexTier and C&J Well Services and the related documents contemplated thereby.

"C&J Entities" means C&J Well Services, KVS Transportation, Inc., a California corporation, and Indigo Injection #3, LLC, a Texas limited liability company.

"C&J Well Services" means C&J Well Services, Inc., a Delaware corporation.

"Change of Control Transaction" has the meaning set forth in the First Amendment.

"Covered Entity" means (a) a "covered entity", as defined and interpreted in accordance with 12 C.F.R. §252.82(b); (b) a "covered bank", as defined in and interpreted in accordance with 12 C.F.R. §47.3(b); or (c) a "covered FSI", as defined in and interpreted in accordance with 12 C.F.R. §382.2(b).

"Covered Party" has the meaning set forth inSection 10.25.

"Default Right" shall have the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Eligible Pledged Cash" means, at any date of determination, all of the available cash of the Loan Parties at such that date that (a) is subject to a first priority lien and exclusive control of the Administrative Agent, (b) does not constitute proceeds of Senior Notes Collateral (as defined in the Security Agreement) and (c) is held in a segregated and restricted Deposit Account (that is not a Senior Notes Collateral Account) established with the Administrative Agent.

"Exchange Transaction" has the meaning set forth in the First Amendment.

"First Amendment" means that certain Limited Consent and First Amendment to ABL Credit Agreement dated as of the First Amendment Effective Date by and among the Borrower, the Guarantors, the Lenders party thereto and the Administrative Agent.

"First Amendment Effective Date" means March 9, 2020.

"Make-Whole Payment" shall have the meaning set forth in the C&J Acquisition Agreement.

"NexTier" means NexTier Holding Co., a Delaware corporation.

"QFC" means a "qualified financial contract", as defined in and interpreted in accordance with 12 U.S.C. §5390(c)(8)(D).

"QFC Credit Support" has the meaning set forth inSection 10.25.

"Supported QFC" has the meaning set forth inSection 10.25.

(b) **Existing Definitions**. *Section 1.01* of the Credit Agreement is hereby amended by modifying the following existing definitions set forth therein as follows:

"Borrowing Base" means, on any date of determination, an amount equal to the lesser of (a) the Aggregate Commitments; or (b) the sum, without duplication, of the following:

(i) 85% of the Value of Eligible Accounts, plus

(ii) the lesser of (A) 80% of the Value of Eligible Unbilled Accounts or (B) $30,000,000, plus

(iii) 100% of the Eligible Pledged Cash, minus

(iv) the Availability Reserve.

No Borrowing Base calculation shall include Collateral acquired in a Permitted Acquisition or otherwise outside the ordinary course of business until completion of applicable field examinations satisfactory to Administrative Agent (which shall not be included in the limits provided in Section 6.10(b)); provided that, until a field examination with respect to the Accounts owing to the C&J Entities reasonably satisfactory to Administrative Agent is received by Administrative Agent, the Accounts owing to the C&J Entities which qualify as Eligible Accounts shall be temporarily included in the Borrowing Base in an amount equal to 80% of the Value of such Eligible Accounts of the C&J Entities; provided, further, that if such reasonably satisfactory field examination is not received on or prior to the date that is ninety (90) days after the First Amendment Effective Date, no Eligible Accounts of C&J Well Services shall be included in the Borrowing Base until such satisfactory field examination has been received by the Administrative Agent.

"Cash Dominion Trigger Period" means the period (a) commencing on the day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of (x) 12.5% of the Borrowing Base or (y) $15,000,000, and (b) continuing until, during each of the preceding 30 consecutive days, no Event of Default has existed and Availability has at all times exceeded the greater of (i) 12.5% of the Borrowing Base or (ii) $15,000,000.

"Consolidated Fixed Charges" means (a) the sum of (i) Consolidated Interest Charges (other than payment-in-kind or amortization of fees and other non-cash items

treated as interest in accordance with GAAP), (ii) scheduled principal payments and voluntary prepayments made on borrowed money (including purchase money Indebtedness, Attributable Indebtedness and the deferred purchase price of property or services), (iii) Restricted Payments made, (iv) any reimbursement paid by a Loan Party for the Make-Whole Payment, and (v) repayments of the Bridge Note not using proceeds from the sale of fixed assets constituting collateral for the Senior Notes. For the avoidance of doubt, repayments of the Bridge Note solely using proceeds from the sale of fixed assets constituting collateral for the Senior Notes shall not be Consolidated Fixed Charges.

"Financial Covenant Trigger Period" means the period (a) commencing on the day that Availability is less than the greater of 12.5% of the Borrowing Base or $15,000,000, and (b) continuing until, during each of the preceding 30 consecutive days, Availability has at all times exceeded the greater of 12.5% of the Borrowing Base or $15,000,000.

"Monthly Financial Reporting Trigger Period" means the period (a) commencing on the day that Availability is less than the greater of (i) 15% of the Borrowing Base or (ii) $18,000,000, and (b) continuing until, during each of the preceding 30 consecutive days, Availability has at all times exceeded the greater of (i) 15% of the Borrowing Base or (ii) $18,000,000.

"Payment Conditions" means, in the case of Acquisitions, prepayments of Indebtedness and Restricted Payments, that no Default or Event of Default has occurred and is continuing or would result therefrom and the following:

(a) with respect to Acquisitions and prepayments of Indebtedness (other than any reimbursement for the Make-Whole Payment), either:

(i) Availability shall be higher than the greater of (A) 20% of the Borrowing Base and (B) $24,000,000, in each case on a pro forma basis for each day during the consecutive 30-day period immediately preceding such transaction and after giving effect thereto as though such Acquisition or prepayment of Indebtedness (and any Loans being requested to fund any part thereof) had been made on the first day of such 30-day period; or

(ii) both (A) the Pro Forma Consolidated Fixed Charge Coverage Ratio after giving effect to such transaction shall be greater than 1.00 to 1.00 for the most recently reported Measurement Period, and (B) Availability shall be higher than the greater of (1) 15% of the Borrowing Base and (2) $18,000,000, in the case of this subclause (B) on a pro forma basis for each day during the consecutive 30-day period immediately preceding such transaction and after giving effect thereto as though such Acquisition or prepayment of Indebtedness (and any Loans being requested to fund any part thereof) had been made on the first day of such 30-day period;

(b) with respect to Restricted Payments and any reimbursement for the Make-Whole Payment, either:

(i) Availability shall be higher than the greater of (A) 22.5% of the Borrowing Base and (B) $27,000,000, in each case on a pro forma basis for each day during

the consecutive 30-day period immediately preceding such Restricted Payment or such reimbursement for the Make-Whole Payment and after giving effect thereto as though such Restricted Payment or such reimbursement for the Make-Whole Payment (and any Loans being requested to fund any part thereof) had been made on the first day of such 30-day period; or

(ii) both (A) the Pro Forma Consolidated Fixed Charge Coverage Ratio after giving effect to such transaction shall be greater than 1.00 to 1.00 for the most recently reported Measurement Period, and (B) Availability shall be higher than the greater of (1) 17.5% of the Borrowing Base and (2) $21,000,000, in the case of this subclause (B) on a pro forma basis for each day during the consecutive 30-day period immediately preceding such Restricted Payment or such reimbursement for the Make-Whole Payment and after giving effect thereto as though such Restricted Payment or such reimbursement for the Make-Whole Payment (and any Loans being requested to fund any part thereof) had been made on the first day of such 30-day period.

(c) in any case under (a) or (b) above, delivery to Administrative Agent at least three (3) Business Days and not more than five (5) Business Days prior to the date of the proposed Acquisition, prepayment of Indebtedness, Restricted Payment or any reimbursement for the Make-Whole Payment of a certificate of the Borrower signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower giving notice of the intent to consummate such Acquisition, prepayment of Indebtedness, Restricted Payment or such reimbursement for the Make-Whole Payment and certifying compliance with the applicable foregoing conditions (including calculations of Availability for the applicable days and, if applicable, of the Pro Forma Consolidated Fixed Charge Coverage Ratio).

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person 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, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to any Person's stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment; provided, that, for the avoidance of doubt, any payment or reimbursement made with respect to the Make-Whole Payment and the related $1,000,000 fee payable to Ascribe in connection with Ascribe's agreement to make the Make-Whole Payment shall not be a Restricted Payment.

"Senior Notes" means (a) those certain 10.75% Senior Secured Notes due 2023 of the Borrower and (b) any Additional Notes (as defined in the Senior Notes Indenture) issued in lieu of any cash reimbursement with respect to the Make-Whole Payment.

"Weekly BBC Trigger Period" means the period (a) commencing on the day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of (x) 12.5% of the Borrowing Base or (y) $15,000,000and (b) continuing until, during each of the preceding 30 consecutive days, no Event of Default has existed and Availability

has at all times exceeded the greater of (i) 12.5% of the Borrowing Base or (ii) $15,000,000.

(c) **Inspection Rights**. *Section 6.10(b)* of the Credit Agreement is hereby amended to replace the reference to "$33,750,000" therein to "$27,000,000".

(d) **Liens**. *Section 7.01(l)* of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(l) Liens on property of the Borrower and the Guarantors not constituting Collateral securing Indebtedness permitted under Sections 7.02(g) and 7.02(o);

(e) **Senior Secured Notes**. *Clause (i)* of *Section 7.02(g)* is hereby amended and restated in its entirety to read as follows:

(l) the Senior Notes in an aggregate principal amount not to exceed the sum of (A) $300,000,000 plus (B) the aggregate principal amount of Senior Notes issued to Ascribe in lieu of any cash reimbursement with respect to the Make-Whole Payment;

(f) **Other Indebtedness**. *Section 7.02* of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of *clause (l)* thereof, (ii) replacing the "." at the end of *clause (m)* thereof with an ";" and (iii) adding a new *clauses (n)* and *(o)* which shall read as follows:

(n) Indebtedness in respect of the Make-Whole Payment; and

(o) Indebtedness evidenced by the Bridge Note.

(g) **Investments**. *Section 7.03* of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of *clause (i)* thereof, (ii) replacing the "." at the end of *clause (j)* thereof with an ";"and (iii) adding new *clauses (k) and (l)* which shall read as follows:

(k) the C&J Acquisition; and

(l) (i) C&J Well Services' Investments as of the First Amendment Effective Date in North Dakota SWD Well #1, LLC, a North Dakota limited liability company, and (ii) Indigo Injection #3, LLC's Investments as of the First Amendment Effective Date in Indigo Injection #3-1, LLC, a Delaware limited liability company.

(h) **Transactions with Affiliates**. *Section 7.08* of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Restricted Subsidiary as would be obtainable by the Borrower or such Restricted Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (a) transactions solely between or among the Loan Parties, (b) compensation to, and the terms of any employment contracts with, individuals who are officers, managers or directors of the Loan Parties in the ordinary course of business, provided

that, to the extent such approval is required, such compensation is approved by such Loan Party's board of directors (or equivalent governing body), (c) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans in each case, as permitted by this Agreement, (d) Restricted Payments permitted pursuant to Section 7.06, (e) the Borrower's Indebtedness in respect of the Make-Whole Payment, any reimbursement with respect thereto permitted pursuant to Section 7.14 and the related $1,000,000 fee payable to Ascribe in connection with Ascribe's agreement to make the Make-Whole Payment, (f) the Change of Control Transaction, (g) the consummation of the Exchange Transaction, or (h) the Bridge Note (including any upfront or commitment fees in connection therewith).

(i) **Prepayments, Etc. of Indebtedness**. *Section 7.14* of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

7.14 Prepayments, Etc. of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Indebtedness, except (a) the prepayment of the Credit Extensions in accordance with the terms of this Agreement, (b) regularly scheduled payments of principal of Indebtedness set forth on Schedule 7.02 (other than relating to the Bridge Note), (c) mandatory prepayments or redemptions of the Senior Notes as required under the Senior Notes Indenture as in effect on the date hereof, (d) refinancings, refundings, extensions or renewals of Indebtedness to the extent such refinancing, refunding, extension or renewal is permitted by Sections 7.02(d) or 7.02(g)(ii), as applicable, (e) the conversion to or exchange for Equity Interests of convertible or exchangeable debt securities, and customary payments in cash in lieu of fractional shares in connection therewith, (f) any other prepayments or redemptions with respect to Indebtedness not otherwise permitted pursuant to this Section 7.14; provided that, in the case of thisclause (f), the applicable Payment Conditions are satisfied before and after giving effect thereto, (g) any reimbursement for the Make-Whole Payment so long as (i) such reimbursement is made through the issuance of additional Senior Notes or (ii) if such reimbursement is not made pursuant to clause (g)(i), the applicable Payment Conditions are satisfied before and after giving effect thereto, (h) the consummation of the Exchange Transaction, (i) prepayments of Indebtedness relating to the Bridge Note so long as (i) such prepayments are made solely with proceeds from the sale of fixed assets constituting collateral for the Senior Notes (including the repayment of Capitalized Leases relating to such fixed assets) and not with the proceeds of any Collateral or (ii) if such prepayments are not made pursuant to clause (i)(i), the applicable Payment Conditions are satisfied before and after giving effect thereto, and (j) prepayments of Indebtedness relating to the repayment of Capitalized Leases so long as (i) such prepayments are made solely with proceeds from the sale of fixed assets constituting collateral for the Senior Notes and not with the proceeds of any Collateral or (ii) if such prepayments are not made pursuant to clause (j)(i), the applicable Payment Conditions are satisfied before and after giving effect thereto.

(j) **Amendments, Etc. of Indebtedness**. A new *clause (c)* is hereby added to *Section 7.15* of the Credit Agreement to read as follows:

(c) Amend, modify or change in any manner any term or condition of Bridge Note or any other material agreements, supplements and other documents executed in connection therewith, except for any amendments or modifications made to cure any ambiguity, defect or inconsistency.

(k) **Acknowledgment Regarding Supported QFCs**. *Article X* of the Credit Agreement is hereby amended by adding a new *Section 10.25*, which shall read as follows:

10.25 Acknowledgement Regarding Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

If a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regimes if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regimes if the Supported QFC and Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(l) **Commitments and Applicable Percentages**. The "*Commitments and Applicable Percentages*" table set forth on *Schedule 1.01* to the Credit Agreement is amended and restated in its entirety as set forth on ***Schedule 1*** attached hereto.

(m) **Borrowing Base Certificate**. *Exhibit J* to the Credit Agreement is amended and restated in its entirety as set forth on ***Schedule 2*** attached hereto.

3. **Assignment and Reallocation of Commitments**. On the Amendment Effective Date (as defined below), each Lender hereby sells, assigns, transfers and conveys to the other Lenders,

and each Lender hereby purchases and accepts, so much of the Commitments and the outstanding Loans under the Credit Agreement such that immediately after giving effect to this Amendment, the Commitment of each Lender shall be as set forth on ***Schedule 2*** hereto. The foregoing assignments, transfers and conveyances are without recourse to any Lender and without warranties whatsoever by Administrative Agent as to title, enforceability, collectability or freedom from liens and encumbrances, in whole or in part, other than the warranty of any such assigning Lender that it has not previously sold, transferred, conveyed, encumbered or assigned such interests.

4. **Limited Consent**. In reliance upon the representations, warranties, covenants and agreements contained in this Amendment, and subject to the terms and conditions set forth in this ***Section 4*** and the conditions precedent set forth in ***Section 5*** below, and notwithstanding anything to the contrary in the Credit Agreement, the Lenders party hereto hereby consent to the consummation of the C&J Acquisition, the Exchange Transaction and the Change of Control Transaction (collectively, the "***Specified Transactions***") and agree that, notwithstanding anything to the contrary in the Credit Agreement or any Loan Document, the consummation of the Specified Transactions shall not constitute a Default or Event of Default under the Credit Agreement or any other Loan Document. The consent granted herein is limited solely to the Specified Transactions, and nothing contained in this Amendment shall be deemed a consent to, or waiver of, any other action or inaction of any Loan Party or any other Person which constitutes (or would constitute) a violation of any provision of the Credit Agreement or any other Loan Document. Neither the Lenders nor the Administrative Agent shall be obligated to grant any future waivers, consents or amendments with respect to any provision of the Credit Agreement or any other Loan Document.

5. **Conditions to Effectiveness**. This Amendment shall become effective as of the date first written above only upon satisfaction in full (or written waiver by the Administrative Agent) of the following conditions precedent to the satisfaction of Administrative Agent and the Lenders (the "***Amendment Effective Date***"):

(a) **Delivery of Documents**. Administrative Agent shall have received on or before the Amendment Effective Date the following, each dated the Amendment Effective Date, unless indicated otherwise:

(i) this Amendment, duly executed by the Borrower, the Guarantors, Administrative Agent and the Super Majority Lenders;

(ii) a Security Agreement Supplement (which will include a guaranty joinder) and any other security agreements specified by Administrative Agent, in each case, duly executed by C&J Entities;

(iii) a copy of the fully executed C&J Acquisition Agreement and all material agreements, supplements and other documents executed in connection therewith, in each case, in form and substance satisfactory to the Administrative Agent;

(iv) a copy of the fully executed Exchange Agreement (as defined in the C&J Acquisition Agreement), in form and substance satisfactory to the Administrative Agent;

(v) a copy of the fully executed copy Bridge Note and all material agreements, supplements and other documents executed in connection therewith, in each case, in form and substance satisfactory to the Administrative Agent;

(vi) a certificate, in form and substance reasonably satisfactory to Administrative Agent, from a Responsible Officer of each of the C&J Entities certifying and attaching, as applicable, (A) true and correct copies of such C&J Entity's Organization Documents; (B) resolutions authorizing such C&J Entity to join the Loan Documents as Guarantors, authorizing the execution and delivery of this Amendment and the other transactions contemplated hereunder; (C) good standing certificates such C&J Entity, issued by its jurisdiction of organization; and (D) to the incumbency of each Person authorized to sign the Loan Documents on behalf of such C&J Entity;

(vii) a certificate, in form and substance reasonably satisfactory to Administrative Agent, from a Responsible Officer of the Borrower certifying as to the representations and warranties set forth in ***Sections 6(a)***, ***(b)*** and ***(e)***;

(viii) a certificate of each Loan Party certifying (A) that there has been no change to the Loan Parties' Organization Documents since the Closing Date (or otherwise attaching such changed Organization Documents or resolutions) and (B) resolutions authorizing execution and delivery of this Amendment, the C&J Acquisition and the other transactions contemplated hereunder;

(ix) good standing certificates of each Loan Party, issued by the Secretary of State or other appropriate official of such Loan Party's jurisdiction of organization;

(x) a favorable written opinion of Thompson & Knight LLP, counsel to the Loan Parties addressed to the Administrative Agent and each Lender, with respect to this Amendment and adding the C&J Entities as Guarantors and debtors under the Security Agreement;

(xi) a copy of the executed Release and Termination Agreements (as defined in the C&J Acquisition Agreement) or other evidence satisfactory to Administrative Agent that each of the C&J Entities has been released from any liability as a guarantor with respect to the Indebtedness arising under the credit agreements listed on *Schedule 3.5* of the C&J Acquisition Agreement and all Liens granted by the C&J Entities with respect thereto have been released;

(xii) UCC and Lien searches covering the C&J Entities showing that there are no Liens upon the Collateral owned by the C&J Entities, other than Liens permitted by *Section 7.01* of the Credit Agreement;

(xiii) proper Financing Statements in form appropriate for filing under the Uniform Commercial Code of all jurisdictions that Administrative Agent may deem necessary or desirable in order to perfect the Liens created under the Security Agreement Supplement executed by the C&J Entities;

(xiv) an updated Borrowing Base Certificate after giving effect to the C&J Acquisition and this Amendment; and

(xv) satisfactory certificates of insurance for the C&J Entities naming the Administrative Agent, on behalf of the Lenders, as an additional insured or loss payee, as the case may be, under all insurance policies with respect to the assets of the C&J Entities that constitute Collateral;

(b) **Fees and Expenses**. The Borrower shall have paid (i) a consent fee of $25,000 to each Lender executing this Amendment, which fee shall be non-refundable and fully earned and

due and payable in cash on the date hereof, and (ii) all other fees and expenses to be paid to Administrative Agent pursuant to the Administrative Agent's supplemental fee letter or incurred on or prior to the Amendment Effective Date that are required to be paid under the Loan Documents, including all accrued fees of Administrative Agent's legal counsel.

6. **Representations and Warranties**. The Borrower hereby represents and warrants to Administrative Agent and Lenders as follows:

(a) **Representations and Warranties**. After giving effect to this Amendment, the representations and warranties herein, in *Article V* of the Credit Agreement and in each other Loan Document are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to materiality in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date (except to the extent that any such representation or warranty expressly relates solely to an earlier date, in which case, such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to materiality in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date).

(b) **No Default**. No Default or Event of Default has occurred and is continuing as of the Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(c) **Authorization, Etc**. Each Loan Party is duly authorized to execute, deliver and perform this Amendment and each other Loan Document to which it is a party. The execution, delivery and performance of the Loan Documents, as amended hereby, have been duly authorized by all necessary action, and do not (i) contravene the terms of any Loan Party's Organization Documents; (ii) conflict with or result in any breach or contravention of, under, or require any payment to be made under any Contractual Obligation to which a Loan Party is a party or affecting a Loan Party or the properties of a Loan Party or any of its Restricted Subsidiaries, except for conflicts, breaches or contraventions that could not reasonably be expected to result in a Material Adverse Effect, (iii) violate any Law or any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which a Loan Party or its property is subject; or (iv) result in the creation or imposition of any Lien on any property of the Borrower or any Restricted Subsidiary except Liens created under the Loan Documents.

(d) **Enforceability of Loan Documents**. This Amendment is, and each other Loan Document to which any Loan Party is a party, is, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, except as enforceability may be limited by equitable principles or by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(e) **Governmental Approvals**. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment or any other Loan Document.

(f) **Indenture Compliance**. Neither the execution or performance of this Amendment, nor the consummation of any of the Specified Transactions, violates any of the terms of the Senior Notes Indenture, including *Sections 3.2* and *3.3* thereof, or any of the other Senior Notes Documents.

7. **Continued Effectiveness of the Credit Agreement and Other Loan Documents**. Each Loan Party hereby (a) acknowledges and consents to this Amendment, (b) confirms and agrees that the Credit Agreement and each other Loan Document to which it is a party, in each case, to the extent amended hereby, is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Amendment Effective Date, all references in any such Loan Document to the "Credit Agreement", the "Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Credit Agreement shall mean the Credit Agreement as amended by this Amendment, and (c) confirms and agrees that, to the extent that any such Loan Document purports to assign or pledge to Administrative Agent, for the benefit of it and the Lenders, or to grant to Administrative Agent, for the benefit of it and the Lenders, a security interest in or Lien on any Collateral as security for the Obligations of the Loan Parties from time to time existing in respect of the Credit Agreement and the other Loan Documents, such pledge, assignment and/or grant of the security interest or Lien is hereby ratified and confirmed in all respects. This Amendment does not and shall not affect any of the obligations of the Loan Parties, other than as expressly provided herein, including, without limitation, the Loan Parties' obligations to repay the Loans in accordance with the terms of the Credit Agreement or the obligations of the Loan Parties under any Loan Document to which they are a party, all of which obligations, as amended hereby, shall remain in full force and effect and are hereby ratified and confirmed. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Administrative Agent or any Lender under the Credit Agreement or any other Loan Document nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

8. **No Novation**. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Credit Agreement or instruments securing the same, which shall remain in full force and effect, except as modified hereby.

9. **No Representations by Administrative Agent or Lenders**. Each Loan Party hereby acknowledges that it has not relied on any representation, written or oral, express or implied, by Administrative Agent or any Lender, other than those expressly contained herein, in entering into this Amendment.

10. **Further Assurances**. The Loan Parties shall execute any and all further documents, agreements and instruments, and take all further actions, as may be required under any applicable Law or as Administrative Agent may reasonably request, in order to effect the purposes of this Amendment.

11. **Miscellaneous**.

(a) This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart of this Amendment.

(b) Section and paragraph headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(c) UNLESS EXPRESSLY PROVIDED IN ANY LOAN DOCUMENT, THIS AMENDMENT, THE OTHER LOAN DOCUMENTS AND ALL CLAIMS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES THAT WOULD SELECT THE LAWS OF A DIFFERENT STATE EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS.

(d) Each Loan Party hereby acknowledges and agrees that this Amendment constitutes a “Loan Document” under the Credit Agreement.

(e) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[*Remainder of page intentionally left blank*.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date set forth on the first page hereof.

BORROWER:

BASIC ENERGY SERVICES, INC., a Delaware corporation

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

GUARANTORS:

Basic Energy Services GP, LLC
Basic Energy Services LP, LLC
Basic ESA, Inc.
SCH Disposal, L.L.C.
Taylor Industries, LLC
AGUA LIBRE HOLDCO LLC
AGUA LIBRE ASSET CO LLC
AGUA LIBRE MIDSTREAM LLC

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

Basic Energy Services, L.P.

By: Basic Energy Services GP, LLC,
its General Partner

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

ADMINISTRATIVE AGENT AND LENDERS:

BANK OF AMERICA, N.A., as Administrative Agent, a Lender, an L/C Issuer and Swing Line Lender

By: /s/ Mark Porter
Name: Mark Porter
Title: Senior Vice President

UBS AG, STAMFORD BRANCH, as a Lender and a L/C Issuer

By: /s/ Darlene Arias
Name: Darlene Arias
Title: Director

By: /s/ Kenneth Chin
Name: Kenneth Chin
Title: Director

PNC BANK NATIONAL ASSOCIATION,
as a Lender and a L/C Issuer

By: /s/ Thomas N. Tone
Name: Thomas N. Tone
Title: Vice President

TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Jerra Hayden
Name: Jerra Hayden
Title: Senior Vice President

SIEMENS FINANCIAL SERVICES, INC., as a Lender

By: /s/ Maria Levy
Name: Maria Levy
Title: Vice President

By: /s/ Michael L. Zion
Name: Michael L. Zion
Title: Vice President

Schedule 1

SCHEDULE 1.01

COMMITMENTS

AND APPLICABLE PERCENTAGES

Lender	Revolving Credit Commitment	Revolving Credit Applicable Percentage
Bank of America, N.A.	$42,000,000.00	35.00000000%
PNC Bank National Association	$40,000,000.00	33.33333333%
UBS AG, Stamford Branch	$15,000,000.00	12.50000000%
Siemens Financial Services, Inc.	$15,000,000.00	12.50000000%
Texas Capital Bank, National Association	$8,000,000.00	6.66666667%
TOTAL	**$120,000,000.00**	**100.000000000%**

Schedule 2

EXHIBIT J

BORROWING BASE CERTIFICATE

[to be attached]

Basic Energy Services, Inc.

Date Prepared / Delivered	
Current Begin Date	
Current End Date	

BORROWING BASE CERTIFICATE

Line #			
		As of	
1	Gross Accounts		
2	*Less: Total Ineligible Accounts*		
3	Eligible Accounts	$	—
4	*Accounts advance rate*		85.00%
5	***Accounts availability*** *(Line 3 * Line 4)*	**$**	**—**
6	Gross Unbilled Accounts		
7	*Less: Total Ineligible Accounts*		
8	Eligible Unbilled Accounts	$	—
9	*Unbilled Accounts advance rate*		80.00%
10	***Unbilled Accounts availability*** *(lesser of (Line 8 * Line 9) and $30,000)*	**$**	**—**
11	***Total collateral availability*** *(Line 5 + Line 10)*	**$**	**—**
12	Rent Reserve		
13	Sales Tax Reserves		
14	Share Repurchase Program		
15	Dilution	$	—
16	**Total Availability Reserve**	**$**	**—**
17	Aggregate Commitments	$	120,000
18	***Borrowing Base*** *(lesser of Line 15 and Line 16)*	**$**	**—**

Basic Energy Services, Inc., by its duly authorized officer signing below, hereby certifies that (a) the information set forth in this certificate is true and correct as of the date(s) indicated herein and (b) each Borrower is in compliance with all terms and provisions contained in the Credit Agreement, dated as of 10/2/2018, among the Borrower and Bank of America, N.A., and the other Loan Documents (as defined in the Credit Agreement).

Authorized Officer: David Schorlemer	Title: Senior VP, CFO, Secretary & Treasurer
Authorized Signature:	Date:

Note: If this document is being transmitted electronically, the Borrower acknowledges that by entering the name of its duly authorized officer on the Certificate, that officer has reviewed the Certificate and affirmed the representations, warranties and certifications referenced above.

Exhibit 10.4

SENIOR SECURED PROMISSORY NOTE

US $15,000,000 March 9, 2020

FOR VALUE RECEIVED, Basic Energy Services, Inc., a Delaware corporation (the " **Obligor**"), hereby unconditionally promises to pay to Ascribe III Investments LLC, a Delaware limited liability company (the "**Payee**"), the principal amount set forth in Section 3 hereto, together with interest thereon as provided in Section 2 hereof, on the Maturity Date (as defined below), on the terms and subject to the conditions provided herein.

1. Definitions.

(a) In this Note, the following terms shall have the following meanings:

"**ABL Amendment**" has the meaning assigned to such term in Section 5.

"**ABL Credit Agreement**" means that certain Credit Agreement dated as of October 2, 2018, by and among the Obligor, as borrower, the lenders party thereto and Bank of America, N.A., as administrative agent (the "**ABL Agent**"), as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**ABL Security Agreement**" means that certain Security Agreement dated as of October 2, 2018 by and among the Obligor, the other grantors party thereto and the ABL Agent, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Acquisition**" means the acquisition by the Obligor of the production business of NexTier Oilfield Solution Inc. pursuant to that certain Purchase Agreement dated as of the Effective Date by and among the Payee, the Obligor, NexTier Holding Co. and C&J Well Services, Inc.

"**Bankruptcy Code**" means Title 11 of the United States Code (11 U.S.C. §101, et seq.).

"**Bridge Loan Documents**" has the meaning assigned to such term in Section 15.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City (New York) are authorized or required by law to close.

"**Collateral**" has the meaning assigned to such term in Section 10.

"**Code**" means the New York Uniform Commercial Code, as in effect from time to time; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to the Payee's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

"**Default**" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"**Dollars**" and "**$**"means the lawful currency of the United States of America.

"**Excluded Property**" has the meaning set forth in the Indenture.

"**Guarantied Obligations**" means all of the obligations under this Note now or hereafter existing, whether for principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), fees, the Payee's expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), or otherwise, and

any and all documented out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Payee in enforcing any rights under the guaranty set forth herein. Without limiting the generality of the foregoing, Guarantied Obligations shall include all amounts that constitute part of the Guarantied Obligations and would be owed by the Obligor to the Payee but for the fact that they are unenforceable or not allowable, including due to the existence of a bankruptcy, reorganization, other Insolvency Proceeding or similar proceeding involving the Obligor or any Guarantor.

"**Guarantors**" means each person that is a subsidiary of the Obligor party hereto as a guarantor and each of the Obligor's Subsidiaries that becomes a guarantor of this Note pursuant to Section 9 hereof.

"**Indenture**" means that certain Indenture dated as of October 2, 2018 with respect to 10.75% Senior Secured Notes among Obligor and UMB Bank, N.A., as trustee and collateral agent, as amended or supplemented from time to time.

"**Indenture Security Agreement**" means that certain Security Agreement dated as of October 2, 2018 by and among the Obligor, the other grantors party thereto and UMB Bank, N.A., as collateral agent, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Insolvency Proceeding**" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions, generally with creditors, or proceedings seeking reorganizations, arrangement, or other similar relief.

"**Lien**" means any mortgage, pledge, security interest, hypothecation, assignment for collateral purposes, lien (statutory or other) or similar encumbrance, and any easement, right-of-way, exclusive license, restriction, defect, exception or irregularity in title or similar charge or encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof); provided that in no event shall any operating lease or non-exclusive license with respect to any intellectual property rights entered into in the ordinary course of business or any precautionary UCC filings made pursuant thereto by an applicable lessor or lessee, be deemed to be a Lien.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, assets, financial condition or results of operations of the Obligor and its subsidiaries (taken as a whole), (b) the validity or enforceability of this Note, (c) the ability of the Obligor to perform its obligations under this Note, (d) the rights or remedies of the Payee hereunder or (e) the priority of any Liens granted to the Payee in or to the Collateral.

"**Material Real Property**" has the meaning set forth in the Indenture.

"**Maturity Date**" means October 15, 2023.

"**Note**" means this Senior Secured Promissory Note, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Person**" has the meaning set forth in the Indenture.

"**Solvent**" means, with respect to the Obligor and its Subsidiaries on a consolidated basis on any date of determination, that on such date (a) the fair value of the assets of the Obligor and its Subsidiaries exceeds, on a consolidated basis, the debts and liabilities, subordinated, contingent or otherwise, of the Obligor and its Subsidiaries, (b) the present fair saleable value of the property of the Obligor and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of the debts and other liabilities, subordinated, contingent or otherwise, of the Obligor and its Subsidiaries as such debts and other liabilities become absolute and matured, (c) the Obligor and its Subsidiaries, on a consolidated basis, are able to pay the debts and liabilities, subordinated, contingent or otherwise, of the Obligor and its Subsidiaries as such liabilities become absolute and matured and (d) the Obligor and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which the Obligor and its Subsidiaries have unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that can reasonably be expected to become an actual and matured liability.

"**Subsidiary**" has the meaning set forth in the Indenture.

(b) The following terms used herein shall have the respective meanings set forth in the Indenture Security Agreement: "ABL Collateral", "Collateral Accounts", "Equipment", "Fixtures", "Intellectual Property", "Investment Property", "Material Real Property", "Pledged Equity", "Proceeds", "Records", and "Supporting Obligations".

(c) The following terms used herein shall have the respective meanings set forth in the Code: "Commercial Tort Claims", "Documents", "General Intangibles", "Instruments" and "Letter of Credit Rights".

2. Interest. From the date hereof until (but not including) the date this Note is paid in full, interest shall accrue on the outstanding principal amount of this Note at a rate *per annum* equal to 10.0% (the "**Initial Rate**"); *provided* that the Initial Rate shall increase by 2.0% on January 1, 2021 and on each January 1 thereafter (the then effective interest rate referred to herein as the "**Rate**"). Interest payable pursuant hereto shall be calculated monthly at the end of each fiscal month on the basis of a 365/366-day year for the actual days elapsed. Accrued interest hereunder shall be payable in cash at the end of each fiscal month in arrears and when the unpaid principal amount hereof is declared due and payable. Upon the occurrence and during the continuance of an Event of Default (as defined below), the unpaid principal amount of this Note and, to the extent permitted by applicable law, any interest payments or any fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any Insolvency Proceeding, whether or not allowed in such Insolvency Proceeding) payable on demand at a rate that is two percent (2.0%) per annum in excess of the Rate otherwise applicable thereto pursuant to the first sentence of this Section 2 (the "**Default Rate**"). Notwithstanding any provision herein to the contrary, no interest shall accrue under this Note at a rate in excess of the highest applicable rate permitted by law.

3. Advance. On the terms and subject to the conditions contained in this Note, the principal amount of this Note shall be made available to the Obligor in a single drawing on the date hereof in the aggregate principal amount equal to $15,000,000 (the "**Advance**").

4. Closing Fee. Upon the effectiveness of this Note, the Obligor shall pay the Payee a closing fee in cash equal to $525,000 (the " **Closing Fee**").

5. Conditions to Advance. The obligation of the Payee to make the Advance hereunder is subject to the satisfaction of the following conditions precedent (the date upon which the Payee is in receipt of each of the following items, each in form and substance reasonably satisfactory to the Payee, the "**Effective Date**"):

(a) Note. The Payee shall have received this Note, duly executed and delivered by the Obligor and the Guarantors.

(b) Closing Fee and Expenses. The Obligor shall have paid (i) the Closing Fee, which may be netted from the proceeds of the Advance and (ii) all reasonable and documented out-of-pocket expenses of the Payee (including, without limitation, the reasonable and documented fees and expenses of Fried, Frank, Harris, Shriver & Jacobson LLP).

(c) No Default and Representations and Warranties. Both before and after giving effect to the Advance, (i) no Default or Event of Default shall have occurred and be continuing, and (ii) each of the representations and warranties made by the Obligor herein shall be true and correct in all material respects (to the extent not otherwise qualified by materiality) on and as of such date.

(d) Drawdown Notice. The Payee shall have received a request for the Advance duly executed by an officer of the Obligor with disbursement instructions attached thereto.

(e) Financing Statements. The Payee shall have received copies of proper financing statements, filed or duly prepared for filing under the Code in all jurisdictions that the Payee may deem reasonably necessary in order to perfect and protect the Liens on assets of each of the Obligor and the Guarantors created hereunder, covering the Collateral described herein.

(f) Secretary's Certificate. The Payee shall have received a certificate of each of the Obligor and the Guarantors certifying that there has been no change to any of the Obligor's or Guarantors' (A) certificate or articles of incorporation, formation or organization or (B) bylaws or operating agreements (or equivalent or comparable constitutive

documents) (collectively, "**Organization Documents**") since the closing of the ABL Credit Agreement and the Indenture (or otherwise attaching such changed Organization Documents).

(g) Written Consents: The Payee shall have received true, complete and correct copies of the resolutions or written consents authorizing the borrowing by the Obligor of the Advance and the guarantees of the Guarantied Obligations provided by the Guarantors and the other transactions contemplated hereunder.

(h) Good Standing Certificates. The Payee shall have received good standing certificates of each of the Obligor and the Guarantors, issued by the Secretary of State or other appropriate official of the jurisdiction of incorporation, organization or formation of the Obligor and such Guarantors.

(i) Closing Certificate. The Payee shall have received a certificate executed by an officer of the Obligor certifying that the conditions specified in Section 5(c) have been satisfied.

(j) ABL Amendment. The Obligor shall have entered into an amendment to the ABL Credit Agreement (the " **ABL Amendment**").

(k) Liquidity Condition. As of the Effective Date, pro forma for the Acquisition, the Obligor will have available liquidity equal to or greater than $40,000,000.

6. Representations and Warranties. To induce the Payee to make the Advance, the Obligor hereby represents and warrants to the Payee that:

(a) Status. Each of the Obligor and the Guarantors (a) is a duly organized or formed and validly existing corporation or other registered entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it does business or owns assets, except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

(b) Power and Authority; Enforceability. Each of the Obligor and the Guarantors has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of this Note and each other Bridge Loan Document to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Note and each other Bridge Loan Document. Each of the Obligor and the Guarantors has duly executed and delivered this Note and each other Bridge Loan Document to which it is a party and this Note constitutes, and each other Bridge Loan Document to which it is a party, constitutes the legal, valid and binding obligation of each of the Obligor and the Guarantors enforceable against the Obligor and each such Guarantor in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(c) No Violation. None of the execution, delivery and performance by the Obligor and the Guarantors of this Note and each other Bridge Loan Document to which it is a party and compliance with the terms and provisions thereof or the consummation of the other transactions contemplated hereby or thereby on the relevant dates therefor will (i) contravene any applicable provision of any material applicable law of any governmental authority, (ii) violate any provision of the organization documents of the Obligor or any Guarantor or (iii) conflict with the Indenture or, subject to the ABL Amendment, the ABL Credit Agreement.

(d) Pari Passu Indebtedness. Obligations under this Note constitute senior indebtedness of the Obligor and rank *pari passu* in right of payment with all indebtedness of the Obligor under the Indenture and the ABL Credit Agreement.

(e) Use of Proceeds. The proceeds of the Advance shall be used solely for the consideration for the Acquisition and any related fees and expenses.

(f) Solvency. As of the date hereof, the Obligor and its subsidiaries, on a consolidated basis, are Solvent.

7. Payment. The full outstanding principal amount of this Note, together with all accrued and unpaid interest hereunder, shall become due and payable on the Maturity Date. All monies due hereunder shall be paid in

Dollars. If any payment on this Note shall be due on a day which is not a Business Day, it shall be payable on the next succeeding Business Day. Upon final payment of the full outstanding principal amount of this Note, together with all accrued and unpaid interest hereunder this Note shall be surrendered to the Obligor for cancellation. Amounts borrowed and repaid hereunder may not be reborrowed. All payments hereunder shall be applied to accrued and unpaid interest and to outstanding principal in such order as determined by the Payee in its sole discretion.

8. Prepayment. The Obligor may, at its option, prepay this Note, in whole or in part, at any time or from time to time without penalty or premium and such prepayment shall be accompanied by payment of accrued and unpaid interest through the date of prepayment.

9. Guarantee.

(a) In recognition of the direct and indirect benefits to be received by the Guarantors from the proceeds of this Note and by virtue of the financial accommodations to be made to the Obligor, each of the Guarantors, jointly and severally, hereby unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment when due, whether upon maturity, acceleration, or otherwise, of all of the Guarantied Obligations. If any or all of the Guarantied Obligations becomes due and payable, each of the Guarantors, unconditionally and irrevocably, and without the need for demand, protest, or any other notice or formality, promises to pay such indebtedness to the Payee, together with any and all expenses (including the Payee's expenses) that may be incurred by the Payee in demanding, enforcing, or collecting any of the Guarantied Obligations (including the enforcement of any collateral for such Guarantied Obligations or any collateral for the obligations of the Guarantors under the guaranty in this Note). If claim is ever made upon the Payee for repayment or recovery of any amount or amounts received in payment of or on account of any or all of the Guarantied Obligations and the Payee repays all or part of said amount by reason of (i) any judgment, decree, or order of any court or administrative body having jurisdiction over the Payee or any of its property, or (ii) any settlement or compromise of any such claim effected by the Payee with any such claimant (including the Obligor or any Guarantor), then and in each such event, each of the Guarantors agrees that any such judgment, decree, order, settlement, or compromise shall be binding upon the Guarantors, notwithstanding any revocation (or purported revocation) of this Guaranty or other instrument evidencing any liability of the Obligor or any Guarantor, and the Guarantors shall be and remain liable to the Payee hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Payee. The liability of each of the Guarantors hereunder is primary, absolute, and unconditional, and is independent of any security for or other guaranty of the Guarantied Obligations, whether executed by any other Guarantor or by any other person, and the liability of each of the Guarantors hereunder shall not be affected or impaired by, in each case, to the fullest extent permitted by applicable law, (i) any payment on, or in reduction of, any such other guaranty or undertaking, (ii) any dissolution, termination, or increase, decrease, or change in personnel by the Obligor or any Guarantor, (iii) any payment made to the Payee on account of the obligations which the Payee repays to the Obligor or any Guarantor pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding (or any settlement or compromise of any claim made in such a proceeding relating to such payment), and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, (iv) any action or inaction by the Payee, or (v) any invalidity, irregularity, avoidability, or unenforceability of all or any part of the obligations or of any security therefor. The guaranty by each of the Guarantors hereunder is a guaranty of payment and not of collection. The obligations of each of the Guarantors hereunder are independent of the obligations of any other Guarantor or any other person and a separate action or actions may be brought and prosecuted against one or more of the Guarantors whether or not action is brought against any other Guarantor or any other person and whether or not any other Guarantor or any other person be joined in any such action or actions. Each Guarantor hereby confirms that it is the intention of all parties hereto that the guaranty contained herein not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law to the extent applicable to this guaranty and the obligations of each Guarantor hereunder. To effectuate the foregoing intention, the parties hereto hereby irrevocably agree that the obligations of each Guarantor hereunder at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor hereunder not constituting a fraudulent transfer or conveyance.

(b) With respect to any Subsidiary of the Obligor or any Guarantor that is not delivering a guarantee of the Guarantied Obligations on the Effective Date:

(i) Within 30 days of the Effective Date, and in any event no later than when such entities deliver guarantees of the obligations of the Obligor under the Indenture, the Obligor will cause C&J Well Services, Inc., a Delaware corporation, KVS Transportation, Inc., a California corporation, and Indigo Injection #3, LLC,

a Texas limited liability company to execute and deliver to the Payee a guaranty supplement to this Note in form and substance reasonably satisfactory to the Payee.

(ii) If any Subsidiary of the Obligor or any Guarantor becomes obligated under or deliver any guarantee of the obligations of the Obligor under the Indenture, such Subsidiary shall grant a guarantee of all Guarantied Obligations by executing and delivering a guaranty supplement in, each case in form and substance reasonably satisfactory to the Payee.

10. Security.

(a) Grant of Security. Each of the Obligor and the Guarantors hereby unconditionally grants, assigns, and pledges to the Payee to secure the obligations under this Note, a continuing security interest in all of the Obligor's and each such Guarantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "**Collateral**"):

(i) all Equipment;

(ii) all Fixtures related to Material Real Property

(iii) all Intellectual Property;

(iv) all Investment Property (including without limitation the Pledged Equity), all Commercial Tort Claims, all Documents, all General Intangibles, all Instruments and all Letter of Credit Rights, in each case, for the avoidance of doubt, not constituting ABL Collateral;

(v) all Collateral Accounts;

(vi) all Records relating to the foregoing and all additions, accessions and improvements to, all substitutions and replacements of the foregoing, and

(vii) to the extent not otherwise included, all Proceeds of the foregoing, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding anything to the contrary contained herein, this Note shall not constitute nor evidence a grant of a security interest, collateral assignment or any other type of Lien in Excluded Property provided further, that the Proceeds of Excluded Property shall not constitute Excluded Property solely by virtue of being Proceeds thereof but only to the extent that such Proceeds otherwise independently constitute Excluded Property hereunder.

(b) Security for this Note. The security interest created hereby secures the payment and performance of this Note. Without limiting the generality of the foregoing, this Note secures the payment of all amounts which constitute part of the obligations owed under this Note and would be owed by the Obligor to the Payee but for the fact that they are unenforceable or not allowable (in whole or in part) as a claim in an Insolvency Proceeding involving the Obligor due to the existence of such Insolvency Proceeding.

(c) Authorization to file UCC Statements. The Obligor hereby authorizes the Payee, its counsel or designee to file, in the name of the Obligor and each Guarantor any UCC or similar financing and continuation statements the Payee in its sole discretion may deem necessary or appropriate to further protect or maintain the perfection of the security interests.

(d) Information Regarding Collateral. The Obligor will furnish to the Payee, with respect to the Obligor or any Guarantor, promptly (and in any event within 30 days of such change) written notice of any change in such Person's (i) legal name, (ii) jurisdiction of organization or formation, (iii) type of legal entity or (iv) organizational identification number. The Obligor also agrees promptly to notify in writing the Payee if any material portion of the Collateral is damaged, destroyed or condemned.

(e) Maintenance of Insurance.

(i) The Obligor and the Guarantors will maintain insurance with respect to the Collateral, covering casualty, hazard, theft, malicious mischief, flood and other risks, with insurers, in such amounts, and with such coverages and deductibles as are at the time of placing such insurance customary for companies similarly situated and which are available at commercially reasonable rates. From time to time upon request, the Obligor shall deliver to the Payee the originals or certified copies of its insurance policies.

(ii) In addition to the insurance required under clause (i) with respect to Collateral, maintain insurance with insurers, with respect to the properties and business of the Obligor and the Guarantors, of such type (including product liability, workers' compensation, larceny, embezzlement, or other criminal misappropriation insurance), in such amounts, and with such coverages and deductibles as are at the time of placing such insurance customary for companies similarly situated and which are available at commercially reasonable rates.

11. Covenants.

(a) Taxes. The Obligor and each Guarantor shall make all payments, whether on account of principal, interest, fees or otherwise, free of and without deduction or withholding for any present or future taxes, duties or other charges ("**Taxes**"). If the Obligor or a Guarantor is compelled by law to deduct or withhold any Taxes it shall promptly pay to the Payee such additional amount as is necessary to ensure that the net amount received by the Payee is equal to the amount payable by the Obligor or such Guarantor had there been no deduction or withholding

(b) Corporate Existence. The Obligor shall do or cause to be done all things necessary to preserve and keep in full force and effect its and its Subsidiaries' existence, rights (charter and statutory), licenses and franchises; provided, however, that the Obligor shall not be required to preserve any such Subsidiaries' right, license or franchise if it shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Obligor and its Subsidiaries, taken as a whole.

12. Events of Default.

(a) The occurrence of any one or more of the following events shall constitute an Event of Default (an " **Event of Default**") under this Note: (i) the failure to pay principal of this Note when due on the Maturity Date or failure to pay interest payable hereunder within (five) 5 Business Days after the same becomes due; provided, that, notwithstanding anything to the contrary contained herein, to the extent the Obligor is not permitted to make a payment under this Note under the terms of the ABL Credit Agreement, failure to make such payment shall not result in an Event of Default hereunder so long as the Obligor makes such payment once permitted under the ABL Credit Agreement; (ii) any representation or warranty made by the Obligor herein shall prove to not have been accurate in all material respects on or as of the date made or deemed made or furnished; (iii) the Obligor or any of its subsidiaries shall: (A) apply for, consent to, or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for any substantial part of the assets or other property of any such person, or make a general assignment for the benefit of creditors; (B) in the absence of such application, consent or acquiesce to or permit or suffer to exist, the appointment of a trustee, receiver, sequestrator or other custodian for a substantial part of the property of any thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within sixty (60) days; provided that the Obligor hereby expressly authorizes the Payee to appear in any court conducting any relevant proceeding during such sixty (60) day period to preserve, protect and defend their rights under this Note; or (C) permit or suffer to exist the commencement of any Insolvency Proceeding relating to the Obligor or any of its subsidiaries, or its or their debts or assets, whether voluntary or involuntary, or any dissolution, winding up or liquidation proceeding, in respect thereof, and, if any such case or proceeding is not commenced by such person, such case or proceeding shall be consented to or acquiesced in by such person, or shall result in the entry of an order for relief or shall remain for sixty (60) days undismissed; provided the Obligor hereby expressly authorizes the Payee to appear in any court conducting any such case or proceeding during such sixty (60) day period to preserve, protect and defend their rights under this Note; (iv) any failure by the Obligor to perform, or comply with, any material term or condition contained in this Note, and any written repudiation or assertion of the invalidity of the Liens or guarantee granted herein; (v) a default shall occur in the payment of any amount when due (subject to any applicable grace period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, the indebtedness incurred under the Indenture, or a default shall occur in the performance or observance of any obligation or condition with respect to any such indebtedness if the effect of such default is to accelerate, or permit the holders of such indebtedness to accelerate, the maturity of such indebtedness to cause or declare such indebtedness to become immediately due and payable; (vi) a default shall

occur in the payment of any amount when due (subject to any applicable grace period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, the indebtedness incurred under the ABL Credit Agreement, or a default shall occur in the performance or observance of any obligation or condition with respect to any such indebtedness if the effect of such default is to accelerate the maturity of such indebtedness to cause or declare such indebtedness to become immediately due and payable; and (vi) any Change of Control (as defined in the Indenture) shall have occurred whereupon Holders (as defined in the Indenture) shall have exercised their right to require the Obligor to make a Change of Control Offer pursuant to Section 3.9 of the Indenture.

(b) The Obligor hereby agrees that upon an Event of Default under this Note, the unpaid principal balance of and accrued but unpaid interest on this Note shall immediately become due and payable upon written notice by the Payee to the Obligor; provided, however, that upon the occurrence of an Event of Default described in clause 12(a)(iii) above the unpaid balance and accrued but unpaid interest shall become due and payable without notice or demand. The Payee shall have all other rights and remedies available at law or in equity, under the Code or pursuant to this Note.

13. Assignment. Without the prior written consent of the Obligor, the Payee shall not have the right at any time to sell, assign, transfer, negotiate or pledge, all or any part of its interest in this Note (and any attempted assignment or transfer by the Payee without such consent shall be null and void). The Obligor's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Obligor without the prior written consent of the Payee (and any attempted assignment or transfer by the Obligor without such consent shall be null and void). This Note may be transferred only upon surrender of the original Note to the Obligor for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Obligor, and, thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. It is the intention that this Note be treated as a registered obligation and in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

14. No Waiver by Payee. No delay or omission by the Payee or any other holder hereof to exercise any power, right or remedy accruing to the Payee or any other holder hereof shall impair any such power, right or remedy or shall be construed to be a waiver of the right to exercise any such power, right or remedy. Payee's right to accelerate this Note for any late payment or the Obligor's failure to timely fulfill its other obligations hereunder shall not be waived or deemed waived by the Payee by Payee's having accepted a late payment or late payments in the past or the Payee otherwise not accelerating this Note or exercising other remedies for the Obligor's failure to timely perform its obligations hereunder. The Payee shall not be obligated or be deemed obligated to notify the Obligor that it is requiring the Obligor to strictly comply with the terms and provisions of this Note before accelerating this Note and exercising its other remedies hereunder because of the Obligor's failure to timely perform its obligations under this Note.

15. Obligor Waiver; Indemnity; Expense Reimbursement.

(a) The Obligor hereby forever waives (i) presentment, presentment for payment, demand, notices of nonperformance, protest, notice of protest, notice of dishonor of this Note and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, (ii) any requirement of diligence or promptness on the part of the Payee in the enforcement of its rights under the provisions of this Note or any other Bridge Loan Document and (iii) any and all notices of every kind and description which may be required to be given by any statute or rule of law.

(b) The Obligor will indemnify the Payee and the directors, officers, employees, advisors and agents thereof and each Person, if any, who controls the Payee (any of the foregoing, an "**Indemnified Person**") and hold each Indemnified Person harmless from and against any and all claims, damages, liabilities and expenses (including, without limitation, all reasonable and documented out-of-pocket fees and disbursements of a single firm of counsel to all Indemnified Persons and, if necessary, one firm of local counsel in each appropriate jurisdiction and one firm of special counsel in each appropriate specialty which an Indemnified Person may incur or which may be asserted against it in connection with any claim, litigation, investigation or proceeding (whether or not such Indemnified Person is a party to such litigation or investigation)) involving this Note and the other Bridge Loan Documents, the use of any proceeds of the Advance by the Obligor or any Subsidiary or any officer, director or employee thereof (all such claims, damages, liabilities and expenses, "**Indemnified Liabilities**"), provided that the Obligor shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent such Indemnified Liabilities resulted from the gross negligence, bad faith or willful misconduct of such Indemnified Person, in each case, as determined by a final, non-appealable judgment of a court of competent jurisdiction. No Indemnified Person shall be

liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons or for any special, indirect, consequential or punitive damages in connection with this Agreement. The agreements in this Section 15(b) shall survive repayment of the Advance and all other amounts payable hereunder.

(c) The Obligor shall pay (a) all reasonable out of pocket fees and expenses incurred by the Payee (including, but not limited to, (i) the reasonable fees, disbursements and other charges of one primary counsel for the Payee and, to the extent necessary, of one special counsel retained by the Payee in each relevant specialty and of one local counsel retained by the Payee in each relevant jurisdiction and (ii) due diligence expenses) incurred in connection with the preparation, negotiation, execution, delivery and administration of this Note, any amendments, modifications or waivers of the provisions hereof or thereof and any other related document, in each case executed by an officer of the Obligor and delivered to the Payee in accordance with the terms of this Note (collectively, the "**Bridge Loan Documents**") (whether or not the transactions contemplated hereby or thereby shall be consummated) and (b) all out of pocket expenses incurred by the Payee (including the fees, charges and disbursements of any counsel for the Payee) in connection with the enforcement or protection of its rights in connection with this Note and the other Bridge Loan Documents, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of the Note.

16. Section Headings. Section headings appearing in this Note are for convenient reference only and shall not be used to interpret or limit the meaning of any provision of this Note.

17. GOVERNING LAW. THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

18. VENUE. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST THE OBLIGOR OR THE PAYEE ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, BOROUGH OF MANHATTAN OR, IF THAT COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, IN ANY STATE COURT LOCATED IN THE CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH OF THE OBLIGOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE JURISDICTION AND VENUE OF SUCH COURTS; (B) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESS PROVIDED NEXT TO ITS NAME ON SCHEDULE IV; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE OBLIGOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT THE PAYEE RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST THE OBLIGOR IN THE COURTS OF ANY OTHER JURISDICTION TO THE EXTENT THAT THE COURTS SPECIFIED ABOVE DO NOT HAVE SUBJECT MATTER JURISDICTION.

19. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS NOTE OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. 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 NOTE, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS 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 19 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE ADVANCE MADE

HEREUNDER. IN THE EVENT OF LITIGATION, THIS NOTE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

20. Successors and Assigns. This Note and all the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the respective legal representatives, heirs, successors and permitted assigns of the Obligor and the Payee.

21. Records of Payments. The records of the Payee shall be prima facie evidence of the amounts owing on this Note.

22. Amendments and Waivers. No term of this Note may be waived, modified or amended except by an instrument in writing signed by all parties hereto. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

23. Severability. In the event any one or more of the provisions contained in this Note should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions. Each waiver in this Note is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against the Payee for having bargained for and obtained it.

24. Notices. Any notice, request or other communication required or permitted to be given hereunder shall be given in writing by delivering it against receipt for it, by depositing it with an overnight delivery service or by depositing it in a receptacle maintained by the United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, addressed to the respective parties pursuant to the notice information on the signature pages hereto. All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address. The Obligor's address for notices may be changed at any time and from time to time, but only after five (5) calendar days advance written notice to the Payee and shall be the most recent such address furnished in writing by the Obligor to the Payee. The Payee's address for notices may be changed at any time and from time to time, but only after five (5) calendar days advance written notice to the Obligor and shall be the most recent such address furnished in writing by the Payee to the Obligor. Actual notice, however and from whomever given or received, shall always be effective when received.

25. ENTIRE AGREEMENT. THIS NOTE TOGETHER WITH EACH OTHER BRIDGE LOAN DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HEREWITH EMBODIES THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PAYEE, THE OBLIGOR, THE GUARANTORS AND OTHER PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR CONFLICTING OR INCONSISTENT AGREEMENTS, CONSENTS AND UNDERSTANDINGS RELATING TO SUCH SUBJECT MATTER. EACH OF THE OBLIGOR AND THE GUARANTORS ACKNOWLEDGES AND AGREES THAT THERE IS NO ORAL AGREEMENT BETWEEN THE OBLIGOR, THE GUARANTORS AND THE PAYEE WHICH HAS NOT BEEN INCORPORATED IN THIS NOTE OR A BRIDGE LOAN DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HEREWITH.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Note as of the date first written above.

BASIC ENERGY SERVICES, INC.

OBLIGOR:

By: _____

/s/ Keith L. Schilling

Name:

Keith L. Schilling

Title:

President and Chief Executive Officer

Notice Information:

Basic Energy Services, Inc.

81 Cherry Street Suite 2100
Fort Worth, TX 76102
Attention: Keith L. Schilling
Email: Keith.Schilling@basicenergyservices.com

GUARANTORS:

Basic Energy Services GP, LLC
Basic Energy Services LP, LLC
Basic Energy Services, L.P.
Basic ESA, Inc.
SCH Disposal, L.L.C.
Taylor Industries, LLC
AGUA LIBRE HOLDCO LLC
AGUA LIBRE ASSET CO LLC
AGUA LIBRE MIDSTREAM LLC

By: _____

/s/ Keith L. Schilling

Name:

Keith L. Schilling

Title:

President and Chief Executive Officer

BASIC ENERGY SERVICES, L.P.

By:

Basic Energy Services GP, LLC, its general partner

By:

/s/ Keith L. Schilling

Name:

Keith L. Schilling

Title:

President and Chief Executive Officer

Acknowledged and Agreed By:

ASCRIBE III INVESTMENTS LLC

By: /s/ Lawrence First
Name: Lawrence First
Title: Managing Director

Notice Information:

Ascribe III Investments LLC
299 Park Avenue, 34th Floor
New York, NY 10171
Attention: Lawrence First
Email: lfirst@ascribecapital.com

with a copy to (which shall not constitute notice)

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Warren S. de Wied
Email: warren.de.wied@friedfrank.com

EMPLOYMENT AGREEMENT
(Sterling Renshaw)

THIS EMPLOYMENT AGREEMENT (the "**Agreement**"), is made and entered into by and between BASIC ENERGY SERVICES, INC., a Delaware corporation (hereafter "**Company**"), and **Sterling Renshaw** (hereafter "**Executive**"), on the date or dates indicated on the signature page hereto, but effective for all purposes as the "**Effective Date**" (as defined below). The Company and Executive may sometimes hereafter be referred to singularly as a "**Party**" or collectively as the "**Parties**."

RECITATIONS:

The Company desires to employ Executive subject to the terms and conditions set forth herein;

The Executive is willing to enter into this Agreement upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of Executive's employment with the Company, and the premises and mutual covenants contained herein, the Parties hereto agree as follows.

1. **Effective Date; Employment.**

This Agreement shall not take effect until the closing of the transactions contemplated by that certain Purchase Agreement between Ascribe III Investments, LLC, Basic Energy Services, Inc., Nextier Holding Co. and C&J Well Services, Inc., which the Company has discussed with Executive on a confidential basis (the "**Purchase Agreement**") but shall become effective immediately upon such closing. If the Purchase Agreement does not close by **March 9, 2020**, this Agreement shall not become effective but shall automatically become null and void, *ab initio*. If there is a closing under the Purchase Agreement by such date, the Closing Date of the Purchase Agreement shall be the **"Effective Date"** of this Agreement.

During the Employment Period (as defined in*Section 4* hereto), the Company shall employ Executive, and Executive shall be employed as, **Senior Vice President, Western Business Unit** of the Company. Although Executive shall be expected to travel as necessary to fulfill his duties, responsibilities, and authorities for the Company, Executive's principal place of employment shall be in Fort Worth, Texas.

2. **Compensation.**

(a) ***Salary***. During the Employment Period (as defined below), the Company shall pay to Executive a base salary of **$390,000.00**, minus applicable taxes and withholdings, per year, as adjusted pursuant to the subsequent provisions of this Agreement (the "**Base Salary**"). The Base Salary shall be prorated for any partial period of employment and payable in accordance with the Company's normal payroll schedule and procedures for its executive employees. The Base Salary shall be subject to at least annual review by the Company and may be increased from time to time by the Company's Compensation Committee (the "**Compensation Committee**") of the Board of Directors of the Company (the "**Board**"), and may be decreased by the Compensation Committee of the Board if a similar decrease is

made to the base salaries of other employees of the Company holding positions generally comparable to that held by the Executive. Nothing contained herein shall preclude the payment by the Company of any other compensation to Executive at any time.

(b) ***Bonus***. In addition to the Base Salary in *Section 2(a)*, for each annual one (1) year period during the Employment Period (as defined in *Section 4*) beginning with 2020 (each such annual period being referred to as a "**Bonus Period**"), Executive shall be entitled to a bonus with a target equal to **65%** and a maximum equal to **130%** of Executive's then-current Base Salary paid during each such one (1) year period (such bonus, including any applicable bonuses under any quarterly bonus plan or program during such period are referred to herein collectively as the "**Bonus**"); *provided, however*, Executive shall be entitled to the Bonus only if Executive has met the performance criteria/challenge targets set by the Compensation Committee for the applicable period. If Executive's employment ends before the end of the Bonus Period, Executive shall be entitled to a pro rata portion of the Bonus for that year (based on the number of days in which Executive was employed during the year divided by 365), if any, as determined based on satisfaction of the performance criteria for that period on a pro rata basis, unless Executive's employment was terminated for Cause (as defined in *Section 6(d))* or Executive terminated his employment as a Voluntary Termination (as defined in *Section 6(d))* in which event Executive shall not be entitled to any Bonus for the year of such termination. Executive acknowledges that the amount and performance criteria for Executive's Bonus to be earned for each Bonus Period shall be set by the Compensation Committee or the Board. If Executive successfully meets the performance criteria established by the Compensation Committee, Employer shall pay Executive the earned Bonus amount within 30 days after receipt of the Company's audited financial reports for the calendar year in which the Bonus is calculated or, with respect to any payments under a quarterly bonus plan or program, within the period applicable to such plan or program; *provided*, in the event of a termination of employment by the Company without Cause (as defined in *Section 6(d)*), or due to death, Disability (as defined in *Section 6(d))* or Retirement (as defined in *Section 6(d))* of Executive, or by Executive for Good Reason (as defined in *Section 6(d))*, any pro rata portion shall be paid as soon as reasonably practical to Executive or Executive's spouse or legal representative based upon Executive's and the Company's performance through the month immediately preceding such termination of employment; *provided, further*, that no Bonus or pro rata portion thereof shall be paid later than 2½ months following the end of the calendar year for which the Bonus or pro rata portion thereof is earned. In all matters related to the determination of Bonuses (including the determination of the amounts of any Bonus and any pro rata amount, performance criteria, and whether performance criteria have been satisfied), the good faith determination of the Compensation Committee or the Board shall be deemed conclusive.

(c) ***Long-Term Incentive Compensation***. From time to time, Executive shall be eligible to receive grants of restricted stock or other long-term equity incentive compensation, as commensurate with his executive position, under the terms of the Company's equity compensation plans as determined by the Compensation Committee in its sole discretion. In particular, subject to the vesting, forfeiture, termination, and other terms, conditions, and restrictions in Company's long-term incentive plan and any award agreement or agreements required by the Company to be executed by Executive, Executive shall be eligible for equity awards on an annual basis. The current target amount for Executive's role shall be one times the then-applicable Base Salary (the "**Target Award**"). The Board reserves the right modify the Target Award amount in its sole discretion.

(d) ***Relocation Benefits***. The Company shall reimburse Executive for actual, customary, and reasonable expenses incurred by him in accordance with the Company's relocation policy, subject to Executive's agreement by signing below to repay the relocation benefits received by him back to the Company on a prorated basis if, within two years of the Effective Date, (i) the Company terminates his employment for Cause (as defined below) or (2) Executive terminates his employment other than for Good Reason (as defined below). The amount due under this repayment obligation shall be payable within 60 days following the date upon which Executive's employment ends. Executive further authorize the Company to set off any amount he owes under this repayment obligation against any final wages or other amounts the Company owes him; *provided*, *however*, that no such offset may be made with respect to amounts payable that are subject to the requirements of Code Section 409A unless the offset would not result in a violation of the requirements of Code Section 409A.

(e) ***Retention Payment***. In addition, the Company shall provide the Executive with a retention payment, either in cash or shares of stock as determined by the Company in its sole discretion, totaling **$390,000.00** (the "**Retention Payment**") paid in equal installments over a three-year period with (i) the first payment made on or about May 15, 2020; (ii) the second payment made on or about May 15, 2021; and (iii) the final payment made on or about May 15, 2022, in each case subject to the Executive's continued employment through each payment date. All Retention Payment installments shall be subject to applicable taxes and withholdings and conditioned on the Executive's agreement to repay all Retention Payment amounts previously received if, within three years of the Effective Date, (i) the Company terminates his employment for Cause (as defined below) or (ii) he terminates his employment other than for Good Reason (as defined below). The amount due under this repayment obligation shall be payable within 60 days following the Termination Date (as defined below).

3. **Duties and Responsibilities of Executive**. During the Employment Period (as defined below), Executive shall devote his full-time services to the business of the Company and perform the duties and responsibilities assigned to him by the Company's President and Chief Executive Officer to the best of Executive's ability and with reasonable diligence. Notwithstanding any other provision of this Agreement, the President and Chief Executive Officer may, after an initial integration period chosen by the President and Chief Executive Officer in his sole discretion, designate Executive to report to the Company's Chief Operating Officer or a Senior Vice President or an Executive Vice President after the Effective Date and any such designation shall not constitute Good Reason (as defined below). In determining Executive's duties and responsibilities, the President and Chief Executive Officer or his designee shall assign duties and responsibilities to Executive that are consistent with Executive's position. This *Section 3* shall not be construed as preventing Executive from (a) engaging in reasonable volunteer services for charitable, educational, religious or civic organizations, or (b) passively investing his assets in such a manner that will not require any amount of his time or services in the operations of the businesses in which such investments are made; *provided, however*, no such other activity shall conflict with Executive's loyalties and duties to the Company. Executive shall at all times use Executive's best efforts to in good faith comply with United States laws applicable to Executive's actions on behalf of the Company and its Affiliates (as defined in *Section 6(d)*). Executive understands and agrees that Executive may be required to travel from time to time for purposes of the Company's business.

During the Employment Period, Executive shall be expected to abide at all times with the Company's personnel policies, practices, and procedures as a condition of continuing employment.

4. **Term of Employment**. Executive's initial term of employment with the Company under this Agreement shall be for the period from the Effective Date through December 31, 2021 (the "**Initial Term of Employment**"). Thereafter, the employment period hereunder shall be automatically extended repetitively for an additional one (1) year period commencing on January 1, 2022, and each one-year anniversary thereof, unless Notice of Termination (pursuant to *Section 7*) is given by either the Company or Executive to the other Party at least 90 days prior to the end of the Initial Term of Employment, or any one-year extension thereof, as applicable, that the Agreement will not be renewed for a successive one-year period after the end of the current period. The Company and Executive shall each have the right to give Notice of Termination at will, with or without cause, at any time subject, however, to the terms and conditions of this Agreement regarding the rights and duties of the Parties upon termination of employment. The Initial Term of Employment and any one-year extension of employment hereunder shall each be referred to herein as a "**Term of Employment**." The period from the Effective Date through the date of Executive's termination of employment for whatever reason shall be referred to herein as the "**Employment Period**."

5. B**enefits**. Subject to the terms and conditions of this Agreement, during the Employment Period, Executive shall be entitled to all of the following:

(a) ***Reimbursement of Business Expenses***. The Company shall pay or reimburse Executive for all reasonable travel, entertainment and other expenses paid or incurred by Executive in the performance of Executive's duties hereunder in accordance with the Company's policies in effect from time to time. The Company shall also provide Executive with suitable office space, including staff support.

(b) ***Other Employee Benefits***. Executive shall be entitled to participate in coverage under any employee benefits plans or programs of the Company to the same extent participation is available to any other employees of the Company under the terms of such plans or programs, including without limitation the Company's 401(k) Plan, the Company's 401(k) matching program (which, as of the Effective Date, matches 100% on the first 3% of amounts contributed by the Executive on an annual basis plus 50% of the next 2% he contributes) and the Company's Executive Deferred Compensation Plan. Executive shall also be eligible to participate in the Company's group health, dental, and vision insurance benefit plans or programs as of the Effective Date. All of the Company's employment benefits shall be governed by the Company's applicable plan documents, insurance policies, or employment policies, and may be modified, suspended, or terminated in accordance with the terms of the applicable documents or policies without violating this Agreement.

(c) ***Paid Time Off Days and Holidays***. Executive shall be entitled to accrue paid time off ("**PTO**") days determined in accordance with the Company's PTO policy or plans for employees of the Company as in effect from time to time. Executive shall also be entitled to all paid holidays and personal days given by the Company to its other employees generally.

(d) ***Additional Benefits***. The Company shall pay Executive **$50.00** per month, minus applicable taxes and withholdings, to offset the cost of his smart phone device and related data service.

(e) ***Vehicle Allowance Program***. The Executive shall be permitted in the Company's Vehicle Allowance Program during the Employment Period to the extent his personal vehicle is used in promoting the Company's business and performing his duties, responsibilities, and authorities. In accordance with this program, the Company shall provide a fixed, monthly payment to the Executive in an amount chosen by the Company in its sole discretion to offset the reasonable costs of operating and maintaining such vehicle plus a variable amount chosen by the Company in its sole discretion to offset fuel and operating costs related to business purposes. The program may be modified, suspended, or terminated by the Company at any time in its sole discretion without violating this Agreement and all program payments shall be subject to all applicable taxes and withholdings.

6. **Rights and Payments upon Termination**. The Executive's right to compensation and benefits for periods after the date on which his employment with the Company terminates for whatever reason (the "**Termination Date**"), shall be determined in accordance with this *Section 6* as follows:

(a) **Minimum Payments**. Executive shall be entitled to the following minimum payments under this *Section 6(a)*, in addition to any other payments or benefits to which he is entitled to receive under the terms of any employee benefit plan or program or *Section 6(b)* or *Section 8*.

(1) Executive's accrued but unpaid Base Salary through Executive's Termination Date plus any Bonus or prorated portion thereof if due under *Section 2(b)*;

(2) Executive's accrued but unused PTO days which have accrued through Executive's Termination Date; and

(3) reimbursement of Executive's reasonable business expenses that were incurred but unreimbursed as of Executive's Termination Date.

Such salary and accrued but unused PTO days shall be paid to Executive within 15 days following the Termination Date in a cash lump sum less applicable withholdings. If any Bonus or prorated portion thereof is due under *Section 2(b)*, such amount shall be paid when due under *Section 2(b)*. Business expenses shall be reimbursed in accordance with the Company's normal procedures.

(b) **Severance Payments**. If during the Term of Employment (i) Executive's employment is terminated by the Company for any reason except due to a termination by the Company for Cause (as defined in *Section 6(d)*) or due to nonrenewal of the Agreement (which is covered by *Section 8* below), or (ii) Executive terminates his own employment hereunder for Good Reason or Retirement (as such terms are defined in *Section 6(d)*), the following severance benefits shall be provided to Executive or, in the event of Executive's death before receiving all such benefits, to Executive's Designated Beneficiary (as defined in *Section 6(d)*):

(1) The Company shall pay to Executive as additional compensation (the "**Additional Payment**"), an amount which is equal to "Total Cash" (defined below). "**Total Cash**" means one times the sum of (A) Executive's annual Base Salary (as in effect immediately prior to his Termination Date) *plus* (B) Executive's current annual incentive target Bonus (*Section 2(b)*) for the full year in which the termination of

employment occurred; *provided*, in the event of a Change in Control and a termination of Executive by the Company without Cause, by Executive for Good Reason or for Retirement within the six (6) months preceding or the 12 months following a Change in Control, "Total Cash" shall be calculated as one (1) and one-half (.5) times the sum of (A) Executive's annual Base Salary (as in effect immediately prior to his Termination Date) plus (B) the higher of (x) Executive's current annual incentive target Bonus (*Section 2(b)*) for the full year in which the termination of employment occurred or (y) the highest annual incentive Bonus received by Executive with respect to any of the last three completed fiscal years. The Company shall make the Additional Payment to Executive in a cash lump sum not later than 60 calendar days following the Termination Date and, if applicable with respect to a Change in Control that occurs within six (6) months after a Termination Date, the Company shall make a payment equal to the positive difference, if any, of the Additional Payment due under this *Section 6(b)* applicable to the Change in Control less the Additional Payment previously made pursuant to this *Section 6(b)* prior to the Change in Control to Executive in a cash lump sum not later than 60 calendar days following the Change in Control. If the 60-day payment period begins in one calendar year and ends in the subsequent calendar year, the Additional Payment shall be paid in the subsequent calendar year.

(2) Following the Executive's Termination Date, the Company shall provide continued group health coverage (including payment of premiums and any applicable federal and state withholding taxes based on the premiums paid) to the Executive and his covered spouse and dependents under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), provided the Executive makes timely election of such coverage. The Company shall reimburse the Executive for the premiums associated with such COBRA coverage on a monthly, after-tax basis until the Executive becomes eligible for group health coverage under another employer's plan with comparable benefits or for six (6) months, whichever is less. Upon Executive's acceptance of employment with another employer, Executive agrees to promptly notify the Company of such acceptance of employment and will provide to the Company a copy of the summary plan description of the new employer's group health plan and a schedule showing the required employee contributions for participation in the plan. In the event of any change to the provisions of the Company's group health plan following the Executive's Termination Date, Executive and Executive's spouse and dependents, as applicable, shall be treated consistently with the then-current executives of the Company (or its successor) with respect to the terms and conditions of coverage and other substantive provisions of the plan. Executive and Executive's spouse hereby agree to acquire and maintain any and all coverage that either or both of them are entitled to at any time during their lives under the Medicare program or any similar program of the United States or any agency thereof (hereinafter referred to as "**Medicare**"). The coverage described in the immediately preceding sentence includes, without limitation, parts A and B of Medicare and any additional parts of Medicare available to them at any time. Executive and his spouse further agree to pay any required premiums for Medicare coverage from their personal funds.

If (i) Executive voluntarily resigns or otherwise voluntarily terminates his own employment, except for Good Reason (as defined in *Section 6(d))* or Retirement (as defined in*Section 6(d))*, or (ii) Executive's employment is terminated by the Company for Cause (as defined in *Section 6(d))*,

then in either such event, the Company shall have no obligation to provide the severance benefits described in paragraphs (1) and (2) (above) of this *Section 6(b)*, except to offer COBRA coverage (as required by applicable law), with the cost thereof to be paid by the Executive. Executive shall still be entitled to the minimum benefits provided under *Section 6(a)*. The severance payments provided under this Agreement shall supersede and replace any severance payments under any severance pay plan that the Company or any Affiliate maintains for its employees generally.

(c) **Release**. Notwithstanding any provision of this Agreement to the contrary, in order to receive the severance benefits payable under either *Section 6(b)* or *Section 8*, as applicable, the Executive must first execute and not revoke within 55 days following the Executive's termination of employment an appropriate release agreement (on a form provided by the Company) whereby the Executive agrees to release and waive, in return for such severance benefits, any claims that he may have against the Company including, without limitation, for unlawful discrimination (such as Title VII of the Civil Rights Act); *provided*, *however*, such release agreement shall not release any claim by Executive for any payment or benefit that is due under either this Agreement or any employee benefit plan until fully paid.

(d) **Definitions**.

(1) "**Affiliate**" means any entity in which the Company has a 50% or greater capital, profits or voting interest.

(2) "**Cause**" means any of the following:

(A) Executive's conviction by a court of competent jurisdiction of (i) a crime involving moral turpitude or (ii) a felony, or entering a plea of *nolo contendere* or a settlement agreement to either such crime by the Executive;

(B) commission by the Executive of a material act of fraud upon the Company or any Affiliate;

(C) material misappropriation of funds or property of the Company or any Affiliate by the Executive;

(D) the knowing engagement by the Executive, without the written approval of the Board or the Compensation Committee, in any material activity which directly competes with the business of the Company or any Affiliate, or which the Board or the Compensation Committee determines in good faith would directly result in a material injury to the business or reputation of the Company or any Affiliate; or

(E) any misconduct by Executive related to Executive's employment under this Agreement, including but not limited to dishonesty, disloyalty, disorderly conduct, harassment of other employees or third parties, abuse of alcohol or controlled substances, or other violations of the Company's personnel policies, rules, or code of business conduct and ethics; or

(E) (i) the material breach by Executive of any material provision of this Agreement, or (ii) the willful, material and repeated nonperformance of

Executive's duties to the Company or any Affiliate (other than by reason of Executive's illness or incapacity), but only under clause (E) (i) or (E) (ii) after written notice from the Board or Compensation Committee of such material breach or nonperformance (which notice specifically identifies the manner and sets forth specific facts, circumstances and examples in which the Board or the Compensation Committee believes that Executive has breached the Agreement or not substantially performed his duties) and Executive's continued willful failure to cure such breach (if capable of being cured) or nonperformance within the time period set by the Board or the Compensation Committee but in no event less than thirty (30) business days after Executive's receipt of such notice; and, for purposes of this clause (E), no act or failure to act on Executive's part shall be deemed "willful" unless it is done or omitted by Executive without Executive's reasonable belief that such action or omission was in the best interest of the Company. Assuming disclosure of the pertinent facts, any action or omission by Executive after consultation with, and in accordance with the advice of, legal counsel reasonably acceptable to the Company shall be deemed to have been taken in good faith and to not be willful under this Agreement.

(3) "**Change in Control**" of the Company means the occurrence of any one of the following events:

(A) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (a "**Person**")) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 50% or more of either (i) the then outstanding shares of common stock of the Company (the "**Outstanding Company Stock**") or (ii) 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*, the following acquisitions shall not constitute a Change in Control; (i) any acquisition directly from the Company or any subsidiary thereof (a "**Subsidiary**"), (ii) 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, (iii) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving the Company (a "**Merger**") which for purposes of this definition of Change in Control, shall be subject to paragraph (B) (below), or (iv) the current ownership or any subsequent acquisitions of Outstanding Company Stock by Credit Suisse First Boston and any of its Affiliates, including without limitation any of the "DLJ Parties" (as defined under the Amended and Restated Stockholders' Agreement dated as of October 3, 2003, by and among the Company and the other stockholders of the Company party thereto) and their Affiliates; or

(B) Approval by the shareholders of the Company of a Merger, unless immediately following such Merger, 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; or

(C) The sale or other disposition of all or substantially all of the assets of the Company, unless immediately following such sale or other disposition, 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;

provided that any such event constitutes a "change in control event" with the meaning of Treasury Regulation Section 1.409A-3(i)(5); and *provided, further*, that, notwithstanding any other provision of this Agreement, any transaction involving, arising from, or relating to any recapitalization of the Company (whether involving debt, equity, or otherwise) within 12 months after the Effective Date shall not constitute a Change in Control for purposes of this Agreement.

(4) "**Code**" means the Internal Revenue Code of 1986, as amended, or its successor. References herein to any Section of the Code shall include any successor provisions of the Code.

(5) "**Disability**" shall mean that Executive is entitled to receive long-term disability ("**LTD**") income benefits under the LTD plan or policy maintained by the Company that covers Executive. If, for any reason, Executive is not covered under such LTD plan or policy, then "Disability" shall mean a "permanent and total disability" as defined in Section 22(e)(3) of the Code and Treasury regulations thereunder. Evidence of such Disability shall be certified by a physician acceptable to both the Company and Executive. If the Parties are not able to agree on the choice of a physician, each shall select one physician who, in turn, shall select a third physician to render such certification. All costs relating to the determination of whether Executive has incurred a Disability shall be paid by the Company. Executive agrees to submit to any examinations that are reasonably required by the attending physician or other healthcare service providers to determine whether his has a Disability.

(6) "**Designated Beneficiary**" means the Executive's surviving spouse, if any. If there is no such surviving spouse at the time of Executive's death, then the Designated Beneficiary hereunder shall be Executive's estate.

(7) "**Good Reason**" means (i) a material diminution in Executive's Base Salary in the absence of a similar decrease in the base salaries of other employees of the Company holding positions generally comparable to that held by Executive or (ii) the occurrence of any of the following events, except in connection with termination of the Executive's employment for Cause or Disability, without Executive's express written consent:

(A) A relocation of more than fifty (50) miles of Executive's principal office with the Company or its successor;

(B) A material diminution in the Executive's duties, responsibilities or authorities; or

(C) Any material breach by the Company or its successor of any other material provision of this Agreement.

Notwithstanding the foregoing definition of "Good Reason", the Executive cannot terminate his employment hereunder for Good Reason unless Executive (i) first notifies the Board or the Compensation Committee in writing of the event (or events) which the Executive believes constitutes a Good Reason event within 90 days from the date of such event, and (ii) provides the Company with at least 30 days to cure, correct or mitigate the Good Reason event so that it either (1) does not constitute a Good Reason event hereunder or (2) Executive agrees, in writing, that after any such modification or accommodation made by the Company that such event shall not constitute a Good Reason event hereunder; *provided, however*, that the termination of Executive's employment must occur no later than 120 days after the date of the initial existence of the condition(s) giving rise to the Good Reason; *otherwise*, Executive is deemed to have accepted the condition(s), or the Company's correction of such condition(s), that may have given rise to the existence of Good Reason.

(8) "**Retirement**" means the termination of Executive's employment for normal retirement at or after attaining age sixty (60) provided that, on the date of his retirement, Executive has accrued at least ten years of active service with the Company;

(9) "**Voluntary Termination**" means the termination of Executive's employment by Executive other than for Good Reason, Retirement, death or Disability.

7. **Notice of Termination**. Any termination of employment under this Agreement by the Company or the Executive shall be communicated by Notice of Termination to the other Party hereto. For purposes of this Agreement, the term "**Notice of Termination**" means a written notice which indicates the specific termination provision of this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

8. **Severance Benefits Following Nonrenewal of Agreement and Change in Control**. If (i) this Agreement is not renewed by the Company (pursuant to *Section 4*) for any reason other than for Cause (as defined in *Section 6(d)*) and (ii) Executive has not entered into a new employment agreement with the Company on or before the expiration of the Term of Employment hereunder due to nonrenewal by the Company, and the termination of employment under this Agreement occurs within the six (6) months preceding or the 12 months following a Change in Control, then Executive shall be entitled to the same severance benefits (hereafter, the "**Nonrenewal Severance Benefits**"), in all respects, as the benefits described in *Section 6(b)* for a Change in Control, provided that Executive first enters into a release agreement pursuant to *Section 6(c)*.

9. **No Mitigation**. Subject to *Section 6(b)(2)*, Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner.

10. **Secret and Confidential Information**.

(a) ***Access to Secret and Confidential Information***. Prior to the date of this Agreement the Company may have given to Executive in Executive's capacity as an officer and director, and after the Effective Date and on an ongoing basis the Company will give to Executive, access to Secret and Confidential Information (including, without limitation, Secret and Confidential Information of the Company's Affiliates and subsidiaries) (collectively, "**Secret and Confidential Information**"), which the Executive did not have access to or knowledge before given by, or acquired in connection with work on behalf of, the Company. Secret and Confidential Information includes, without limitation: all of the Company's technical and business information, whether patentable or not, which is of a confidential, trade secret or proprietary character, and which is either developed by the Executive alone, with others or by others; lists of customers; identity of customers; identity of prospective customers; contract terms; bidding information and strategies; pricing methods or information; personnel information; computer software; computer software methods and documentation; hardware; the Company or its Affiliates or subsidiaries' methods of operation; the procedures, forms and techniques used in servicing accounts; and other information or documents that the Company requires to be maintained in confidence for the Company's continued business success.

(b) ***Access to Specialized Training***. As of the Effective date and on an ongoing basis during the Employment Period, the Company agrees to provide Executive with initial and ongoing Specialized Training, which the Executive does not have access to or knowledge of before the execution of this Agreement. "**Specialized Training**" includes the training the Company provides to its Executives that is unique to its business and enhances Executive's ability to perform Executive's job duties effectively.

(c) ***Agreement Not to Use or Disclose Secret and Confidential Information Specialized Training*** In exchange for the Company's promises to provide Executive with Specialized Training and Secret and Confidential Information, Executive shall not during the period of Executive's employment with the Company or at any time thereafter, disclose to anyone, including, without limitation, any person, firm, corporation, or other entity, or publish, or use for any purpose, any Specialized Training and Secret and Confidential Information, except as properly required in the ordinary course of the Company's business or as directed and authorized by the Company.

(d) ***Agreement to Refrain from Defamatory Statements***. Executive shall refrain, both during the employment relationship and after the employment relationship terminates, from publishing any oral or written statements about the Company or any of its or any of its Affiliates' directors, officers, employees, agents, investors or representatives that are slanderous, libelous, disparaging, or defamatory; or that disclose private or confidential information about the Company or any of its Affiliates' business affairs, directors, officers, employees, agents investors or representatives; or that constitute an intrusion into the seclusion or private lives of the Company or any of its Affiliates' directors, officers, employees, agents, investors or representatives; or that give rise to unreasonable publicity about the

private lives of such directors, officers, employees, agents, investors or representatives; or that place such directors, officers, employees, agents, investors or representatives in a false light before the public; or that constitute a misappropriation of the name or likeness of such directors, officers, employees, agents, investors or representatives. A violation or threatened violation of this prohibition may be enjoined. Executive knowingly, voluntarily, and intelligently waives any free-speech, free-petition, free-association, free-press, or other U.S. or state constitutional or other rights he may have to make any statements prohibited under this *Section 10(d)*. Executive further irrevocably waives the right to file a motion to dismiss or pursue any other relief under the Texas Citizens Participation Act or similar state law in connection with any claim or cause of action filed against him by the Company or its Affiliates relating to or arising under this Agreement.

11. **Duty to Return Company Documents and Property**. Upon the termination of Executive's employment with the Company for any reason or at any other time upon request by the Company, Executive shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or relating to its business, in Executive's possession, whether prepared by Executive or others. If at any time after the Employment Period, Executive determines that he has any Secret and Confidential Information in his possession or control, Executive shall immediately return to the Company all such Secret and Confidential Information in Executive's possession or control, including all copies and portions thereof.

12. **Best Efforts and Disclosure**. Executive agrees that, while he is employed with the Company, he shall devote Executive's full business time and attention to the Company's business and shall use his best efforts to promote its success. During the Employment Period, Executive shall owe a fiduciary duty of loyalty, disclosure, fidelity, and allegiance to act in the best interests of the Company and its affiliates and to do no act that would materially injure their business, interests, or reputations. Further, Executive shall promptly disclose to the Company all ideas, inventions, computer programs, and discoveries, whether or not patentable or copyrightable, which he may conceive or make, alone or with others, during the Employment Period, whether or not during working hours, and which directly or indirectly:

(a) relate to matters within the scope, field, duties or responsibility of Executive's employment with the Company; or

(b) are based on any knowledge of the actual or anticipated business or interest of the Company; or

(c) are aided by the use of time, materials, facilities or information of the Company.

Executive assigns to the Company, without further compensation, any and all rights, titles and interest in all such ideas, inventions, computer programs and discoveries in all countries of the world. Executive recognizes that all ideas, inventions, computer programs and discoveries of the type described above, conceived or made by Executive alone or with others within six (6) months after termination of employment (voluntary or otherwise), are likely to have been conceived in significant part either while employed by the Company or as a direct result of knowledge Executive had of proprietary information. Accordingly, Executive agrees that such ideas, inventions or

discoveries shall be presumed to have been conceived during his employment with the Company, unless and until the contrary is clearly established by the Executive.

13. **Inventions and Other Works**. Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Executive may make, conceive, discover, or develop, either solely or jointly with any other person or persons, at any time during the Employment Period, whether at the request or upon the suggestion of the Company or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company. Executive acknowledges that all original works of authorship protectable by copyright that are produced by Executive in the performance of his duties, responsibilities, or authorities for the Company are "works made for hire" as defined in the United States Copyright Act (17 U.S.C. § 101). In addition, to the extent that any such works are not works made for hire under the United States Copyright Act, Executive hereby assigns without further consideration all right, title, and interest in such works to the Company. Executive agrees to take any and all actions necessary or appropriate so that the Company can prepare and present applications for copyright or Letters Patent therefor, and can secure such copyright or Letters Patent wherever possible, as well as reissue renewals, and extensions thereof, and can obtain the record title to such copyright or patents. Executive shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques. Executive acknowledges that the Company from time to time may have agreements with other persons or entities which impose obligations or restrictions on the Company regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. Executive agrees to be bound by all such obligations and restrictions and to take all action necessary to discourage the obligations of the Company.

14. **Non-Solicitation Restriction**. To protect the Company's Secret and Confidential Information, in consideration of the grant to Executive of any long-term incentive compensation, and in the event of Executive's termination of employment for whatever reason, whether by Executive or the Company, it is necessary to enter into the following restrictive covenant, which is ancillary to the enforceable promises between the Company and Executive in *Sections 10 through 13* of this Agreement. Executive hereby covenants and agrees that he will not, directly or indirectly, either individually or as a principal, partner, agent, consultant, contractor, employee, or as a director or officer of any entity, or in any other manner or capacity whatsoever, except on behalf on behalf of the Company, solicit business, attempt to solicit business, or accept business, in products or services competitive with any products or services sold (or offered for sale) by the Company or any Affiliate, from the Company's or Affiliate's customers, prospective customers of the Company or any Affiliate that Executive had pitched on behalf of the Company or its Affiliate, or those individuals or entities with whom the Company or Affiliate did any business during the two-year period ending on the Termination Date. Subject to *Section 17*, the prohibitions set forth in this *Section 14* shall remain in effect during the Employment Period and (i) for a period of two (2) years following the Termination Date for Retirement or any other reason other than (A) by the Executive for Good Reason or (B) by the Company other than for Cause, or (ii) for a period of six (6) months following the Termination Date for a termination (A) by the Executive for Good Reason or (B) by the Company for a reason other than Cause unless such termination is within 12 months following a Change of Control (in which case the foregoing restrictions shall not apply). The post-termination restrictions described in this *Section 14* apply only to those persons with whom Executive had contact relating to the Company's business, or about whom Executive had access to Secret and

Confidential Information, within 12 months before the date upon which his employment with the Company terminated.

15. **Non-Competition Restrictions**.

(a) Executive hereby agrees that in order to protect the Company's Secret and Confidential Information, and in consideration of the grant to Executive of any long-term incentive compensation, it is necessary to enter into the following restrictive covenant, which is ancillary to the enforceable promise between the Company and Executive in *Sections 10 through 14* of this Agreement. Executive hereby covenants and agrees that for the Employment Period, and (i) for a period of two (2) years following the Termination Date for Retirement or any other reason other than (A) by the Executive for Good Reason or (B) by the Company for a reason other than for Cause, or (ii) for a period of six (6) months following the Termination Date for a termination (A) by the Executive for Good Reason or (B) by the Company for a reason other than Cause unless such termination is within 12 months following a Change of Control (in which case the following restrictions shall not apply), Executive will not, directly or indirectly for Executive or for others (as a principal, agent, owner, employee, consultant or otherwise), in any county in the United States, or otherwise within one hundred fifty (150) miles of where Executive performed services for the Company or any of its subsidiaries or as of the date of termination of Executive's employment relationship or had performed such services within 12 months prior to the date of such termination (the "**Territory**"), including, but not limited to, the business of Well Servicing; Fluid Services; Coil Tubing; Rental/Fishing Tools and Services; Contract Drilling; Wireline Services; Snubbing Services; or Well Servicing Equipment Manufacturing, Service and Sales:

(1) engage in any business competitive with the business conducted by the Company or its affiliates or subsidiaries;

(2) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business competitive with the business conducted by the Company or its affiliates or subsidiaries;

(3) solicit business, attempt to solicit business, or accept business, within the Territory, in products or services competitive with any products or services sold (or offered for sale) by the Company or any Affiliate, from the Company's or Affiliate's customers or prospective customers of the Company or any Affiliate that Executive had pitched on behalf of the Company or its Affiliate, or those individuals or entities with whom the Company or Affiliate did any business during the two-year period ending on the Termination Date; or

(4) testify as an expert witness in matters related to the Company's business for an adverse party to the Company in litigation; *provided*, that nothing contained herein shall interfere with Executive's duty to testify as a witness if required by law;

provided, however, the foregoing and this Section shall not prohibit or be construed to prohibit Executive from owning less than 2% of any class of stock or other securities which are publicly traded on a national securities exchange or in a recognized over-the-counter market even if such entity or its Affiliates are engaged in competition with the Company or a subsidiary of the Company. In addition, the post-termination non-solicitation restrictions described in this *Section 15* apply only to those persons with whom Executive had contact relating to the Company's business, or about whom Executive had access to Secret and Confidential Information, within 12 months before the date upon which his employment with the Company terminated.

(b) Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses during the periods provided for above, but acknowledges that Executive will receive sufficiently high remuneration and other benefits under this Agreement to justify such restriction. Executive acknowledges that money damages may not be a sufficient remedy for any breach of this *Sections 14, 15, or 16* by Executive, and the Company shall be entitled to enforce the provisions of this *Sections 14, 15, or 16* by terminating any payments then owing to Executive under this Agreement and/or to seek specific performance and injunctive relief as remedies for such breach. Such remedies shall not be deemed the exclusive remedies for a breach of this *Sections 14, 15, or 16*, but shall be in addition to all remedies available at law or in equity to the Company, including, without limitation, the recovery of damages from Executive and Executive's agents involved in such breach. Executive further agrees to waive any requirement for the Company's securing or posting of any bond in connection with such remedies.

(c) It is expressly understood and agreed that the Company and Executive consider the restrictions contained in *Sections 14, 15, and 16* to be reasonable and necessary to protect the proprietary information of the Company. Nevertheless, if any of the aforesaid restrictions are found by a court having jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions therein set forth to be modified by such courts so as to be reasonable and enforceable and, as so modified by the court, to be fully enforced.

(d) The covenants in *Sections 14, 15, and 16* are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court having jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable, and the Agreement shall thereby be reformed.

(e) All of the covenants in *Sections 14, 15, and 16* shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants. It is specifically agreed that the period following termination of Executive's employment, during which the agreements and covenants of Executive made herein shall be effective, shall be computed by excluding from such computation any time during which Executive is in material violation of any provision of *Sections 14, 15, or 16*.

16. **No-Recruitment Restriction**. Executive agrees that during the Employment Period, and for a period of two (2) years from his Termination Date for whatever reason, Executive will not, either directly or indirectly, or by acting in concert with others, solicit or influence or seek to solicit or influence, or hire, any employee of the Company or any Affiliate, or person who was employed by the Company or an Affiliate within six (6) months of any such solicitation, influence, or hiring, to terminate, reduce or otherwise adversely affect Executive's employment with the Company or any Affiliate. The post-termination non-solicitation restrictions described in this *Section 16* apply only to those persons with whom Executive had contact relating to the Company's business, or about whom Executive had access to Secret and Confidential Information, within 12 months before the date upon which his employment with the Company terminated.

17. **Tolling**. If Executive violates any of the restrictions contained in *Sections 10 through 16* of this Agreement, the restrictive period will be suspended and will not run in favor of Executive from the time of the commencement of any violation until the time when the Executive cures the violation to the Company's reasonable satisfaction.

18. **Reformation**. If a court of competent jurisdiction or arbitrator concludes that any time period or the geographic area specified in any restrictive covenant in *Sections 10 through 16* of this Agreement is unenforceable, then the time period will be reduced by the number of months, or the geographic area will be reduced by the elimination of such unenforceable portion, or both, so that the restrictions may be enforced in the geographic area and for the time to the full extent permitted by law.

19. **No Previous Restrictive Agreements**. Executive represents that, except as disclosed in writing to the Company, he is not bound by the terms of any agreement with any previous employer or other party to (a) refrain from using or disclosing any trade secret or confidential or proprietary information in the course of Executive's employment by the Company or (b) refrain from competing, directly or indirectly, with the business of such previous employer or any other party. Executive further represents that Executive's performance of all the terms of this Agreement and his work duties for the Company does not, and will not, breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to Executive's employment with the Company, and Executive will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

20. **Conflicts of Interest**. In keeping with Executive's fiduciary duties and responsibilities to Company, Executive hereby agrees that he shall not become involved in a conflict of interest, or upon discovery thereof allow such a conflict to continue, at any time during the Employment Period. In this respect, Executive agrees to comply fully with the Company's Conflict of Interest Policy as in effect from time to time. In the instance of a material violation of the of the Company's Conflict of Interest Policy by the Executive, the Board may choose to terminate Executive's employment for Cause (as defined in *Section 6(d)*); *provided, however*, Executive cannot be terminated for Cause hereunder unless the Board first provides Executive with notice and an opportunity to cure (if capable of being cured) such conflict of interest pursuant to the same procedures as set forth in clause (E) of the definition of "Cause" in *Section 6(d)*(2).

21. **Remedies**. Executive acknowledges that the restrictions contained in *Sections 10 through 20* of this Agreement, in view of the nature of the Company's business, are reasonable and necessary to protect the Company's legitimate business interests, and that any violation of this Agreement would result in irreparable injury to the Company in amounts which are difficult to ascertain. In the event of a breach or a threatened breach by Executive of any provision of *Sections 10 through 20* of this Agreement, the Company shall be entitled to equitable relief from any court of competent jurisdiction by temporary restraining order, temporary injunction, permanent injunction, or other injunctive relief restraining Executive from the commission of any breach, in addition to all other legal and equitable relief to which it may be entitled, including to recover the Company's attorneys' fees, costs and expenses related to the breach or threatened breach. Nothing contained in this Agreement shall be construed as prohibiting the Company from pursuing any other remedies available to it for any such breach or threatened breach, including, without limitation, the recovery of money damages, attorneys' fees, and costs. These covenants and disclosures shall each be construed as independent of any other provisions in this Agreement, and the existence of

any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants and agreements.

22. **Withholdings: Right of Offset**. The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes may be required pursuant to any law or governmental regulation or ruling, (b) all other normal employee deductions made with respect to Company's employees generally, and (c) any advances made to Executive and owed to Company; *provided*, *however*, that no such offset may be made with respect to amounts payable that are subject to the requirements of Code Section 409A unless the offset would not result in a violation of the requirements of Code Section 409A.

23. **Nonalienation**. The right to receive payments under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge or encumbrances by Executive, Executive's dependents, or beneficiaries, or to any other person who is or may become entitled to receive such payments hereunder. The right to receive payments hereunder shall not be subject to or liable for the debts, contracts, liabilities, engagements or torts of any person who is or may become entitled to receive such payments, nor may the same be subject to attachment or seizure by any creditor of such person under any circumstances, and any such attempted attachment or seizure shall be void and of no force and effect.

24. **Incompetent or Minor Payees**. Should the Board or the Compensation Committee determine, in its discretion, that any person to whom any payment is payable under this Agreement has been determined to be legally incompetent or is a minor, any payment due hereunder, notwithstanding any other provision of this Agreement to the contrary, may be made in anyone or more of the following ways: (a) directly to such minor or person; (b) to the legal guardian or other duly appointed personal representative of this person or estate of such minor or person; or (c) to such adult or adults as have, in the good faith knowledge of the Board or the Compensation Committee, assumed custody and support of such minor or person; and any payment so made shall constitute full and complete discharge of any liability under this Agreement in respect to the amount paid.

25. **Severability**. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction or arbitrator (pursuant to *Section 28*), the parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; *provided, however*, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law.

26. **Title and Headings; Construction**. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. The words "herein", "hereof', "hereunder" and other compounds of the word "here" shall refer to the entire Agreement and not to any particular provision hereof. Executive acknowledges and agrees that the Company has not made any promise or representation to him concerning this Agreement not expressed in this Agreement, and that, in signing this Agreement, he is not relying on any prior oral or written statement or representation by the Company but is instead relying solely on his own judgment and his legal and tax advisors, if any.

27. **Choice of Law; Venue**. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW. The parties hereby irrevocably consent to the binding and exclusive venue for any dispute, controversy, claim, or cause of action between them arising out of or related to this Agreement which may be filed in court per the terms of *Section 21* of this Agreement as being in the state or federal court of competent jurisdiction that regularly conducts proceedings or has jurisdiction in Tarrant County, Texas. Nothing in this Agreement, however, precludes either party from seeking to remove a civil action from any state court to federal court.

28. **Arbitration**.

(a) Subject to *Section 21*, any dispute or other controversy (hereafter a "**Dispute**") arising under or in connection with this Agreement, whether in contract, in tort, statutory or otherwise, shall be finally and solely resolved by binding arbitration in the City of Fort Worth, Texas, administered by the American Arbitration Association (the "**AAA**") in accordance with the Employment Dispute Resolution Rules of the AAA as effective on the Effective Date, this *Section 28* and, to the maximum extent applicable, the Federal Arbitration Act. Such arbitration shall be conducted by a single arbitrator (the "**Arbitrator**"). If the parties cannot agree on the choice of an Arbitrator within 30 days after the Dispute has been filed with the AAA, then the Arbitrator shall be selected pursuant to the Employment Dispute Resolution Rules of the AAA. The Arbitrator may proceed to an award notwithstanding the failure of any party to participate in such proceedings. The prevailing party in the arbitration proceeding may be entitled to an award of reasonable attorneys' fees incurred in connection with the arbitration in such amount, if any, as determined by the Arbitrator in Executive's discretion. The costs of the arbitration shall be borne equally by the parties unless otherwise determined by the Arbitrator in the award.

(b) To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within 180 days of the filing of the Dispute with the AAA. The Arbitrator shall be empowered to impose sanctions and to take such other actions as the Arbitrator deems necessary to the same extent a judge could impose sanctions or take such other actions pursuant to the Federal Rules of Civil Procedure and applicable law. Each party agrees to keep all Disputes and arbitration proceedings strictly confidential except for disclosure of information required by applicable law which cannot be waived.

(c) The award of the Arbitrator shall be (i) the sole and exclusive remedy of the parties, and (ii) final and binding on the parties hereto except for any appeals provided by the Federal Arbitration Act. Only the district courts of Texas shall have jurisdiction to enter a judgment upon any award rendered by the Arbitrator, and the parties hereby consent to the personal jurisdiction of such courts and waive any objection that such forum is inconvenient. This *Section 28* shall not preclude (A) the parties at any time from agreeing to pursue non-binding mediation of the Dispute prior to arbitration hereunder or (B) the Company from pursuing the remedies available under *Section 21* in any court of competent jurisdiction.

29. **Binding Effect: Third Party Beneficiaries**. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, executors, beneficiaries, personal representatives, successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any third parties.

30. **Entire Agreement; Amendment and Termination**. This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the Parties concerning the subject matter hereof. This Agreement may be amended, waived or terminated only by a written instrument that is identified as an amendment or termination hereto and that is executed on behalf of both Parties.

31. **Survival of Certain Provisions**. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

32. **Waiver of Breach**. No waiver of either Party hereto of a breach of any provision of this Agreement by any other Party, or of compliance with any condition or provision of this Agreement to be performed by such other Party, will operate or be construed as a waiver of any subsequent breach by such other Party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either Party hereto to take any action by reason of any breach will not deprive such Party of the right to take action at any time while such breach continues.

33. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the Company and its Affiliates (and its and their successors), as well as upon any person or entity, acquiring, whether by merger, consolidation, purchase of assets, dissolution or otherwise, all or substantially all of the capital stock, business and/or assets of the Company (or its successor) regardless of whether the Company is the surviving or resulting corporation. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, dissolution or otherwise) to all or substantially all of the capital stock, business or assets of the Company to expressly 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 had occurred; *provided, however*, no such assumption shall relieve the Company of its duties or obligations hereunder unless otherwise agreed, in writing, by Executive.

This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representative, executors, administrators, successors, and heirs. In the event of the death of Executive while any amount is payable hereunder including, without limitation, pursuant to *Sections 2, 5, 6 and 8*, all such amounts shall be paid to the Designated Beneficiary (as defined in *Section 6(d)*).

34. **Notices**. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) on the first business day after it is sent by air express overnight courier services, or (c) on the third business day following deposit in the United States mail, registered or certified mail, return receipt requested, postage prepaid and addressed, to the following address, as applicable:

(1) If to Company, addressed to:

Basic Energy Services, Inc.
Attn: President and Chief Executive Officer
801 Cherry Street, Suite 2100
Fort Worth, TX 76102

(2) If to Executive, addressed to the address set forth below Executive's name on the execution page hereof;

Or to such other address as either party may have furnished to the other party in writing in accordance with this *Section 34*.

35. **Executive Acknowledgment**. Executive acknowledges that (a) Executive is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) Executive has had ample opportunity to discuss this Agreement with Executive's legal counsel prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other Party. Executive represents that Executive is free to enter into this Agreement including, without limitation, that Executive is not subject to any covenant not to compete that would conflict with his duties under this Agreement.

36. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party hereto, but together signed by both parties.

37. **Section 409A.**

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "Section 409A") or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Any payments to be made under this Agreement upon a termination of Executive's employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided*, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period in which the arrangement is in effect.

(c) Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Executive's receipt of such payment or benefit is not delayed until the earlier of (i)

the date of Executive's death or (ii) the date that is six (6) months after the Termination Date (such date, the **Section 409A Payment Date**"), then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

(d) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

39. **Forfeiture/Recoupment/Clawback**. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), amounts paid or payable under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by the Company, which clawback policies or procedures may provide for forfeiture and/or recoupment of amounts paid or payable under this Agreement. Notwithstanding any provision of this Agreement to the contrary, the Company reserves the right, without the consent of Executive, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.

40. **Permitted Activities**. Nothing in this Agreement is intended to, or does, prohibit Executive from (i) filing a charge or complaint with, providing truthful information to, or cooperating with an investigation being conducted by a governmental agency (such as the Equal Employment Opportunity Commission, another other fair employment practices agency, the National Labor Relations Board, the Department of Labor, or the Securities Exchange Commission (the "**SEC**")); (ii) engaging in other legally-protected concerted activities; (iii) giving truthful testimony or making statements under oath in response to a subpoena or other valid legal process or in any legal proceeding; (iv) otherwise making truthful statements as required by law or valid legal process; or (v) disclosing a trade secret in confidence to a governmental official, directly or indirectly, or to an attorney, if the disclosure is made solely for the purpose of reporting or investigating a suspected violation of law. Accordingly, Executive understands that he shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive likewise understands that, in the event he files a lawsuit for retaliation by the Company for reporting a suspected violation of law, he may disclose the trade secret(s) of the Company to his attorney and use the trade secret information in the court proceeding, if he (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order. In accordance with applicable law, and notwithstanding any other provision of this Agreement, nothing in this Agreement or any of any policies or agreements of the Company applicable to Executive (i) impedes his right to communicate with the SEC or any other governmental agency about possible violations of federal securities or other laws or regulations or (ii) requires him to provide any prior notice to the Company or the Company Group or obtain their prior approval before engaging in any such communications.

IN WITNESS WHEREOF, Executive has executed this Agreement and Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the Effective Date.

EXECUTIVE:

Signature:	/s/ Sterling Renshaw
Name:	Sterling Renshaw
Date:	3/6/2020
Address for Notices:	

COMPANY:

By:	/s/ Eric Lannen
Name:	Eric Lannen
Its:	VP, Human resources
Date:	3/7/2020