

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

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-02960



**Newpark Resources, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**72-1123385**  
(I.R.S. Employer Identification No.)

**9320 Lakeside Boulevard, Suite 100**  
**The Woodlands, Texas**  
(Address of principal executive offices)

**77381**  
(Zip Code)

**(281) 362-6800**  
(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

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

| Title of each class            | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common Stock, \$0.01 par value | NR                | New York Stock Exchange                   |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                          |                           |                                     |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer         | <input checked="" type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/>            |
|                         |                          | Emerging growth company   | <input type="checkbox"/>            |

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of May 2, 2022, a total of 92,353,104 shares of common stock, \$0.01 par value per share, were outstanding.

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**NEWPARK RESOURCES, INC.**  
**INDEX TO QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE THREE MONTHS ENDED**  
**MARCH 31, 2022**

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. We also may provide oral or written forward-looking statements in other materials we release to the public. Words such as "will," "may," "could," "would," "should," "anticipates," "believes," "estimates," "expects," "plans," "intends," and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These forward-looking statements reflect the current views of our management as of the filing date of this Quarterly Report on Form 10-Q; however, various risks, uncertainties, contingencies, and other factors, some of which are beyond our control, are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, these statements.

We assume no obligation to update, amend, or clarify publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this Quarterly Report on Form 10-Q might not occur.

For further information regarding these and other factors, risks, and uncertainties that could cause actual results to differ, we refer you to the risk factors set forth in Item 1A "Risk Factors" in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2021.

**PART I FINANCIAL INFORMATION****ITEM 1. Financial Statements****Newpark Resources, Inc.  
Condensed Consolidated Balance Sheets  
(Unaudited)**

| (In thousands, except share data)  | March 31, 2022 | December 31, 2021 |
|--|----------------|-------------------|
| <b>ASSETS</b>  |                |                   |
| Cash and cash equivalents  | \$ 21,307      | \$ 24,088         |
| Receivables, net   | 187,609        | 194,296           |
| Inventories  | 169,968        | 155,341           |
| Prepaid expenses and other current assets  | 14,305         | 14,787            |
| Total current assets   | 393,189        | 388,512           |
| Property, plant and equipment, net   | 257,980        | 260,256           |
| Operating lease assets   | 26,305         | 27,569            |
| Goodwill   | 47,411         | 47,283            |
| Other intangible assets, net   | 23,407         | 24,959            |
| Deferred tax assets  | 2,260          | 2,316             |
| Other assets   | 1,834          | 1,991             |
| Total assets   | \$ 752,386     | \$ 752,886        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                |                   |
| Current debt   | \$ 20,767      | \$ 19,210         |
| Accounts payable   | 95,309         | 84,585            |
| Accrued liabilities  | 37,302         | 46,597            |
| Total current liabilities  | 153,378        | 150,392           |
| Long-term debt, less current portion   | 95,475         | 95,593            |
| Noncurrent operating lease liabilities   | 21,431         | 22,352            |
| Deferred tax liabilities   | 6,370          | 11,819            |
| Other noncurrent liabilities   | 10,589         | 10,344            |
| Total liabilities  | 287,243        | 290,500           |
| Commitments and contingencies (Note 8)   |                |                   |
| Common stock, \$0.01 par value (200,000,000 shares authorized and 109,335,733 and 109,330,733 shares issued, respectively) | 1,093          | 1,093             |
| Paid-in capital  | 636,397        | 634,929           |
| Accumulated other comprehensive loss   | (62,708)       | (61,480)          |
| Retained earnings  | 26,866         | 24,345            |
| Treasury stock, at cost (16,982,629 and 16,981,147 shares, respectively)   | (136,505)      | (136,501)         |
| Total stockholders' equity   | 465,143        | 462,386           |
| Total liabilities and stockholders' equity   | \$ 752,386     | \$ 752,886        |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

**Three Months Ended  
March 31,**

| (In thousands, except per share data)         | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
| Revenues                                      | \$ 176,438  | \$ 141,172  |
| Cost of revenues                              | 150,988     | 119,991     |
| Selling, general and administrative expenses  | 24,433      | 20,911      |
| Other operating (income) loss, net            | 50          | (274)       |
| Operating income                              | 967         | 544         |
| Foreign currency exchange (gain) loss         | 64          | (332)       |
| Interest expense, net                         | 1,206       | 2,408       |
| Loss on extinguishment of debt                | —           | 790         |
| Loss before income taxes                      | (303)       | (2,322)     |
| Provision (benefit) for income taxes          | (2,824)     | 3,040       |
| Net income (loss)                             | \$ 2,521    | \$ (5,362)  |
| Net income (loss) per common share - basic:   | \$ 0.03     | \$ (0.06)   |
| Net income (loss) per common share - diluted: | \$ 0.03     | \$ (0.06)   |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**

| (In thousands)  | Three Months Ended<br>March 31, |                   |
|---|---------------------------------|-------------------|
|   | 2022                            | 2021              |
| Net income (loss)   | \$ 2,521                        | \$ (5,362)        |
| Foreign currency translation adjustments (net of tax benefit of \$99 and \$276) | (1,228)                         | (3,284)           |
| Comprehensive income (loss)   | <u>\$ 1,293</u>                 | <u>\$ (8,646)</u> |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
**(Unaudited)**

| (In thousands)  | Common<br>Stock | Paid-In<br>Capital | Accumulated Other<br>Comprehensive<br>Loss | Retained<br>Earnings | Treasury<br>Stock   | Total             |
|---|-----------------|--------------------|--|----------------------|---------------------|-------------------|
| Balance at December 31, 2020  | \$ 1,076        | \$ 627,031         | \$ (54,172)                                | \$ 50,937            | \$ (136,840)        | \$ 488,032        |
| Net loss  | —               | —                  | —  | (5,362)              | —                   | (5,362)           |
| Employee stock options, restricted stock and employee stock purchase plan | 1               | 242                | —  | (21)                 | 35                  | 257               |
| Stock-based compensation expense  | —               | 1,279              | —  | —                    | —                   | 1,279             |
| Foreign currency translation, net of tax                                  | —               | —                  | (3,284)                                    | —                    | —                   | (3,284)           |
| Balance at March 31, 2021   | <u>\$ 1,077</u> | <u>\$ 628,552</u>  | <u>\$ (57,456)</u>                         | <u>\$ 45,554</u>     | <u>\$ (136,805)</u> | <u>\$ 480,922</u> |
| Balance at December 31, 2021  | \$ 1,093        | \$ 634,929         | \$ (61,480)                                | \$ 24,345            | \$ (136,501)        | \$ 462,386        |
| Net income  | —               | —                  | —  | 2,521                | —                   | 2,521             |
| Employee stock options, restricted stock and employee stock purchase plan | —               | —                  | —  | —                    | (4)                 | (4)               |
| Stock-based compensation expense  | —               | 1,468              | —  | —                    | —                   | 1,468             |
| Foreign currency translation, net of tax                                  | —               | —                  | (1,228)                                    | —                    | —                   | (1,228)           |
| Balance at March 31, 2022   | <u>\$ 1,093</u> | <u>\$ 636,397</u>  | <u>\$ (62,708)</u>                         | <u>\$ 26,866</u>     | <u>\$ (136,505)</u> | <u>\$ 465,143</u> |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

**Newpark Resources, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

| (In thousands)   | <b>Three Months Ended March 31,</b> |                  |
|--|-------------------------------------|------------------|
|  | <b>2022</b>                         | <b>2021</b>      |
| <b>Cash flows from operating activities:</b>                                   |                                     |                  |
| Net income (loss)  | \$ 2,521                            | \$ (5,362)       |
| Adjustments to reconcile net income (loss) to net cash provided by operations: |                                     |                  |
| Depreciation and amortization  | 10,452                              | 10,830           |
| Stock-based compensation expense   | 1,468                               | 1,279            |
| Provision for deferred income taxes  | (5,202)                             | 1,569            |
| Credit loss expense  | 185                                 | 50               |
| Gain on sale of assets   | (1,606)                             | (3,283)          |
| Loss on extinguishment of debt   | —                                   | 790              |
| Amortization of original issue discount and debt issuance costs                | 178                                 | 1,082            |
| Change in assets and liabilities:  |                                     |                  |
| Decrease in receivables  | 5,795                               | 2,414            |
| (Increase) decrease in inventories   | (14,812)                            | 6,694            |
| Decrease in other assets   | 17                                  | 1,275            |
| Increase in accounts payable   | 11,246                              | 11,437           |
| Decrease in accrued liabilities and other                                      | (7,452)                             | (1,002)          |
| <b>Net cash provided by operating activities</b>                               | <b>2,790</b>                        | <b>27,773</b>    |
| <b>Cash flows from investing activities:</b>                                   |                                     |                  |
| Capital expenditures   | (7,621)                             | (8,649)          |
| Proceeds from sale of property, plant and equipment                            | 575                                 | 8,027            |
| <b>Net cash used in investing activities</b>                                   | <b>(7,046)</b>                      | <b>(622)</b>     |
| <b>Cash flows from financing activities:</b>                                   |                                     |                  |
| Borrowings on lines of credit  | 69,188                              | 51,922           |
| Payments on lines of credit  | (65,202)                            | (56,922)         |
| Purchases of Convertible Notes   | —                                   | (18,107)         |
| Proceeds from term loan  | —                                   | 8,258            |
| Debt issuance costs  | —                                   | (196)            |
| Purchases of treasury stock  | (4)                                 | (6)              |
| Other financing activities   | (2,711)                             | (1,561)          |
| <b>Net cash provided by (used in) financing activities</b>                     | <b>1,271</b>                        | <b>(16,612)</b>  |
| Effect of exchange rate changes on cash  | (376)                               | (882)            |
| Net increase (decrease) in cash, cash equivalents, and restricted cash         | (3,361)                             | 9,657            |
| Cash, cash equivalents, and restricted cash at beginning of period             | 29,489                              | 30,348           |
| Cash, cash equivalents, and restricted cash at end of period                   | <u>\$ 26,128</u>                    | <u>\$ 40,005</u> |

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements



## NEWPARK RESOURCES, INC.

### NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 – Basis of Presentation and Significant Accounting Policies

Newpark Resources, Inc. is a geographically diversified supplier providing environmentally-sensitive products, as well as rentals and services to customers across multiple industries. The accompanying unaudited condensed consolidated financial statements of Newpark Resources, Inc. and our wholly-owned subsidiaries, which we collectively refer to as the “Company,” “we,” “our,” or “us,” have been prepared in accordance with Rule 10-01 of Regulation S-X for interim financial statements required to be filed with the Securities and Exchange Commission (“SEC”), and do not include all information and footnotes required by the accounting principles generally accepted in the United States (“U.S. GAAP”) for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021. Our fiscal year end is December 31 and our first quarter represents the three-month period ended March 31. The results of operations for the first quarter of 2022 are not necessarily indicative of the results to be expected for the entire year. Unless otherwise noted, all currency amounts are stated in U.S. dollars.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of March 31, 2022 and our results of operations and cash flows for the first quarter of 2022 and 2021. All adjustments are of a normal recurring nature. Our balance sheet at December 31, 2021 is derived from the audited consolidated financial statements at that date.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. For further information, see Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2021.

We operate our business through two reportable segments: Fluids Systems and Industrial Solutions. Our Fluids Systems segment provides customized drilling, completion, and stimulation fluids products and related technical services to oil and natural gas exploration and production (“E&P”) customers primarily in North America and Europe, the Middle East and Africa (“EMEA”), as well as certain countries in Asia Pacific and Latin America. We also have industrial mineral grinding operations for barite, a critical raw material in drilling fluids systems, which serve to support our activities in certain regions within the U.S. drilling fluids market and also sell the products to third party users, including other drilling fluids companies. In addition, we sell a variety of other minerals, principally to third-party industrial (non-oil and natural gas) markets. Our Industrial Solutions segment includes our Site and Access Solutions business, along with our Industrial Blending operations. Site and Access Solutions provides temporary worksite access, including the rental of our manufactured recyclable composite matting systems, along with related site construction and services to customers in various markets including power transmission, E&P, pipeline, renewable energy, petrochemical, construction and other industries, primarily in the United States and Europe. We also sell our manufactured recyclable composite mats to customers around the world, with power transmission being the primary end-market.

In February 2022, our management recommended, and our Board of Directors approved a plan to exit our Industrial Blending operations and explore strategic options for our U.S. mineral grinding business. See Note 10 for further information.

## Note 2 – Earnings Per Share

The following table presents the reconciliation of the numerator and denominator for calculating net income (loss) per share:

| (In thousands, except per share data)                        | First Quarter |            |
|--|---------------|------------|
|  | 2022          | 2021       |
| <b>Numerator</b>   |               |            |
| Net income (loss) - basic and diluted                        | \$ 2,521      | \$ (5,362) |
| <b>Denominator</b>   |               |            |
| Weighted average common shares outstanding - basic           | 92,118        | 90,701     |
| Dilutive effect of stock options and restricted stock awards | 1,821         | —          |
| Weighted average common shares outstanding - diluted         | 93,939        | 90,701     |
| <b>Net income (loss) per common share</b>                    |               |            |
| Basic  | \$ 0.03       | \$ (0.06)  |
| Diluted  | \$ 0.03       | \$ (0.06)  |

We excluded the following weighted average potential shares from the calculations of diluted net income (loss) per share during the applicable periods because their inclusion would have been anti-dilutive:

| (In thousands)                            | First Quarter |       |
|---|---------------|-------|
|   | 2022          | 2021  |
| Stock options and restricted stock awards | 1,867         | 5,299 |

For the first quarter of 2021, we excluded all potentially dilutive stock options and restricted stock awards in calculating diluted earnings per share as the effect was anti-dilutive due to the net loss incurred for this period.

## Note 3 – Repurchase Program

Our repurchase program remains available for repurchases of our common stock. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows, available cash on hand, and borrowings under our Amended ABL Facility (as defined in Note 6). As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934. As of March 31, 2022, we had \$23.8 million remaining under the program.

There were no shares of common stock repurchased under the repurchase program during the first quarter of 2022 or 2021. During the first quarter of 2021, we repurchased \$18.3 million of our Convertible Notes in the open market under the repurchase program for a total cost of \$18.1 million.

**Note 4 – Receivables**

Receivables consisted of the following:

| (In thousands)                | March 31, 2022    | December 31, 2021 |
|-------------------------------|-------------------|-------------------|
| <b>Trade receivables:</b>     |                   |                   |
| Gross trade receivables       | \$ 179,016        | \$ 185,065        |
| Allowance for credit losses   | (4,456)           | (4,587)           |
| Net trade receivables         | 174,560           | 180,478           |
| Income tax receivables        | 3,322             | 4,167             |
| Other receivables             | 9,727             | 9,651             |
| <b>Total receivables, net</b> | <b>\$ 187,609</b> | <b>\$ 194,296</b> |

Other receivables included \$6.0 million and \$5.7 million for value added, goods and service taxes related to foreign jurisdictions as of March 31, 2022 and December 31, 2021, respectively. In addition, other receivables included an insurance receivable balance resulting from a property insurance claim caused by Hurricane Ida in August 2021 of \$2.9 million and \$1.9 million as of March 31, 2022 and December 31, 2021, respectively. As of March 31, 2022, the claims related to the hurricane under our property and business interruption insurance programs have not been finalized.

Changes in our allowance for credit losses were as follows:

| (In thousands)                 | First Quarter   |                 |
|--------------------------------|-----------------|-----------------|
|                                | 2022            | 2021            |
| Balance at beginning of period | \$ 4,587        | \$ 5,024        |
| Credit loss expense            | 185             | 50              |
| Write-offs, net of recoveries  | (316)           | (356)           |
| Balance at end of period       | <u>\$ 4,456</u> | <u>\$ 4,718</u> |

**Note 5 – Inventories**

Inventories consisted of the following:

| (In thousands)                    | March 31, 2022    | December 31, 2021 |
|-----------------------------------|-------------------|-------------------|
| <b>Raw materials:</b>             |                   |                   |
| Fluids Systems                    | \$ 128,267        | \$ 119,242        |
| Industrial Solutions              | 4,757             | 4,939             |
| Total raw materials               | 133,024           | 124,181           |
| Blended fluids systems components | 29,894            | 27,793            |
| Finished goods - mats             | 7,050             | 3,367             |
| <b>Total inventories</b>          | <b>\$ 169,968</b> | <b>\$ 155,341</b> |

Raw materials for the Fluids Systems segment consist primarily of barite, chemicals, and other additives that are consumed in the production of our fluids systems. Raw materials for the Industrial Solutions segment consist primarily of resins, chemicals, and other materials used to manufacture composite mats, as well as materials that are consumed in providing spill containment and other services to our customers. Our blended fluids systems components consist of base fluids systems that have been either mixed internally at our blending facilities or purchased from third-party vendors. These base fluids systems require raw materials to be added, as needed to meet specified customer requirements.

The increase in inventories in the first quarter of 2022 was primarily attributable to a combination of activity-driven increases, purchases supporting the start-up of new international contracts in the Fluids Systems segment, the production of mats in the Industrial Solutions segment for anticipated sales in the second quarter of 2022, as well as raw material cost inflation.

## Note 6 – Financing Arrangements and Fair Value of Financial Instruments

Financing arrangements consisted of the following:

| (In thousands)        | March 31, 2022   |  |                  | December 31, 2021 |  |                  |
|-----------------------|------------------|--|------------------|-------------------|--|------------------|
|                       | Principal Amount | Unamortized Discount and Debt Issuance Costs | Total Debt       | Principal Amount  | Unamortized Discount and Debt Issuance Costs | Total Debt       |
| ABL Facility          | \$ 87,900        | \$ —   | \$ 87,900        | \$ 86,500         | \$ —   | \$ 86,500        |
| Term loan             | 5,443            | (89)   | 5,354            | 6,094             | (110)  | 5,984            |
| Financing obligations | 5,838            | (66)   | 5,772            | 6,688             | (78)   | 6,610            |
| Other debt            | 17,216           | —  | 17,216           | 15,709            | —  | 15,709           |
| <b>Total debt</b>     | <b>116,397</b>   | <b>(155)</b>                                 | <b>116,242</b>   | <b>114,991</b>    | <b>(188)</b>                                 | <b>114,803</b>   |
| Less: Current portion | (20,767)         | —  | (20,767)         | (19,210)          | —  | (19,210)         |
| <b>Long-term debt</b> | <b>\$ 95,630</b> | <b>\$ (155)</b>                              | <b>\$ 95,475</b> | <b>\$ 95,781</b>  | <b>\$ (188)</b>                              | <b>\$ 95,593</b> |

**Convertible Notes.** In December 2016, we issued \$100.0 million of unsecured convertible senior notes (“Convertible Notes”) which bore interest at a rate of 4.0% per year and matured in December 2021. A total of \$38.6 million of our Convertible Notes were repaid at maturity. During the first quarter of 2021, we repurchased \$18.3 million of our Convertible Notes in the open market for a total cost of \$18.1 million, and recognized a net loss of \$0.8 million reflecting the difference in the amount paid and the net carrying value of the extinguished debt, including original issue discount and debt issuance costs.

**Asset-Based Loan Facility.** In October 2017, we entered into an asset-based revolving credit agreement, which was amended in March 2019 (the “ABL Facility”). As of March 31, 2022, the ABL Facility provided financing of up to \$200.0 million available for borrowings (inclusive of letters of credit) and could be increased up to a maximum capacity of \$275.0 million, subject to certain conditions. The ABL Facility was scheduled to terminate in March 2024. As of March 31, 2022, our total availability under the ABL Facility was \$116.0 million, of which \$87.9 million was drawn and \$1.1 million was used for outstanding letters of credit, resulting in remaining availability of \$27.0 million. As of March 31, 2022, the weighted average interest rate for the ABL Facility was 1.9% and the applicable commitment fee on the unused portion of the ABL Facility was 0.375% per annum.

In May 2022, we amended and restated the ABL Facility (the “Amended ABL Facility”). The Amended ABL Facility provides financing of up to \$175.0 million available for borrowings (inclusive of letters of credit), which can be increased up to \$250.0 million, subject to certain conditions. The Amended ABL Facility has a five-year term expiring May 2027, expands available borrowing capacity associated with the Industrial Solutions rental mat fleet, replaces the LIBOR-based pricing grid with a BSBY-based pricing grid, and includes a mechanism to incorporate a sustainability-linked pricing framework with the consent of the required lenders (as defined in the Amended ABL Facility). As of May 2, 2022, after giving effect to the Amended ABL Facility, our total availability under the Amended ABL Facility was \$133.5 million, of which \$94.1 million was drawn and \$1.1 million was used for outstanding letters of credit, resulting in remaining availability of \$38.4 million.

Borrowing availability under the Amended ABL Facility is calculated based on eligible U.S. accounts receivable, inventory and composite mats included in the rental fleet, net of reserves and subject to limits on certain of the assets included in the borrowing base calculation. To the extent pledged by the borrowers, the borrowing base calculation also includes the amount of eligible pledged cash. The administrative agent may establish reserves in accordance with the Amended ABL Facility, in part based on appraisals of the asset base, and other limits in its discretion, which could reduce the amounts otherwise available under the Amended ABL Facility.

Under the terms of the Amended ABL Facility, we may elect to borrow at a variable interest rate based on either, (1) the Bloomberg Short-Term Bank Yield Index (“BSBY”) rate (subject to a floor of zero) or (2) the base rate (subject to a floor of zero), equal to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A., and (c) BSBY for a one-month interest period plus 1.00%, plus, in each case, an applicable margin per annum. The applicable margin ranges from 1.50% to 2.00% per annum for BSBY borrowings, and 0.50% to 1.00% per annum for base rate borrowings, based on the consolidated leverage ratio (as defined in the Amended ABL Facility) as of the last day of the most recent fiscal quarter. The Company is also required to pay a commitment fee equal to (i) 0.375% per annum at any time the average daily unused portion of the commitments is less than 50% and (ii) 0.25% per annum at any time the average daily unused portion of the commitments is greater than 50%.

The Amended ABL Facility is a senior secured obligation of the Company and certain of our U.S. subsidiaries constituting borrowers thereunder, secured by a first priority lien on substantially all of the personal property and certain real

property of the borrowers, including a first priority lien on certain equity interests of direct or indirect domestic subsidiaries of the borrowers and certain equity interests issued by certain foreign subsidiaries of the borrowers.

The Amended ABL Facility contains customary representations, warranties and covenants that, among other things, and subject to certain specified circumstances and exceptions, restrict or limit the ability of the borrowers and certain of their subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock and make other restricted payments, make prepayments on certain indebtedness, engage in mergers or other fundamental changes, dispose of property, and change the nature of their business.

The Amended ABL Facility requires compliance with the following financial covenants: (i) a minimum fixed charge coverage ratio of 1.00 to 1.00 for the most recently completed four fiscal quarters and (ii) while a leverage covenant trigger period (as defined in the Amended ABL Facility) is in effect, a maximum consolidated leverage ratio of 4.00 to 1.00 as of the last day of the most recently completed fiscal quarter.

The Amended ABL Facility includes customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

**Other Debt.** In August 2021, we completed sale-leaseback transactions related to certain vehicles and other equipment for net proceeds of approximately \$7.9 million. The transactions have been accounted for as financing arrangements as they did not qualify for sale accounting. As a result, the vehicles and other equipment continue to be reflected on our balance sheet in property, plant and equipment, net. The financing arrangements have a weighted average annual interest rate of 5.4% and are payable in monthly installments with varying maturities through October 2025. We had \$5.8 million in financing obligations outstanding under these arrangements at March 31, 2022.

In February 2021, a U.K. subsidiary entered a £6.0 million (approximately \$8.3 million) term loan facility that was scheduled to mature in February 2024. Effective January 1, 2022, the term loan had an interest at a rate of SONIA plus a margin of 3.5% per year. The term loan was payable in quarterly installments of £375,000 plus interest beginning March 2021 and a £1.5 million payment due at maturity. We had \$5.4 million outstanding under this arrangement at March 31, 2022. In April 2022, this facility was amended to increase the term loan to £7.0 million (approximately \$9.1 million) and add a £2.0 million (approximately \$2.6 million) revolving credit facility. Both the amended term loan and revolving credit facility mature in April 2025 and bear interest at a rate of SONIA plus a margin of 3.25% per year. The term loan is payable in quarterly installments of £350,000 plus interest beginning June 2022 and a £2.8 million payment due at maturity. We had \$11.2 million outstanding under these arrangements at May 2, 2022.

Certain of our foreign subsidiaries maintain local credit arrangements consisting primarily of lines of credit or overdraft facilities which are generally renewed on an annual basis. We utilize local financing arrangements in our foreign operations in order to provide short-term local liquidity needs. We had \$14.5 million and \$11.8 million outstanding under these arrangements at March 31, 2022 and December 31, 2021, respectively.

In addition, at March 31, 2022, we had \$47.0 million in outstanding letters of credit, performance bonds, and other guarantees for which certain of the letters of credit are collateralized by \$4.8 million in restricted cash.

Our financial instruments include cash and cash equivalents, receivables, payables, and debt. We believe the carrying values of these instruments approximated their fair values at March 31, 2022 and December 31, 2021.

#### **Note 7 – Income Taxes**

The benefit for income taxes was \$2.8 million for the first quarter of 2022, which includes an income tax benefit of \$3.1 million related to the restructuring of certain subsidiary legal entities within Europe, as the undistributed earnings for an international subsidiary are no longer subject to certain taxes upon future distribution. The provision for income taxes was \$3.0 million for the first quarter of 2021, despite reporting a pretax loss for the period, primarily reflecting the impact of the geographic composition of our pretax loss. The tax expense in 2021 primarily related to earnings from our international operations since we were unable to recognize the tax benefit from our U.S. losses as they may not be realized.

#### **Note 8 – Commitments and Contingencies**

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. While the outcome of litigation or other proceedings against us cannot be predicted with certainty, management does not expect that any loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, will have a material adverse impact on our consolidated financial statements.

**Note 9 – Supplemental Disclosures to the Statements of Cash Flows**

Supplemental disclosures to the statements of cash flows are presented below:

| (In thousands)                | First Quarter |          |
|-------------------------------|---------------|----------|
|                               | 2022          | 2021     |
| Cash paid for:                |               |          |
| Income taxes (net of refunds) | \$ 3,268      | \$ 1,810 |
| Interest                      | \$ 998        | \$ 889   |

Cash, cash equivalents, and restricted cash in the consolidated statements of cash flows consisted of the following:

| (In thousands)  | March 31, 2022   | December 31, 2021 |
|---|------------------|-------------------|
| Cash and cash equivalents   | \$ 21,307        | \$ 24,088         |
| Restricted cash (included in prepaid expenses and other current assets) | 4,821            | 5,401             |
| Cash, cash equivalents, and restricted cash                             | <u>\$ 26,128</u> | <u>\$ 29,489</u>  |

**Note 10 – Segment Data**

Summarized operating results for our reportable segments are shown in the following table (net of inter-segment transfers):

| (In thousands)                 | First Quarter     |                   |
|--------------------------------|-------------------|-------------------|
|                                | 2022              | 2021              |
| <b>Revenues</b>                |                   |                   |
| Fluids Systems                 | \$ 141,014        | \$ 87,849         |
| Industrial Solutions           | 35,424            | 53,323            |
| <b>Total revenues</b>          | <u>\$ 176,438</u> | <u>\$ 141,172</u> |
| <b>Operating income (loss)</b> |                   |                   |
| Fluids Systems                 | \$ 3,374          | \$ (6,767)        |
| Industrial Solutions           | 5,472             | 13,130            |
| Corporate office               | (7,879)           | (5,819)           |
| <b>Total operating income</b>  | <u>\$ 967</u>     | <u>\$ 544</u>     |

The following table presents further disaggregated revenues for the Fluids Systems segment:

| (In thousands)                       | First Quarter     |                  |
|--------------------------------------|-------------------|------------------|
|                                      | 2022              | 2021             |
| <b>Total North America</b>           |                   |                  |
| United States                        | \$ 70,843         | \$ 47,670        |
| Canada                               | 22,235            | 12,663           |
| <b>Total North America</b>           | <u>93,078</u>     | <u>60,333</u>    |
| <b>Total International</b>           |                   |                  |
| EMEA                                 | 44,175            | 25,459           |
| Other                                | 3,761             | 2,057            |
| <b>Total International</b>           | <u>47,936</u>     | <u>27,516</u>    |
| <b>Total Fluids Systems revenues</b> | <u>\$ 141,014</u> | <u>\$ 87,849</u> |

The following table presents further disaggregated revenues for the Industrial Solutions segment:

| (In thousands)                             | First Quarter    |                  |
|--|------------------|------------------|
|  | 2022             | 2021             |
| <b>Total Industrial Solutions revenues</b> |                  |                  |
| Product sales revenues                     | \$ 4,423         | \$ 20,037        |
| Rental revenues                            | 17,615           | 17,079           |
| Service revenues                           | 13,386           | 11,654           |
| Industrial blending revenues               | —                | 4,553            |
| <b>Total Industrial Solutions revenues</b> | <u>\$ 35,424</u> | <u>\$ 53,323</u> |

With ongoing support from outside financial and other advisors, we have continuously reviewed our portfolio during the oil and natural gas cycle of the last couple of years. These reviews have focused on evaluating changes in the outlook for our served markets and customer priorities, while identifying opportunities for value-creating options in our portfolio, placing investment emphasis in markets where we generate strong returns and where we see greater long-term viability and stability. As part of our ongoing review of our portfolio, our management recommended, and our Board of Directors approved two actions in February 2022 intended to enhance liquidity available for investment in higher returning businesses.

First, in consideration of broader strategic priorities and the timeline and efforts required to further develop the industrial blending business, our Board of Directors approved a plan in February 2022 to exit our Industrial Blending operations. As part of the exit plan, we completed the wind down of the Industrial Blending business in the first quarter of 2022 and are currently pursuing the sale of the industrial blending and warehouse facility and related equipment located in Conroe, Texas. The Industrial Blending business had no significant revenues and incurred an operating loss of \$0.9 million for the first

quarter of 2022, and contributed \$5 million of revenues with approximately break-even operating income for the first quarter of 2021. As of March 31, 2022, the carrying value of the long-lived assets associated with the Industrial Blending business was \$19 million.

As a result of the plan to exit and dispose of the assets used in the Industrial Blending business, we estimated in February 2022 and disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021 that we may incur pre-tax charges in the range of approximately \$4 million to \$8 million primarily related to the non-cash impairment of long-lived assets related to the Industrial Blending business, which we anticipated recognizing in the first quarter of 2022. In March 2022, we shut down the Industrial Blending business and initiated a sales process to market the industrial blending and warehouse facility and related equipment. As a result of the ongoing sales process and revised estimates for the expected net proceeds from the ultimate disposition, we now anticipate recovering the \$19 million carrying value of the long-lived assets associated with the Industrial Blending business. Accordingly, no impairment has been recognized for these assets in the first quarter of 2022, though it remains possible that we may incur a future impairment or loss related to the ongoing sales process.

Second, our Board of Directors also approved management's plan to explore strategic options, including the potential sale, for our U.S. mineral grinding business. The U.S. mineral grinding business contributed third-party revenues of \$14 million for the first quarter of 2022 and \$7 million for the first quarter of 2021. As of March 31, 2022, the U.S. mineral grinding business had approximately \$50 million of net capital employed, including approximately \$28 million of net working capital.



## ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition, results of operations, liquidity, and capital resources should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in this report as well as our Annual Report on Form 10-K for the year ended December 31, 2021. Our first quarter represents the three-month period ended March 31. Unless otherwise noted, all currency amounts are stated in U.S. dollars. The reference to a “Note” herein refers to the accompanying Notes to Unaudited Condensed Consolidated Financial Statements contained in Item 1 “Financial Statements.”

### Overview

Newpark Resources, Inc. (the “Company,” “we,” “our,” or “us”) is a geographically diversified supplier providing environmentally-sensitive products, as well as rentals and services to customers across multiple industries. We operate our business through two reportable segments: Industrial Solutions, which serves various markets including power transmission, oil and natural gas exploration and production (“E&P”), pipeline, renewable energy, petrochemical, construction and other industries, and Fluids Systems, which primarily serves E&P customers.

Our long-term strategy includes key foundational elements that are intended to enhance long-term shareholder value creation:

- End-market diversification – To help reduce our dependency on customers in the volatile E&P industry, improve the stability in cash flow generation and returns on invested capital, and provide growth opportunities into new markets, we have focused our efforts over the past several years on diversifying our presence outside of our historical E&P customer base. These efforts have been primarily focused within our Site and Access Solutions business, where we have prioritized growth in power transmission, pipeline, renewable energy, and construction markets. The continued expansion of revenues in industrial markets, and particularly end-markets that are likely to benefit from ongoing energy transition efforts around the world, such as power transmission, renewable energy, and geothermal, remains a strategic priority going forward, and we anticipate that our capital investments will primarily focus on supporting this objective.
- Provide products that enhance environmental sustainability – The Company has a long history of providing environmentally-sensitive technologies to our customers. In the Industrial Solutions segment, we believe the lightweight design of our fully recyclable DURA-BASE® matting system provides a distinct environmental advantage for our customers as compared to alternative wood mat products in the market, by eliminating deforestation required to produce wood mat products while also reducing CO<sup>2</sup> emissions associated with product transportation. In our Fluids Systems segment, our family of high-performance water-based fluids systems, which we market as Evolution® and DeepDrill® systems, are designed to enhance drilling performance while also providing a variety of environmental benefits relative to traditional oil-based fluids. More recently, our Fluids Systems segment has also developed the TerraTherm™ water-based fluids system designed specifically for clean-energy geothermal drilling, as well as the Transition™ family of brine-tolerant stimulation chemicals, which reduce the freshwater required for well stimulation applications. The continued advancement of technology that provides our customers with economic benefits, while also enhancing their environmental and safety programs, remains a priority for our research and development efforts.

## Segment Overview

*Industrial Solutions* - Our Industrial Solutions segment, which generated \$35.4 million of revenues and \$5.5 million of operating income for the first quarter of 2022, provides temporary worksite access solutions, including the rental of our manufactured recyclable composite matting systems, along with related site construction and services to customers in various markets including power transmission, E&P, pipeline, renewable energy, petrochemical, construction and other industries, primarily in the United States and Europe. We also sell our manufactured recyclable composite mats to customers around the world, with power transmission being the primary end-market.

Our Industrial Solutions segment has been a primary source of operating income and cash generation for us in recent years, and has also been the primary focus for growth investments. The expansion of our Industrial Solutions segment into the power transmission and other industrial markets remains a strategic priority for us due to such markets' relative stability compared to E&P, as well as the magnitude of growth opportunity in these markets, including the potential positive impact from the energy transition. We expect customer activity, particularly in the power transmission sector, will remain robust in the coming years, driven in part by the impacts of the energy transition and the increasing investment in grid reliance initiatives.

In 2020, we began leveraging our chemical blending capacity and technical expertise into industrial blending operations, and in response to the increasing market demand for cleaning products resulting from the COVID-19 pandemic, began producing disinfectants and industrial cleaning products in 2020. Despite our initial success, a key blue-chip customer experienced a significant decline in product demand and cancelled all orders of disinfectants and cleaning products in the third quarter of 2021. In February 2022, in consideration of broader strategic priorities and the timeline and efforts required to further develop the Industrial Blending business, our management recommended, and our Board of Directors approved a plan to exit our Industrial Blending operations. As part of the exit plan, we completed the wind down of the Industrial Blending business in the first quarter of 2022 and are currently pursuing the sale of the industrial blending and warehouse facility and related equipment located in Conroe, Texas. Although we currently anticipate recovering the \$19 million carrying value of the long-lived assets associated with the Industrial Blending business with expected net proceeds from the ultimate disposition, it is possible that we may incur a future impairment or loss related to the ongoing sales process. The Industrial Blending business had no significant revenues and incurred an operating loss of \$0.9 million for the first quarter of 2022, and contributed \$5 million of revenues with approximately break-even operating income for the first quarter of 2021.

*Fluids Systems* - Our Fluids Systems segment, which generated \$141.0 million of revenues and \$3.4 million of operating income for the first quarter of 2022, provides drilling, completion, and stimulation fluids products and related technical services to customers for oil, natural gas, and geothermal projects primarily in North America and Europe, the Middle East and Africa ("EMEA"), as well as certain countries in Asia Pacific and Latin America. Our Fluids Systems operating results remain dependent on oil and natural gas drilling activity levels in the markets we serve and the nature of the drilling operations (including the depth and whether the wells are drilled vertically or horizontally), which governs the revenue potential of each well. Drilling activity levels, in turn, depend on a variety of factors, including oil and natural gas commodity pricing, inventory levels, product demand, and regulatory restrictions. Oil and natural gas prices and activity are cyclical and volatile, and this market volatility has a significant impact on our operating results.

While our Fluids Systems revenue potential is driven by a number of factors including those described above, rig count data remains the most widely accepted indicator of drilling activity. Average North American rig count data for the first quarter of 2022 as compared to the first quarter of 2021 is as follows:

|                         | First Quarter |      | 2022 vs 2021 |      |
|-------------------------|---------------|------|--------------|------|
|                         | 2022          | 2021 | Count        | %    |
| U.S. Rig Count          | 633           | 390  | 243          | 62 % |
| Canada Rig Count        | 198           | 138  | 60           | 43 % |
| North America Rig Count | 831           | 528  | 303          | 57 % |

Source: Baker Hughes Company

During March 2020, oil prices collapsed due to geopolitical events along with the worldwide effects of the COVID-19 pandemic. As a result, U.S. rig count declined significantly beginning in March 2020 before reaching a low of 244 in August 2020. During 2021, oil prices rebounded, and the average U.S. rig count gradually increased, ending 2021 at 586 rigs. During the first quarter of 2022, oil prices significantly increased due to geopolitical events, and the average U.S. rig count has continued to gradually increase. We anticipate that market activity will continue to improve in 2022, although U.S. activity is expected to remain below 2019 levels as many of our customers maintain stronger capital discipline and prioritize cash flow generation over growth. Further, in the wake of COVID-19, an uncertain economic environment, including widespread supply chain disruptions, as well as enacted and proposed legislative changes in the U.S. impacting the oil and natural gas industry, make the timing and pace of recovery difficult to predict. The Canada rig count was 95 as of April 29, 2022, largely reflecting

the normal seasonality for this market, with the highest rig count levels generally observed in the first quarter of each year, prior to Spring break-up.

Outside of North America land markets, drilling activity is generally more stable as this drilling activity is based on longer-term economic projections and multi-year drilling programs, which typically reduces the impact of short-term changes in commodity prices on overall drilling activity. However, operations in several countries in the EMEA region experienced activity disruptions and project delays beginning in early 2020 and continuing through 2021, driven by government-imposed restrictions on movements of personnel, quarantines of staffing, and logistical limitations as a result of the COVID-19 pandemic. Revenues and profitability from our international Fluids Systems business gradually recovered in 2021, with revenues for the first quarter 2022 near pre-COVID levels. However, the impacts of global supply chain disruptions have caused significant cost inflation to many hydrocarbon-based products and chemicals used in our fluids systems, and in many cases, we are unable to adjust our customer pricing due to the long-term contracts in place. Consequently, the inflationary impacts are negatively impacting the profitability of our international operations, and we expect this trend to continue throughout 2022, though the impact of cost inflation is very difficult to predict.

In response to the 2020 market changes and reduced demand for our products and services as a result of the decline in oil prices and the COVID-19 pandemic, we took a number of actions during 2020 and continuing into 2021 aimed at conserving cash and protecting our liquidity, which included the implementation of cost reduction programs, including workforce reductions, employee furloughs, the suspension of the Company's matching contributions to its U.S. defined contribution plan, and temporary salary reductions effective April 1, 2020 for a significant portion of U.S. employees. Beginning in the second quarter of 2021, we restored salaries to pre-reduction levels for a portion of our non-executive U.S. employees and reinstated the Company matching contribution for our U.S. defined contribution plan, with the remainder of the temporary salary reductions restored by the third quarter of 2021.

With ongoing support from outside financial and other advisors, we have continuously reviewed our portfolio during the oil and natural gas cycle of the last couple of years. These reviews have focused on evaluating changes in the outlook for our served markets and customer priorities, while identifying opportunities for value-creating options in our portfolio, placing investment emphasis in markets where we generate strong returns and where we see greater long-term viability and stability. While we have taken certain actions to reduce our workforce and cost structure, our business contains high levels of fixed costs, including significant facility and personnel expense. In February 2022, our Board of Directors approved management's plan to explore strategic options, including the potential sale, for our U.S. mineral grinding business. The U.S. mineral grinding business contributed third-party revenues of \$14 million for the first quarter of 2022 and \$7 million for the first quarter of 2021.

We continue to evaluate other under-performing areas of our business, particularly within the U.S. and Gulf of Mexico oil and natural gas markets, which necessitates consideration of broader structural changes to transform this business for the new market realities. In the absence of a longer-term increase in activity levels, we may incur future charges related to these efforts or potential asset impairments, which may negatively impact our future results.

## First Quarter of 2022 Compared to First Quarter of 2021

### Consolidated Results of Operations

Summarized results of operations for the first quarter of 2022 compared to the first quarter of 2021 are as follows:

| (In thousands)                               | First Quarter |            | 2022 vs 2021 |       |
|--|---------------|------------|--------------|-------|
|  | 2022          | 2021       | \$           | %     |
| Revenues                                     | \$ 176,438    | \$ 141,172 | \$ 35,266    | 25 %  |
| Cost of revenues                             | 150,988       | 119,991    | 30,997       | 26 %  |
| Selling, general and administrative expenses | 24,433        | 20,911     | 3,522        | 17 %  |
| Other operating (income) loss, net           | 50            | (274)      | 324          | NM    |
| Operating income                             | 967           | 544        | 423          | 78 %  |
| Foreign currency exchange (gain) loss        | 64            | (332)      | 396          | NM    |
| Interest expense, net                        | 1,206         | 2,408      | (1,202)      | (50)% |
| Loss on extinguishment of debt               | —             | 790        | (790)        | NM    |
| Loss before income taxes                     | (303)         | (2,322)    | 2,019        | 87 %  |
| Provision (benefit) for income taxes         | (2,824)       | 3,040      | (5,864)      | NM    |
| Net income (loss)                            | \$ 2,521      | \$ (5,362) | \$ 7,883     | NM    |

#### Revenues

Revenues increased 25% to \$176.4 million for the first quarter of 2022, compared to \$141.2 million for the first quarter of 2021. This \$35.3 million increase includes a \$17.4 million (16%) increase in revenues in North America, comprised of a \$32.7 million increase in the Fluids Systems segment partially offset by a \$15.3 million decrease in the Industrial Solutions segment. Revenues from our North America operations increased primarily due to the improvement in North America rig count, which favorably impacted our Fluids Systems segment, partially offset by a decline in revenues from product sales in our Industrial Solutions segment, which typically fluctuate based on the timing of mat orders from customers and were favorably impacted in the first quarter of 2021 by pent-up demand following the peak of the COVID-19 pandemic. Revenues from our international operations increased by \$17.9 million (53%), as the prior year continued to be unfavorably impacted by activity disruptions and project delays resulting from the COVID-19 pandemic. Additional information regarding the change in revenues is provided within the operating segment results below.

#### Cost of revenues

Cost of revenues increased 26% to \$151.0 million for the first quarter of 2022, compared to \$120.0 million for the first quarter of 2021. This \$31.0 million increase was primarily driven by the 25% increase in revenues described above, along with inflationary cost pressures impacting materials, transportation, and labor.

#### Selling, general and administrative expenses

Selling, general and administrative expenses increased \$3.5 million to \$24.4 million for the first quarter of 2022, compared to \$20.9 million for the first quarter of 2021. This increase was primarily driven by higher performance-based incentive and stock-based compensation expense, and the restoration of U.S. salary and retirement benefits, as well as higher legal and professional expenses. Selling, general and administrative expenses as a percentage of revenues was 13.8% for the first quarter of 2022 compared to 14.8% for the first quarter of 2021.

#### Foreign currency exchange

Foreign currency exchange was a \$0.1 million loss for the first quarter of 2022 compared to a \$0.3 million gain for the first quarter of 2021, and reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies.

***Interest expense, net***

Interest expense was \$1.2 million for the first quarter of 2022 compared to \$2.4 million for the first quarter of 2021. Interest expense for the first quarter of 2022 and 2021 includes \$0.2 million and \$1.1 million, respectively, in non-cash amortization of original issue discount and debt issuance costs. The decrease in interest expense is primarily due to the 2021 repayment of our Convertible Notes with borrowings under the ABL Facility.

***Loss on extinguishment of debt***

In the first quarter of 2021, we repurchased \$18.3 million of our Convertible Notes in the open market for \$18.1 million. The \$0.8 million loss for the first quarter of 2021 reflects the difference in the amount paid and the net carrying value of the extinguished debt, including original issue discount and debt issuance costs.

***Provision (benefit) for income taxes***

The benefit for income taxes was \$2.8 million for the first quarter of 2022, which includes an income tax benefit of \$3.1 million related to the restructuring of certain subsidiary legal entities within Europe, as the undistributed earnings for an international subsidiary are no longer subject to certain taxes upon future distribution. The provision for income taxes was \$3.0 million for the first quarter of 2021, despite reporting a pretax loss for the period, primarily reflecting the impact of the geographic composition of our pretax loss. The tax expense in 2021 primarily related to earnings from our international operations since we were unable to recognize the tax benefit from our U.S. losses as they may not be realized.

## Operating Segment Results

Summarized financial information for our reportable segments is shown in the following table (net of inter-segment transfers):

| (In thousands)                  | First Quarter     |                   | 2022 vs 2021     |             |
|---------------------------------|-------------------|-------------------|------------------|-------------|
|                                 | 2022              | 2021              | \$               | %           |
| <b>Revenues</b>                 |                   |                   |                  |             |
| Fluids Systems                  | \$ 141,014        | \$ 87,849         | \$ 53,165        | 61 %        |
| Industrial Solutions            | 35,424            | 53,323            | (17,899)         | (34)%       |
| <b>Total revenues</b>           | <u>\$ 176,438</u> | <u>\$ 141,172</u> | <u>\$ 35,266</u> | <u>25 %</u> |
| <b>Operating income (loss)</b>  |                   |                   |                  |             |
| Fluids Systems                  | \$ 3,374          | \$ (6,767)        | \$ 10,141        |             |
| Industrial Solutions            | 5,472             | 13,130            | (7,658)          |             |
| Corporate office                | (7,879)           | (5,819)           | (2,060)          |             |
| <b>Total operating income</b>   | <u>\$ 967</u>     | <u>\$ 544</u>     | <u>\$ 423</u>    |             |
| <b>Segment operating margin</b> |                   |                   |                  |             |
| Fluids Systems                  | 2.4 %             | (7.7)%            |                  |             |
| Industrial Solutions            | 15.4 %            | 24.6 %            |                  |             |

## Fluids Systems

### Revenues

Total revenues for this segment consisted of the following:

| (In thousands)                       | First Quarter     |                  | 2022 vs 2021     |             |
|--------------------------------------|-------------------|------------------|------------------|-------------|
|                                      | 2022              | 2021             | \$               | %           |
| United States                        | \$ 70,843         | \$ 47,670        | \$ 23,173        | 49 %        |
| Canada                               | 22,235            | 12,663           | 9,572            | 76 %        |
| <b>Total North America</b>           | <u>93,078</u>     | <u>60,333</u>    | <u>32,745</u>    | <u>54 %</u> |
| EMEA                                 | 44,175            | 25,459           | 18,716           | 74 %        |
| Other                                | 3,761             | 2,057            | 1,704            | 83 %        |
| <b>Total International</b>           | <u>47,936</u>     | <u>27,516</u>    | <u>20,420</u>    | <u>74 %</u> |
| <b>Total Fluids Systems revenues</b> | <u>\$ 141,014</u> | <u>\$ 87,849</u> | <u>\$ 53,165</u> | <u>61 %</u> |

North America revenues increased 54% to \$93.1 million for the first quarter of 2022, compared to \$60.3 million for the first quarter of 2021. This increase included a \$28.6 million increase from U.S. land markets driven primarily by the 62% increase in U.S. rig count, partially offset by a \$5.4 million decrease from offshore Gulf of Mexico driven primarily by changes in customer drilling and completion activity levels. In addition, Canada increased \$9.6 million driven primarily by the 43% increase in Canada rig count along with an increase in market share. For the first quarter of 2022, U.S. revenues included \$68.1 million from land markets, including \$14.3 million from the U.S. mineral grinding business, and \$2.7 million from offshore Gulf of Mexico.

Internationally, revenues increased 74% to \$47.9 million for the first quarter of 2022, compared to \$27.5 million for the first quarter of 2021. The increase was primarily driven by higher activity in Europe, Africa, and the Asia Pacific region following a significant impact in 2021 from the COVID-19 pandemic, as described above.

### ***Operating income (loss)***

The Fluids Systems segment generated operating income of \$3.4 million for the first quarter of 2022, reflecting a \$10.1 million improvement from the \$6.8 million operating loss incurred in the first quarter of 2021. The improvement in operating loss includes a \$6.5 million benefit from North America operations and a \$3.6 million benefit from international operations, primarily reflecting the impact of the revenue improvement described above partially offset by supply chain related cost pressures.

### **Industrial Solutions**

#### ***Revenues***

Total revenues for this segment consisted of the following:

| (In thousands)                             | First Quarter    |                  | 2022 vs 2021       |              |
|--|------------------|------------------|--------------------|--------------|
|  | 2022             | 2021             | \$                 | %            |
| Product sales revenues                     | \$ 4,423         | \$ 20,037        | \$ (15,614)        | (78)%        |
| Rental and service revenues                | 31,001           | 28,733           | 2,268              | 8 %          |
| Industrial blending revenues               | —                | 4,553            | (4,553)            | NM           |
| <b>Total Industrial Solutions revenues</b> | <b>\$ 35,424</b> | <b>\$ 53,323</b> | <b>\$ (17,899)</b> | <b>(34)%</b> |

Revenues from product sales, which typically fluctuate based on the timing of mat orders from customers, decreased by \$15.6 million from the first quarter of 2021, as the first quarter of 2021 was favorably impacted by pent-up demand following the peak of the COVID-19 pandemic. Rental and service revenues increased by \$2.3 million from the first quarter of 2021, including a \$2.1 million increase from power transmission and other industrial markets. The increase from industrial customers reflects our continued expansion into these markets, both in the U.S. and U.K., including an approximately 28% increase in revenues from the power transmission sector, partially attributable to our December 2021 acquisition.

#### ***Operating income***

The Industrial Solutions segment generated operating income of \$5.5 million for the first quarter of 2022 compared to \$13.1 million for the first quarter of 2021, the decrease being primarily attributable to the change in revenues as described above, along with lower average pricing associated with large scale rental projects and the loss attributable to the wind down of the Industrial Blending operations in the first quarter of 2022.

### **Corporate Office**

Corporate office expenses increased \$2.1 million to \$7.9 million for the first quarter of 2022, compared to \$5.8 million for the first quarter of 2021. This increase was primarily driven by higher legal costs, including \$0.7 million associated with shareholder matters and acquisition and divestiture efforts, along with higher personnel expense, including performance-based incentive and stock-based compensation expense, as well as the restoration of U.S. salary and retirement benefits.

## Liquidity and Capital Resources

Net cash provided by operating activities was \$2.8 million for the first quarter of 2022 compared to \$27.8 million for the first quarter of 2021. During the first quarter of 2022, net income adjusted for non-cash items provided cash of \$8.0 million, while changes in working capital used cash of \$5.2 million.

Net cash used in investing activities was \$7.0 million for the first quarter of 2022, including capital expenditures of \$7.6 million, partially offset by \$0.6 million in proceeds from the sale of assets. The majority of the proceeds from the sale of assets reflect used mats from our rental fleet, which are part of the commercial offering of our Site and Access Solutions business. Nearly all of our capital expenditures during the first quarter of 2022 were directed to supporting our Industrial Solutions segment, including \$6.1 million of investments in the mat rental fleet, supporting our strategic growth in the power transmission sector and replacing mats sold from the fleet.

Net cash provided by financing activities was \$1.3 million for the first quarter of 2022, which primarily represents net borrowings of \$1.4 million on our ABL Facility.

Substantially all our \$21.3 million of cash on hand at March 31, 2022 resides in our international subsidiaries. Subject to maintaining sufficient cash requirements to support the strategic objectives of these international subsidiaries and complying with applicable exchange or cash controls, we expect to continue to repatriate available cash from these international subsidiaries. We anticipate that future working capital requirements for our operations will generally fluctuate directionally with revenues. We expect capital expenditures will remain heavily focused on industrial end-market opportunities, primarily reflecting expansion of our mat rental fleet to further support our growth in the utilities market.

Availability under our Amended ABL Facility also provides additional liquidity as discussed further below. Total availability under the Amended ABL Facility will fluctuate directionally based on the level of eligible U.S. accounts receivable, inventory, and composite mats included in the rental fleet. We expect our available cash on-hand, cash generated by operations, and the expected availability under our Amended ABL Facility and other existing financing arrangements to be adequate to fund our current operations during the next 12 months.

In February 2022, we initiated a plan to wind down our Industrial Blending operations and pursue the sale of the industrial blending and warehouse facility and related equipment, and also made the decision to explore strategic options, including the potential sale, for our U.S. mineral grinding business. Although the timing of any such transactions is not determinable, we expect to use any proceeds for general corporate purposes in support of our strategic initiatives. We also continue to evaluate additional sources of liquidity to support our longer-term needs.

Our capitalization is as follows:

| (In thousands)                               | March 31, 2022 | December 31, 2021 |
|--|----------------|-------------------|
| ABL Facility                                 | 87,900         | 86,500            |
| Other debt                                   | 28,497         | 28,491            |
| Unamortized discount and debt issuance costs | (155)          | (188)             |
| Total debt                                   | \$ 116,242     | \$ 114,803        |
| Stockholder's equity                         | 465,143        | 462,386           |
| Total capitalization                         | \$ 581,385     | \$ 577,189        |
| Total debt to capitalization                 | 20.0 %         | 19.9 %            |



**Asset-Based Loan Facility.** In October 2017, we entered into an asset-based revolving credit agreement, which was amended in March 2019 (the “ABL Facility”). As of March 31, 2022, the ABL Facility provided financing up to \$200.0 million available for borrowings (inclusive of letters of credit) and could be increased up to a maximum capacity of \$275.0 million, subject to certain conditions. The ABL Facility was scheduled to terminate in March 2024. As of March 31, 2022, our total availability under the ABL Facility was \$116.0 million, of which \$87.9 million was drawn and \$1.1 million was used for outstanding letters of credit, resulting in remaining availability of \$27.0 million. As of March 31, 2022, the weighted average interest rate for the ABL Facility was 1.9% and the applicable commitment fee on the unused portion of the ABL Facility was 0.375% per annum.

In May 2022, we amended and restated the ABL Facility (the “Amended ABL Facility”). The Amended ABL Facility provides financing of up to \$175.0 million available for borrowings (inclusive of letters of credit), which can be increased up to \$250.0 million, subject to certain conditions. The Amended ABL Facility has a five-year term expiring May 2027, expands available borrowing capacity associated with the Industrial Solutions rental mat fleet, replaces the LIBOR-based pricing grid with a BSBY-based pricing grid, and includes a mechanism to incorporate a sustainability-linked pricing framework with the consent of the required lenders (as defined in the Amended ABL Facility). As of May 2, 2022, after giving effect to the Amended ABL Facility, our total availability under the Amended ABL Facility was \$133.5 million, of which \$94.1 million was drawn and \$1.1 million was used for outstanding letters of credit, resulting in remaining availability of \$38.4 million.

Borrowing availability under the Amended ABL Facility is calculated based on eligible U.S. accounts receivable, inventory and composite mats included in the rental fleet, net of reserves and subject to limits on certain of the assets included in the borrowing base calculation. To the extent pledged by the borrowers, the borrowing base calculation also includes the amount of eligible pledged cash. The administrative agent may establish reserves in accordance with the Amended ABL Facility, in part based on appraisals of the asset base, and other limits in its discretion, which could reduce the amounts otherwise available under the Amended ABL Facility.

Under the terms of the Amended ABL Facility, we may elect to borrow at a variable interest rate based on either, (1) the Bloomberg Short-Term Bank Yield Index (“BSBY”) rate (subject to a floor of zero) or (2) the base rate (subject to a floor of zero), equal to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A., and (c) BSBY for a one-month interest period plus 1.00%, plus, in each case, an applicable margin per annum. The applicable margin ranges from 1.50% to 2.00% per annum for BSBY borrowings, and 0.50% to 1.00% per annum for base rate borrowings, based on the consolidated leverage ratio (as defined in the Amended ABL Facility) as of the last day of the most recent fiscal quarter. The Company is also required to pay a commitment fee equal to (i) 0.375% per annum at any time the average daily unused portion of the commitments is less than 50% and (ii) 0.25% per annum at any time the average daily unused portion of the commitments is greater than 50%.

The Amended ABL Facility is a senior secured obligation of the Company and certain of our U.S. subsidiaries constituting borrowers thereunder, secured by a first priority lien on substantially all of the personal property and certain real property of the borrowers, including a first priority lien on certain equity interests of direct or indirect domestic subsidiaries of the borrowers and certain equity interests issued by certain foreign subsidiaries of the borrowers.

The Amended ABL Facility contains customary representations, warranties and covenants that, among other things, and subject to certain specified circumstances and exceptions, restrict or limit the ability of the borrowers and certain of their subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock and make other restricted payments, make prepayments on certain indebtedness, engage in mergers or other fundamental changes, dispose of property, and change the nature of their business.

The Amended ABL Facility requires compliance with the following financial covenants: (i) a minimum fixed charge coverage ratio of 1.00 to 1.00 for the most recently completed four fiscal quarters and (ii) while a leverage covenant trigger period (as defined in the Amended ABL Facility) is in effect, a maximum consolidated leverage ratio of 4.00 to 1.00 as of the last day of the most recently completed fiscal quarter.

The Amended ABL Facility includes customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

**Other Debt.** In August 2021, we completed sale-leaseback transactions related to certain vehicles and other equipment for net proceeds of approximately \$7.9 million. The transactions have been accounted for as financing arrangements as they did not qualify for sale accounting. As a result, the vehicles and other equipment continue to be reflected on our balance sheet in property, plant and equipment, net. The financing arrangements have a weighted average annual interest rate of 5.4% and are payable in monthly installments with varying maturities through October 2025. We had \$5.8 million in financing obligations outstanding under these arrangements at March 31, 2022.

In February 2021, a U.K. subsidiary entered a £6.0 million (approximately \$8.3 million) term loan facility that was scheduled to mature in February 2024. Effective January 1, 2022, the term loan had an interest at a rate of SONIA plus a margin of 3.5% per year. The term loan was payable in quarterly installments of £375,000 plus interest beginning March 2021 and a £1.5 million payment due at maturity. We had \$5.4 million outstanding under this arrangement at March 31, 2022. In April 2022, this facility was amended to increase the term loan to £7.0 million (approximately \$9.1 million) and add a £2.0 million (approximately \$2.6 million) revolving credit facility. Both the amended term loan and revolving credit facility mature in April 2025 and bear interest at a rate of SONIA plus a margin of 3.25% per year. The term loan is payable in quarterly installments of £350,000 plus interest beginning June 2022 and a £2.8 million payment due at maturity. We had \$11.2 million outstanding under these arrangements at May 2, 2022.

Certain of our foreign subsidiaries maintain local credit arrangements consisting primarily of lines of credit or overdraft facilities which are generally renewed on an annual basis. We utilize local financing arrangements in our foreign operations in order to provide short-term local liquidity needs. We had \$14.5 million and \$11.8 million outstanding under these arrangements at March 31, 2022 and December 31, 2021, respectively.

In addition, at March 31, 2022, we had \$47.0 million in outstanding letters of credit, performance bonds, and other guarantees for which certain of the letters of credit are collateralized by \$4.8 million in restricted cash.

#### ***Critical Accounting Estimates and Policies***

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates used in preparing our consolidated financial statements include estimated cash flows and fair values used for impairments of long-lived assets, including goodwill and other intangibles, and valuation allowances for deferred tax assets. Our estimates are based on historical experience and on our future expectations that we believe to be reasonable. The combination of these factors forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our current estimates and those differences may be material.

For additional discussion of our critical accounting estimates and policies, see “Management's Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2021. Except for the following, our critical accounting estimates and policies have not materially changed since December 31, 2021.

In February 2022, in consideration of broader strategic priorities and the timeline and efforts required to further develop the industrial blending business, our management recommended, and our Board of Directors approved a plan to exit our Industrial Blending operations. As a result of the plan to exit and dispose of the assets used in the Industrial Blending business, we estimated in February 2022 and disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021 that we may incur pre-tax charges in the range of approximately \$4 million to \$8 million primarily related to the non-cash impairment of long-lived assets related to the Industrial Blending business, which we anticipated recognizing in the first quarter of 2022. In March 2022, we shut down the Industrial Blending business and initiated a sales process to market the industrial blending and warehouse facility and related equipment. As a result of the ongoing sales process and revised estimates for the expected net proceeds from the ultimate disposition, we now anticipate recovering the \$19 million carrying value of the long-lived assets associated with the Industrial Blending business. Accordingly, no impairment has been recognized for these assets in the first quarter of 2022, though it remains possible that we may incur a future impairment or loss related to the ongoing sales process.

### **ITEM 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risk from changes in interest rates and changes in foreign currency exchange rates. A discussion of our primary market risk exposure in financial instruments is presented below.

#### **Interest Rate Risk**

At March 31, 2022, we had total principal amounts outstanding under financing arrangements of \$116.4 million, including \$87.9 million of borrowings under our ABL Facility and \$5.4 million of borrowings under a U.K. term loan which are subject to variable interest rates as determined by the respective debt agreements. The weighted average interest rate at March 31, 2022 for the ABL Facility and the U.K. term loan was 1.9% and 3.4%, respectively. Based on the balance of variable rate debt at March 31, 2022, a 100 basis-point increase in short-term interest rates would have increased annual pre-tax interest expense by \$0.9 million.

#### **Foreign Currency Risk**

Our principal foreign operations are conducted in certain areas of EMEA, Canada, Asia Pacific, and Latin America. We have foreign currency exchange risks associated with these operations, which are conducted principally in the foreign currency of the jurisdictions in which we operate including European euros, Canadian dollars, Kuwaiti dinar, Algerian dinar, Romanian new leu, British pounds, and Australian dollars. Historically, we have not used off-balance sheet financial hedging instruments to manage foreign currency risks when we enter into a transaction denominated in a currency other than our local currencies.

### **ITEM 4. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2022, the end of the period covered by this quarterly report.

#### **Changes in Internal Control Over Financial Reporting**

There were no changes in internal control over financial reporting during the quarter ended March 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II      OTHER INFORMATION**

### **ITEM 1.   Legal Proceedings**

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. While the outcome of litigation or other proceedings against us cannot be predicted with certainty, management does not expect that any loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, will have a material adverse impact on our consolidated financial statements.

### **ITEM 1A.   Risk Factors**

Except as set forth below, there have been no material changes during the period ended March 31, 2022 in our “Risk Factors” as discussed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

#### ***Risks Related to the Ongoing Conflict Between Russia and Ukraine***

Given the nature of our business and our global operations, the current conflict between Russia and Ukraine may adversely affect our business and results of operations. Although we do not have any operations in Russia or Ukraine, the broader consequences of this conflict, which may include embargoes, supply chain disruptions, regional instability, and geopolitical shifts, and the extent of the conflict’s effect on our business and results of operations as well as the global economy, cannot be predicted.

The current conflict between Russia and Ukraine may also have the effect of heightening many other risks disclosed in our public filings, any of which could materially and adversely affect our business and results of operations. Such risks include, but are not limited to, the volatility of oil and natural gas prices that can adversely affect demand for our products and services; our customers’ activity levels, spending for our products and services, and ability to pay amounts owed us that could be impacted by the ability of our customers to access equity or credit markets; the price and availability of raw materials; the cost and continued availability of borrowed funds; and cybersecurity breaches or business system disruptions.

**ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**

- a) Not applicable
- b) Not applicable
- c) The following table details our repurchases of shares of our common stock for the three months ended March 31, 2022:

| <b>Period</b> | <b>Total Number of Shares Purchased</b> | <b>Average Price Paid Per Share</b> | <b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b> | <b>Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs (\$ in Millions)</b> |
|---------------|---|-------------------------------------|---|--|
| January 2022  | —                                       | \$ —                                | —   | \$ 23.8  |
| February 2022 | —                                       | \$ —                                | —   | \$ 23.8  |
| March 2022    | 1,482                                   | \$ 3.15                             | —   | \$ 23.8  |
| Total         | <u>1,482</u>                            |                                     | <u>—</u>  |  |

During the three months ended March 31, 2022, we purchased an aggregate of 1,482 shares surrendered in lieu of taxes under vesting of restricted shares.

In November 2018, our Board of Directors authorized changes to our securities repurchase program. These changes increased the authorized amount under the repurchase program to \$100.0 million, available for repurchases of any combination of our common stock and our Convertible Notes that matured in 2021.

Our repurchase program remains available to purchase outstanding shares of our common stock in the open market or as otherwise determined by management, subject to certain limitations under the Amended ABL Facility and other factors. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows, available cash on hand, and borrowings under our Amended ABL Facility. As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934. As of March 31, 2022, we had \$23.8 million remaining under the program.

There were no shares of common stock repurchased under the repurchase program during the three months ended March 31, 2022.

**ITEM 3. Defaults Upon Senior Securities**

None.

**ITEM 4. Mine Safety Disclosures**

The information concerning mine safety violations and other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 of this Quarterly Report on Form 10-Q, which is incorporated by reference.

## ITEM 5. Other Information

On May 2, 2022, the Company and certain of its U.S. subsidiaries, as borrowers, entered into a Second Amended and Restated Credit Agreement (the “Credit Agreement”) with Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer, and a group of lenders. The Credit Agreement amends and restates the Company’s prior credit agreement dated as of October 17, 2017, as amended, and provides for a senior secured revolving credit facility of up to \$175 million (the “Amended ABL Facility”), subject to a borrowing base. The borrowers will have the ability to request the issuance of letters of credit in an aggregate amount of up to \$15.0 million and borrow swing line loans in an aggregate principal amount of up to \$17.5 million. Amounts borrowed under the Credit Agreement are required to be repaid no later than May 2, 2027.

Borrowing availability under the Amended ABL Facility is subject to a borrowing base, which is calculated based on eligible U.S. accounts receivable, inventory and composite mats included in the rental fleet, net of reserves and subject to limits on certain of the assets included in the borrowing base calculation. To the extent pledged by us, the borrowing base calculation also includes the amount of eligible pledged cash. The administrative agent may establish reserves, in part based on appraisals of the asset base, and other limits in its discretion, which could reduce the amounts otherwise available under the ABL Facility.

Proceeds of loans under the Amended ABL Facility may be used for the refinancing of existing indebtedness, for working capital and for other general corporate purposes. Subject to customary conditions, the aggregate commitments under the Amended ABL Facility may be increased from time to time at the Company’s request and with the consent of the participating lenders, so long as the aggregate amount of the commitments does not exceed \$250 million. The borrowers’ obligations under the Amended ABL Facility are secured by a first priority lien on substantially all of the personal property and certain real property of the borrowers, including a first priority lien on certain equity interests of direct or indirect domestic subsidiaries of the borrowers and certain equity interests issued by certain foreign subsidiaries of the borrowers.

Amounts borrowed under the Amended ABL Facility bear interest, at the Company’s option, at either (1) the Bloomberg Short-Term Bank Yield Index (“BSBY”) rate (subject to a floor of zero) or (2) the base rate (subject to a floor of zero), equal to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A., and (c) BSBY for a one-month interest period plus 1.00%, plus, in each case, an applicable margin per annum. The applicable margin ranges from 1.50% to 2.00% per annum for BSBY borrowings, and 0.50% to 1.00% per annum for base rate borrowings, based on the consolidated leverage ratio (as defined in the Credit Agreement) as set forth in the most recent quarterly compliance certificate.

The Company is also required to pay a commitment fee equal to (i) 0.375% per annum at any time the average daily unused portion of the commitments is less than 50% and (ii) 0.25% per annum at any time the average daily unused portion of the commitments is greater than 50%.

The Credit Agreement contains customary representations, warranties and covenants that, among other things, and subject to certain specified circumstances and exceptions, restrict or limit the ability of the borrowers and certain of their subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, pay dividends or distributions with respect to capital stock and make other restricted payments, make prepayments on certain indebtedness, engage in mergers or other fundamental changes, dispose of property, and change the nature of their business. In addition, the Credit Agreement contains certain affirmative covenants, including reporting requirements such as delivery of financial statements, borrowing base compliance and other certificates and notices of certain events, maintaining insurance, and providing additional guarantees and collateral in certain circumstances.

The Amended ABL Facility requires compliance with the following financial covenants: (i) a minimum fixed charge coverage ratio of 1.00 to 1.00 for the most recently completed four fiscal quarters and (ii) while a leverage covenant trigger period (as defined in the Amended ABL Facility) is in effect, a maximum consolidated leverage ratio of 4.00 to 1.00 as of the last day of the most recently completed fiscal quarter.

The Credit Agreement includes provisions permitting the Company to amend the Credit Agreement to establish specific metrics and performance targets with respect to certain environmental, social and governance targets of the Company and its subsidiaries and upon the effectiveness of any such amendment, those specific metrics and performance targets will be used, together with the pricing grid, to determine pricing under the Credit Agreement.

The Credit Agreement includes customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross-default to other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of security interests or invalidity of loan documents, certain ERISA events, unsatisfied or unstayed judgments and change of control.

The foregoing summary of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Credit Agreement, a copy of which is attached as Exhibit 10.3 to this quarterly report and incorporated herein by reference.

## ITEM 6. Exhibits

The exhibits listed are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

|          |   |
|----------|---|
| 10.1     | <a href="#"><u>Cooperation Agreement, by and between Newpark Resources, Inc., Bradley L. Radoff and The Radoff Family Foundation, dated February 17, 2022, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 18, 2022 (SEC File No. 001-02960)</u></a>  |
| 10.2     | <a href="#"><u>Amended and Restated Employment Agreement effective March 1, 2022, between Newpark Resources, Inc. and Matthew Lanigan, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 4, 2022 (SEC File No. 001-02960)</u></a>  |
| *10.3    | <a href="#"><u>Second Amended and Restated Credit Agreement dated as of May 2, 2022 by and among Newpark Resources, Inc., Newpark Drilling Fluids LLC, Newpark Mats &amp; Integrated Services LLC, Excalibar Minerals LLC, Newpark Industrial Blending Solutions LLC, and Dura-Base Nevada, Inc., as borrowers, Bank of America, N.A., as the Administrative Agent, Swing Line Lender and an L/C Issuer, and the other Lenders party hereto</u></a> |
| *31.1    | <a href="#"><u>Certification of Matthew S. Lanigan pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>   |
| *31.2    | <a href="#"><u>Certification of Gregg S. Piontek pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>   |
| **32.1   | <a href="#"><u>Certification of Matthew S. Lanigan pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>   |
| **32.2   | <a href="#"><u>Certification of Gregg S. Piontek pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>   |
| *95.1    | <a href="#"><u>Reporting requirements under the Mine Safety and Health Administration</u></a>   |
| *101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document  |
| *101.SCH | Inline XBRL Schema Document   |
| *101.CAL | Inline XBRL Calculation Linkbase Document   |
| *101.DEF | Inline XBRL Definition Linkbase Document  |
| *101.LAB | Inline XBRL Label Linkbase Document   |
| *101.PRE | Inline XBRL Presentation Linkbase Document  |
| *104     | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)  |

\* Filed herewith.

\*\* Furnished herewith.

## 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 thereunto duly authorized.

Date: May 4, 2022

NEWPARK RESOURCES, INC.  
(Registrant)

By: /s/ Matthew S. Lanigan  
Matthew S. Lanigan  
President and Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Gregg S. Piontek  
Gregg S. Piontek  
Senior Vice President and Chief Financial  
Officer  
(Principal Financial Officer)

By: /s/ Douglas L. White  
Douglas L. White  
Vice President, Chief Accounting Officer and  
Treasurer  
(Principal Accounting Officer)



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**SECOND AMENDED AND RESTATED CREDIT AGREEMENT**

dated as of May 2, 2022,

among

**NEWPARK RESOURCES, INC.,  
NEWPARK DRILLING FLUIDS LLC,  
NEWPARK MATS & INTEGRATED SERVICES LLC,  
EXCALIBAR MINERALS LLC,  
NEWPARK INDUSTRIAL BLENDING SOLUTIONS LLC,**

and

**DURA-BASE NEVADA, INC.,**

as the Borrowers,

**BANK OF AMERICA, N.A.,**

as the Administrative Agent, Swing Line Lender and an L/C Issuer,

**JPMORGAN CHASE BANK, N.A.,**

as Documentation Agent,

**BANK OF AMERICA, N.A.,**

as Syndication Agent

and

the other Lenders party hereto

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**BANK OF AMERICA, N.A.**

and

**JPMORGAN CHASE BANK, N.A.,**

as Joint Lead Arrangers and Joint Book Managers

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## SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This **SECOND AMENDED AND RESTATED CREDIT AGREEMENT** (this "**Agreement**") dated as of May 2, 2022, among **NEWPARK RESOURCES, INC.**, a Delaware corporation ("**Newpark**"), **NEWPARK DRILLING FLUIDS LLC**, a Texas limited liability company ("**Newpark Drilling**"), **NEWPARK MATS & INTEGRATED SERVICES LLC**, a Texas limited liability company ("**Newpark Mats**"), **EXCALIBAR MINERALS LLC**, a Texas limited liability company ("**Excalibar**"), **NEWPARK INDUSTRIAL BLENDING SOLUTIONS LLC**, a Texas limited liability company ("**NIBS**") and **DURA-BASE NEVADA, INC.**, a Nevada corporation ("**Dura-Base**") and collectively with Newpark Drilling, Newpark Mats, Excalibar, NIBS and Newpark and any other Subsidiary of Newpark that may from time to time become a party hereto in accordance with the terms hereof, the "**Borrowers**" and each a "**Borrower**"), each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**"), and **BANK OF AMERICA, N.A.**, as the Administrative Agent, Swing Line Lender and an L/C Issuer.

### PRELIMINARY STATEMENTS:

The Borrowers have entered into that certain Amended and Restated Credit Agreement dated as of October 17, 2017, with the lenders party thereto (the "**Existing Lenders**"), Bank of America, N.A., in its capacity as the administrative agent, swing line lender and an L/C issuer, and the other agents party thereto (as amended by that certain First Amendment to Amended and Restated Credit Agreement and Amended and Restated Security Agreement dated as of March 20, 2019, the "**Existing Credit Agreement**", and all indebtedness arising pursuant to the Existing Credit Agreement, the "**Existing Indebtedness**"), which was an amendment and restatement of that certain Credit Agreement dated as of May 12, 2016, among certain of the Borrowers, the Administrative Agent and the lenders party thereto.

The Borrowers, the Administrative Agent and the Existing Lenders desire to amend and restate in its entirety the Existing Credit Agreement on the terms and conditions set forth herein, including to decrease the aggregate commitments under the Existing Credit Agreement from the initial amount of \$200,000,000 to \$175,000,000, to extend the Maturity Date to May 2, 2027, to extend and continue the Existing Indebtedness as Loans hereunder and obtain additional Loans and Letters of Credit for the purposes permitted herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree that the Existing Credit Agreement shall be amended and restated in its entirety to read as follows:

#### I. DEFINITIONS AND ACCOUNTING TERMS.

1.01 **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

"**Account**" has the same meaning as defined in the UCC, including all rights to payment for goods sold or leased, or for services rendered.

"**Account Debtor**" means a Person obligated under an Account, Chattel Paper or General Intangible.

"**Acquisition**" means the acquisition, directly or indirectly, by any Person of (a) at least a majority of the Equity Interests of another Person, (b) all or substantially all of the assets of another Person or (c) all or substantially all of a line of business or division of another Person, in each case (i) whether or not involving a merger or a consolidation with such other Person and (ii) whether in one (1) transaction or a series of related transactions.

“**Act**” has the meaning specified in **Section 10.18**.

“**Administrative Agent**” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“**Administrative Agent’s Office**” means the Administrative Agent’s address and, as appropriate, account as set forth on **Schedule 10.02**, or such other address or account as the Administrative Agent may from time to time notify to Newpark and the Lenders.

“**Affected Financial Institution**” means any EEA Financial Institution or UK Financial Institution.

“**Affiliate**” means, with respect to any Person, another Person that directly, or indirectly through one (1) or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Agent Parties**” has the meaning specified in **Section 10.02(c)**.

“**Aggregate Commitments**” means the Commitments of all the Lenders. As of the Closing Date, the Aggregate Commitments are \$175,000,000.

“**Agreement**” has the meaning specified in the introductory paragraph hereof.

“**Allocable Amount**” has the meaning specified in **Section 2.18(c)(ii)**.

“**Anti-Corruption Law**” means any law relating to bribery or corruption, including the U.S. Foreign Corrupt Practices Act of 1977, UK Bribery Act 2010 and Patriot Act.

“**Anti-Terrorism Law**” means any law relating to terrorism or money laundering, including the Patriot Act.

“**Applicable Fee Rate**” means, (i) at any time that Total Outstandings (excluding any Swing Line Loans) are greater than or equal to 50% of the Aggregate Commitments, 0.250% *per annum* and (ii) at any time that Total Outstandings (excluding any Swing Line Loans) are less than 50% of the Aggregate Commitments, 0.375% *per annum*.

“**Applicable Investment Amount**” means, for any Measurement Period, an amount (which may be positive or negative) equal to (i) the aggregate amount of Investments made pursuant to **Section 7.03(i)** and **Section 7.03(m)** during such Measurement Period, *minus* (ii) the aggregate amount of cash proceeds received by the Loan Parties during such Measurement Period constituting of returns of capital or returns on investment (whether as a repayment of principal, distribution, dividend, redemption or sale) with respect to any Investments in non-Loan Parties.

“**Applicable Percentage**” means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time, subject to adjustment as provided in **Section 2.16**. If the commitment of each Lender to make Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to **Section 8.02**, or if the Commitments have expired, then the Applicable Percentage of each Lender in respect of the Aggregate Commitments shall be determined based on the Applicable Percentage of such Lender in respect of the Aggregate Commitments most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on **Schedule 1.01(a)** or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“**Applicable Rate**” means (i) from the Closing Date to the first day of the month following the date on which the Administrative Agent receives a Compliance Certificate and related financial statements pursuant to **Section 6.02(a)** for the fiscal quarter ending June 30, 2022, the applicable percentage *per annum* set forth below shall be determined as if Pricing Level 1 were applicable, and (ii) thereafter, the applicable percentage *per annum* set forth below determined by reference to the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate and related financial statements received by the Administrative Agent pursuant to **Section 6.02(a)** and corresponding to the grid provided below:

| <b>Pricing Level</b> | <b>Consolidated Leverage Ratio</b> | <b>BSBY Rate / Letter of Credit Fee</b> | <b>Base Rate</b> |
|----------------------|------------------------------------|---|------------------|
| 1                    | < 2.25 to 1.00                     | 1.50%                                   | 0.50%            |
| 2                    | ≥ 2.25 to 1.00 but < 3.00 to 1.00  | 1.75%                                   | 0.75%            |
| 3                    | ≥ 3.00 to 1.00                     | 2.00%                                   | 1.00%            |

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first day of the month immediately following the date on which the Compliance Certificate and related financial statements are delivered pursuant to **Section 6.02(a)**; *provided, however*, that if a Compliance Certificate and related financial statements are not delivered when due in accordance with such Section, then Pricing Level 3 shall apply as of the first day of the month immediately following the date on which such Compliance Certificate and related financial statements were required to have been delivered and in each case shall remain in effect until the first day of the month following the delivery of such Compliance Certificate and related financial statements are delivered.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of **Section 2.10(b)**.

“**Approved Fund**” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Arrangers**” means Bank of America and JPMorgan Chase Bank, N.A. in their capacities as joint lead arrangers and joint book managers.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by **Section 10.06(b)**), and accepted by the Administrative Agent, in substantially the form of **Exhibit E** or any other form (including an electronic documentation form generated by use of an electronic platform) approved by the Administrative Agent.

“**Attributable Indebtedness**” means, on any date, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease or other agreement or instrument were accounted for as a Capitalized Lease and (c) all Synthetic Debt of such Person.

“**Audited Financial Statements**” means the audited consolidated balance sheet of Newpark and its Subsidiaries for the fiscal year ended December 31, 2021, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of Newpark and its Subsidiaries, including the notes thereto.

“**Availability**” means the Borrowing Base *minus* Total Outstandings.

“**Availability Period**” means the period from and including the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Commitments pursuant to **Section 2.06**, and (iii) the date of termination of the commitment of each Lender to make Revolving Credit Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to **Section 8.02**.

“**Availability Reserve**” means the sum (without duplication) of (a) the Rent and Charges Reserve; (b) the Bank Product Reserve; (c) the Dilution Reserve; (d) the Inventory Reserve; (e) the aggregate amount of liabilities secured by Liens upon Collateral that are senior to the Administrative Agent’s Liens (but imposition of any such reserve shall not waive an Event of Default arising therefrom); and (f) such additional reserves, in such amounts and with respect to such matters, as the Administrative Agent in its Permitted Discretion may elect to impose from time to time.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means, with respect to (a) any EEA Member Country implementing *Article 55* of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, or (b) the United Kingdom, *Part I* of the United Kingdom Banking Act 2009 and any other law applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bank of America**” means Bank of America, N.A. and its successors.

“**Bank Product**” means any of the following products, services or facilities extended to a Borrower or a Subsidiary by a Lender or any of its Affiliates: (a) services under Cash Management Agreements; (b) products under Swap Contracts; and (c) other banking products or services, other than Letters of Credit.

“**Bank Product Reserve**” means the aggregate amount of reserves established by the Administrative Agent from time to time in its Permitted Discretion in respect of Secured Bank Product Obligations; *provided* that the imposition of any “Bank Product Reserve” in respect of any Secured Bank Product Obligations owed in connection with any Secured Cash Management Agreement with a Foreign Subsidiary shall be in the Administrative Agent’s sole discretion.

“**Base Rate**” means for any day, a *per annum* rate equal to the greater of (a) the Prime Rate for such day; (b) the Federal Funds Rate for such day, *plus* 0.50%; or (c) the BSBY Rate for a one (1) month interest period as of such day, *plus* 1.0%; *provided*, that in no event shall the Base Rate be less than zero (0).

“**Base Rate Loan**” means a Revolving Credit Loan that bears interest based on the Base Rate.

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation, in form and substance satisfactory to Agent.

“**Beneficial Ownership Regulation**” has the meaning specified in 31 C.F.R. §1010.230.

“**Bloomberg**” means the Bloomberg Index Services Limited.

“**Borrower Materials**” has the meaning specified in **Section 6.02**.

“**Borrowers**” has the meaning specified in the introductory paragraph hereto.

“**Borrowing**” means a Revolving Credit Borrowing or a Swing Line Borrowing, as the context may require.

“**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) 75% of the Value of Eligible Unbilled Accounts and (B) 20% of the Borrowing Base then in effect (before giving effect to the Availability Reserve), *plus*

(iii) the lesser of (A) 65% of the Value of Eligible Inventory and (B) 85% of the NOLV Percentage of Eligible Inventory, *plus*

(iv) the lesser of (A) 70% of the NOLV Percentage of the Eligible Mats Rental Inventory and (B) 35% of the Borrowing Base then in effect (before giving effect to the Availability Reserve), *plus*

(v) 100% of Eligible Pledged Cash, *minus*

(vi) the Availability Reserve.

“**Borrowing Base Certificate**” means a certificate substantially in the form of **Exhibit J** or in such other form as is reasonably satisfactory to the Administrative Agent, by which Newpark certifies the calculation of the Borrowing Base.

“**BSBY Loan**” means a Loan that bears interest based on **clause (a)** of the definition of BSBY Rate.

“**BSBY Rate**” means (a) for any Interest Period for a BSBY Loan, a *per annum* rate equal to the BSBY Screen Rate two (2) Business Days prior to such Interest Period, with a term equivalent to such period (or if such rate is not published on the determination date, the applicable BSBY Screen Rate on the Business Day immediately preceding such date); and (b) for any interest calculation relating to a Base Rate Loan on any day, a *per annum* rate equal to the BSBY Screen Rate with a term of one (1) month commencing that day; *provided*, that in no event shall the BSBY Rate be less than zero (0).

“**BSBY Replacement Date**” has the meaning specified in **Section 3.03(b)**.

“**BSBY Screen Rate**” means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“**Capital Expenditures**” means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition or improvement of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations) classified and accounted for as a capital expenditure on the statement of cash flow of such Person in accordance with GAAP; *provided* that Capital Expenditures shall not include (a) expenditures for Capitalized Leases, purchase money obligations or Synthetic Lease Obligations, in each case, permitted pursuant to **Section 7.02(e)** and (b) 40% of the expenditures for the production of Mats Rental Inventory. For purposes of this definition, the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment or with insurance proceeds shall be included in Capital Expenditures only to the extent of the amount by which such purchase price exceeds the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such insurance proceeds, as the case may be.

“**Capitalized Leases**” means, subject to **Section 1.03**, all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

“**Cash Collateralize**” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, L/C Issuers or the Swing Line Lenders (as applicable) and the Lenders, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), (a) cash or deposit account balances, (b) backstop letters of credit entered into on terms, from issuers and in amounts reasonably satisfactory to the Administrative Agent and the applicable L/C Issuer, and/or (c) if the L/C Issuers or Swing Line Lenders benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (x) the Administrative Agent and (y) the L/C Issuers or the Swing Line Lenders (as applicable). “**Cash Collateral**” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“**Cash Dominion Trigger Period**” means (a) the period (i) commencing on the day that an Event of Default occurs and is continuing and the Administrative Agent elects in its discretion to implement cash dominion, and (ii) continuing until, during each of the preceding thirty (30) consecutive days, no Event of Default has existed, and (b) the period (i) commencing on the day that Availability is less than the greater of (1) 12.5% of the Borrowing Base and (2) \$20,000,000, and (ii) continuing until, during each of the preceding thirty (30) consecutive days, Availability is not less than the greater of (1) 12.5% of the Borrowing Base and (2) \$20,000,000.

“**Cash Equivalents**” means any of the following types of Investments, to the extent owned by Newpark or any of its Subsidiaries free and clear of all Liens (other than Liens created under the Collateral Documents and other Liens permitted hereunder):

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than three hundred sixty (360) days from the date of acquisition thereof; *provided* that the full faith and credit of the United States of America is pledged in support thereof;

(b) time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i)(A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in **clause (c)** of this definition and (iii) has combined capital and surplus of at least \$1,000,000,000, in each case with maturities of not more than one hundred eighty (180) days from the date of acquisition thereof;

(c) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least “Prime-1” (or the then equivalent grade) by Moody’s or at least “A-1” (or the then equivalent grade) by S&P, in each case with maturities of not more than one hundred eighty (180) days from the date of acquisition thereof; and

(d) Investments, classified in accordance with GAAP as current assets of Newpark or any of its Subsidiaries, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody’s or S&P, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in *clauses (a), (b) and (c) of this definition*.

In the case of Investments made in a country outside the United States in the ordinary course of business, Cash Equivalents shall also include (i) investments of the type and maturity described in clauses (a) through (d) above of obligors, which Investments or obligors (or the parents of such obligors), if required under such clauses, have the ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Newpark or any of its Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments described in clauses (a) through (d) and in this paragraph.

“*Cash Management Agreement*” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

“*Cash Management Bank*” means any Person in its capacity as a party to a Cash Management Agreement that, (a) at the time it enters into a Cash Management Agreement, is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) becomes a Lender, is a party to a Cash Management Agreement, in each case, in its capacity as a party to such Cash Management Agreement (even if such Person ceases to be a Lender or such Person’s Affiliate ceased to be a Lender); *provided, however*, that for any of the foregoing to be included as a “Secured Cash Management Agreement” on any date of determination by the Administrative Agent, the applicable Cash Management Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

“*CERCLA*” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

“*CFC*” means a Person that is a controlled foreign corporation under *Section 957* of the Code.

“*CFC Holdco*” means a Domestic Subsidiary, substantially all of the assets of which consist, directly or indirectly, of Equity Interests in one or more Foreign Subsidiaries.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority, provided, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“**Change of Control**” means the occurrence of any of the following events:

(a) any “*person*” or “*group*” (as such terms are used in *Sections 13(d)* and *14(d)* of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “*beneficial owner*” (as defined in *Rules 13d-3* and *13d-5* under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “*beneficial ownership*” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “*option right*”), directly or indirectly, of 35% or more of the equity securities of Newpark entitled to vote for members of the board of directors or equivalent governing body of Newpark on a fully-diluted basis (and taking into account all such securities that such “*person*” or “*group*” has the right to acquire pursuant to any option right); or

(b) Newpark ceases to own, beneficially and of record, directly or indirectly, all Equity Interests in each of the other Borrowers; or

(c) a “*change of control*” or any comparable term under, and as defined in, any instrument evidencing Material Indebtedness shall have occurred.

“**Closing Date**” means the first date that all of the conditions precedent in **Section 4.01** are satisfied or waived in accordance with **Section 10.01**.

“**Code**” means the Internal Revenue Code of 1986.

“**Collateral**” means all of the “**Collateral**” referred to in the Collateral Documents and all of the other property that is, or is intended under the terms of the Collateral Documents to be, subject to Liens in favor of the Administrative Agent for the benefit of the Secured Parties.

“**Collateral Documents**” means, collectively, (i) the Security Agreement, the Security Agreement Supplements, the IP Security Agreement Supplements, the Mortgages, security agreements, pledge agreements, landlord’s agreements, control agreements, collateral assignments or other similar agreements delivered to the Administrative Agent pursuant to **Section 6.12**, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties and (ii) all “**Collateral Documents**” (as defined in the Existing Credit Agreement) (the “**Existing Collateral Documents**”) executed and delivered pursuant to the Existing Credit Agreement or any Existing Collateral Document (except to the extent any of the same are amended and restated pursuant hereto or in connection herewith), whether or not expressly so stated in any other definition of the Collateral Documents described in the foregoing **clause (i)** set forth herein or in any Collateral Document.

“**Commitment**” means, as to each Lender, its obligation to (a) make Revolving Credit Loans to the Borrowers pursuant to **Section 2.01**, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Lender’s name on **Schedule 1.01(a)** under the caption “Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.



“**Commodity Exchange Act**” means the Commodity Exchange Act (7 U.S.C. §1 *et seq.*), as amended from time to time, and any successor statute.

“**Communication**” means this Agreement, any Loan Document and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to any Loan Document, including any Borrower Materials or Modification of a Loan Document.

“**Compliance Certificate**” means a certificate substantially in the form of *Exhibit D*.

“**Conforming Changes**” means, with respect to use, administration of or conventions associated with BSBY Rate or any proposed Successor Rate, as applicable, any conforming changes to the definitions of Base Rate, BSBY Rate and Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices, and length of lookback periods) as may be appropriate, in the Administrative Agent’s discretion, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of any Loan Document).

“**Consolidated EBITDA**” means, for any Measurement Period, an amount equal to Consolidated Net Income of Newport and its Subsidiaries on a consolidated basis for such Measurement Period *plus* (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges, (ii) the provision for federal, state, local and foreign income taxes payable, (iii) depreciation and amortization expense, (iv) other expenses reducing such Consolidated Net Income which do not represent a cash item in such period or any future period, (v) stock-based compensation expenses which do not represent a cash item in such period or any future period (in each case of or by the Borrowers and their Subsidiaries for such Measurement Period), (vi) severance payments, early retirement or voluntary retirement payments and other payments made with respect to the separation of any officers, employees or directors of Newport or its Subsidiaries from Newport or its Subsidiaries, together with costs and expenses related thereto for benefits, including, without limitation, health insurance, and (vii) fees, costs and expenses incurred by Newport or any of its Subsidiaries in connection with this Agreement and the other Loan Documents; and *minus* (b) the following to the extent included in calculating such Consolidated Net Income: (i) federal, state, local and foreign income tax credits and (ii) all non-cash items increasing Consolidated Net Income (in each case of or by Newport and its Subsidiaries for such Measurement Period).

For the purposes of calculating Consolidated EBITDA for any Measurement Period, (i) if at any time during such Measurement Period any Loan Party or any Subsidiary shall have made any Disposition (or series of related Dispositions) of any assets with a net book value in excess of \$10,000,000, Consolidated EBITDA for such Measurement Period shall be calculated after giving effect thereto on a Pro Forma Basis as if such Disposition occurred on the first day of such Measurement Period, and (ii) if during such Measurement Period any Loan Party or any Subsidiary shall have made an Acquisition involving the payment of consideration by the Loan Parties and their Subsidiaries in excess of \$10,000,000, Consolidated EBITDA for such Measurement Period shall be calculated after giving effect thereto on a pro forma basis as if such Acquisition occurred on the first day of such Measurement Period

“**Consolidated Fixed Charge Coverage Ratio**” means the ratio, determined on a consolidated basis for Newpark and its Subsidiaries for any Measurement Period, of (a) Consolidated EBITDA *minus* Capital Expenditures (except those financed with (i) borrowed money other than Revolver Loans and (ii) insurance or condemnation proceeds) and cash taxes paid *plus* cash tax refunds, to (b) Consolidated Fixed Charges, in each case, for such Measurement Period.

“**Consolidated Fixed Charges**” means the sum of (a) Consolidated Interest Charges (other than payment-in-kind or amortization of fees and other non-cash items treated as interest in accordance with GAAP), (b) scheduled principal payments made on borrowed money, (c) any Restricted Payments made, and (d) the Applicable Investment Amount; *provided* that Restricted Payments made in cash shall be excluded in the calculation of Consolidated Fixed Charges for the purpose of determining compliance with the Consolidated Fixed Charge Coverage Ratio in **Section 7.11(a)**.

“**Consolidated Funded Indebtedness**” means, as of any date of determination, for Newpark and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money Indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) all Attributable Indebtedness, (f) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in **clauses (a) through (e)** above of Persons other than a Borrower or any Subsidiary, and (g) all Indebtedness of the types referred to in **clauses (a) through (f)** above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which any Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Borrower or such Subsidiary.

“**Consolidated Interest Charges**” means, for any Measurement Period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, (b) all interest paid or payable with respect to discontinued operations and (c) the portion of rent expense under Capitalized Leases that is treated as interest in accordance with GAAP, in each case, of or by Newpark and its Subsidiaries on a consolidated basis for such Measurement Period.

“**Consolidated Leverage Ratio**” means the ratio, determined on a consolidated basis for Newpark and its Subsidiaries as of the last day of any Measurement Period, of Consolidated Funded Indebtedness to Consolidated EBITDA.

“**Consolidated Net Income**” means, for any Measurement Period, the net income (or loss) of Newpark and its Subsidiaries on a consolidated basis for such Measurement Period; *provided* that Consolidated Net Income shall exclude (a) extraordinary gains and extraordinary losses for such Measurement Period, (b) the net income of any Domestic Subsidiary during such Measurement Period to the extent that the declaration or payment of dividends or similar distributions by such Domestic Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Domestic Subsidiary during such Measurement Period, except that Newpark’s equity in any net loss of any such Domestic Subsidiary for such Measurement Period shall be included in determining Consolidated Net Income, and (c) any income (or loss) for such Measurement Period of any Person if such Person is not a Subsidiary, except that Newpark’s equity in the net income of any such Person for such Measurement Period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such Measurement Period to Newpark or a Subsidiary as a dividend or other distribution.

“**Consolidated Tangible Assets**” means, with respect to any Person as of any date, the amount which, in accordance with GAAP, would be set forth under the caption “*Total Assets*” (or any like caption) on a consolidated balance sheet of such Person and its consolidated Subsidiaries, less all assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

“**Contractual Obligation**” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “**Controlling**” and “**Controlled**” have meanings correlative thereto.

“**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).

“**Credit Extension**” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“**Daily Simple SOFR**” means, with respect to any applicable determination date, the secured overnight financing rate published on such date by FRBNY, as administrator of the benchmark (or a successor administrator), on FRBNY’s website (or any successor source satisfactory to the Administrative Agent).

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Default**” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“**Default Rate**” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate *plus* (ii) the Applicable Rate, if any, applicable to Base Rate Loans *plus* iii) 2% *per annum*; (b) when used with respect to a BSBY Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan *plus* 2% *per annum* and (c) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate *plus* 2% *per annum*.

“**Defaulting Lender**” means, subject to **Section 2.16(b)**, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and Newpark in writing that such failure is the result of such Lender’s determination that one (1) or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two (2) Business Days of the date when due, (b) has notified Newpark, the Administrative Agent, the applicable L/C Issuer or the applicable Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or Newpark, to confirm in writing to the Administrative Agent and Newpark that it will comply with its

prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this **clause (c)** upon receipt of such written confirmation by the Administrative Agent and Newpark), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of **clauses (a)** through **(d)** above, and the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to **Section 2.16(b)**) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to Newpark, each L/C Issuer, each Swing Line Lender and each other Lender promptly following such determination.

**“Dilution Percent”** means the percent, determined for Newpark’s most recently ended fiscal quarter, equal to (a) bad debt write-downs or write-offs, discounts, returns, promotions, credits, credit memos and other dilutive items with respect to Accounts, divided by (b) the total gross sales in the aggregate of all the Borrowers.

**“Dilution Reserve”** means the aggregate amount of reserves in an amount equal to the Value of the Eligible Accounts *multiplied* by 1.0% for each percentage point (or portion thereof) that the Dilution Percent exceeds 5.0%.

**“Disposition”** or **“Dispose”** means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

**“Disqualified Capital Stock”** shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to in **clause (a)** above, or (c) contains any repurchase obligation, in each case on or prior to the date that is 91 days after the Maturity Date (as in effect at the time of issuance of such Equity Interest); *provided* that (i) any Equity Interests that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into which such Equity Interest is convertible or for which such Equity Interest is exchangeable) the right to require the issuer thereof to redeem such Equity Interests upon the occurrence of a change of control or any Disposition shall not constitute Disqualified Capital Stock if such Equity Interest provides that the issuer thereof will not redeem any such Equity Interest pursuant to such provisions prior to payment in full of the Obligations and (ii) any Equity Interests that are issued to any employee or to any plan for the benefit of employees of the issuer thereof or by any such plan to such employees shall not constitute Disqualified Capital Stock solely because such Equity Interests may be required to be repurchased by the issuer thereof as a result of such employee’s termination, death or disability.

“**Division**” means the division of assets, liabilities and/or obligations of a Person among two (2) or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the original dividing Person and pursuant to which the original dividing Person may or may not survive.

“**Dollar**” and “**\$**” mean lawful money of the United States.

“**Domestic Subsidiary**” means any Subsidiary that is organized under the laws of any political subdivision of the United States.

“**Dominion Account**” means a special account established by a Borrower at Bank of America or another bank acceptable to the Administrative Agent, over which the Administrative Agent has exclusive control for withdrawal purposes.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in **clause (a)** of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in **clauses (a)** or **(b)** of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any Person entrusted with public administrative authority of an EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Electronic Record**” and “**Electronic Signature**” have the meanings set forth in 15 U.S.C. §7006.

“**Eligible Account**” means an Account owing to a Borrower that arises in the ordinary course of business from the sale of goods or rendition of services, is payable in Dollars and is deemed by the Administrative Agent, in its Permitted Discretion, to be an Eligible Account. Without limiting the foregoing, no Account shall be an Eligible Account if (a) it is unpaid for more than sixty (60) days after the original due date, or more than ninety (90) days after the original invoice date; (b) it is owing by an Account Debtor for which more than 50% of the Accounts owing by such Account Debtor are not Eligible Accounts under the foregoing clause; (c) it is owing by an Account Debtor to the extent that the aggregate amount of Accounts owing by such Account Debtor or affiliated Account Debtors exceeds 20% of the aggregate Eligible Accounts (or such higher percentage as the Administrative Agent may establish in its Permitted Discretion for an Account Debtor from time to time) or 35% of the aggregate Eligible Accounts owing by an Investment Grade Account Debtor and its Affiliates; (d) it does not conform with a covenant or representation herein or in the Security Agreement; (e) it is owing by a creditor or supplier, or is otherwise subject to a potential offset, counterclaim, dispute, deduction, discount, recoupment, reserve, defense, chargeback, credit or allowance that has been asserted in writing (but ineligibility shall be limited to the amount thereof); (f) an Insolvency Proceeding has been commenced by or against the Account Debtor; or the Account Debtor has failed, has suspended or ceased doing business, is liquidating, dissolving or winding up its affairs, is not Solvent, or is the target of a Sanction; or such Loan Party is not able to bring suit or enforce remedies against the Account Debtor through judicial process; (g) the Account Debtor is organized or has its principal offices or assets outside the United States or Canada, unless the Account is supported by a letter of credit (delivered to and directly drawable by the Administrative Agent) or credit insurance satisfactory in all respects to the Administrative Agent or the Account Debtor is an Affiliate of an Investment Grade Account Debtor; (h) it is owing by a Governmental Authority, unless the Account Debtor is the United States or any department, agency or instrumentality thereof and the Account has been assigned to the Administrative Agent in compliance with the federal Assignment of Claims Act; (i) it is not subject to a duly perfected, first priority Lien in favor of the Administrative Agent, or is subject to any other Lien other than Liens that are permitted by **Section 7.01(c)**; (j)(i) the goods giving rise to it have not been delivered to the Account Debtor and do not constitute a final sale or (ii) the services giving rise to it have not been performed for the Account Debtor;

(k) it is evidenced by Chattel Paper or an Instrument of any kind, or has been reduced to judgment; (l) it arises from a sale to an Affiliate, from a sale on a cash-on-delivery, bill-and-hold, sale or return, sale on approval, consignment, or other repurchase or return basis, or from a sale for personal, family or household purposes; (m) it represents a progress billing or retainage, or relates to services for which a performance, surety or completion bond or similar assurance has been issued; or (n) it includes a billing for interest, fees or late charges, but ineligibility shall be limited to the extent thereof. In calculating delinquent portions of Accounts under *clauses (a) and (b)*, credit balances more than ninety (90) days old will be excluded.

**“Eligible Assignee”** means any Person that meets the requirements to be an assignee under *Section 10.06(b)(iii)* and *(v)* (subject to such consents, if any, as may be required under *Section 10.06(b)(iii)*).

**“Eligible Inventory”** means Inventory (other than Inventory consisting of Mats Rental Inventory) owned by a Borrower that the Administrative Agent, in its Permitted Discretion, deems to be Eligible Inventory. Without limiting the foregoing, no Inventory shall be Eligible Inventory unless it (a) is finished goods or raw materials, and not work-in-process (other than with respect to Inventory located at a customer’s job site), packaging or shipping materials, labels, samples, display items, bags, replacement parts or manufacturing supplies; (b) is not held on consignment, nor subject to any deposit or down payment; (c) is in new and saleable condition and is not damaged, defective, shopworn or otherwise unfit for sale; (d) is not slow moving, obsolete or unmerchantable, and does not constitute returned or repossessed goods that are no longer in saleable condition; (e) meets all standards imposed by any Governmental Authority, has not been acquired from a Person that is the target of a Sanction, and does not constitute Hazardous Materials under any Environmental Law; (f) conforms with the covenants and representations herein; (g) is subject to the Administrative Agent’s duly perfected, first priority Lien, and no other Lien other than Liens that are permitted by *Section 7.01(c) or (d)*; (h) is within the continental United States or Canada, is not in transit except between locations of the Borrowers, and is not consigned to any Person; (i) is not subject to any warehouse receipt or negotiable Document; (j) is not subject to any License or other arrangement that restricts such Borrower’s or the Administrative Agent’s right to dispose of such Inventory, unless the Administrative Agent has received an appropriate Lien Waiver; (k) is located on property owned by a Borrower or on a customer’s job site; or (l) is located on leased premises or is in the possession of a warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person and the lessor or such Person has delivered a Lien Waiver or an appropriate Rent and Charges Reserve has been established.

**“Eligible Mats Rental Inventory”** means otherwise Eligible Inventory consisting of Mats Rental Inventory.

**“Eligible Pledged Cash”** means, at any date of determination thereof, all of the available cash of the applicable Borrower at such date that is (a) subject to a duly perfected first priority Lien in favor of the Administrative Agent and (b) is on deposit in one or more Eligible Pledged Cash Accounts.

**“Eligible Pledged Cash Account”** means each deposit account established by a Borrower at Bank of America, over which the Administrative Agent has exclusive control for withdrawal purposes and which is designated as an **“Eligible Pledged Cash Account”** on **Schedule 6.19** or otherwise designated by the Administrative Agent as an “Eligible Pledged Cash Account” in its discretion; *provided* that not more frequently than twice per month, each such Borrower may, upon not less than two (2) Business Days prior written notice to the Administrative Agent, decrease the amount of Eligible Pledged Cash by withdrawing cash from its respective Eligible Pledged Cash Account(s), if (a) immediately before such withdrawal no Default or Event of Default exists or would exist after giving effect thereto, (b) prior to and after giving effect to such withdrawal, the Availability shall not be less than zero (0), (c) the applicable Borrower(s) shall certify to the Administrative Agent that on a *pro forma* basis assuming the requested withdrawal of Eligible Pledged Cash had occurred thirty (30) days prior to the requested withdrawal date, no Cash Dominion Trigger Period would have occurred at any time during such thirty (30) day period, and (d) the calculation of **clause (b)(v)** of the definition of “Borrowing Base” shall be reduced immediately upon such withdrawal.

**“Eligible Unbilled Account”** means an Account owing to a Borrower which would qualify as an Eligible Account except that the invoice with respect thereto has not yet been submitted to the Account Debtor, so long as the period following the date on which such Borrower recognizes such Account in its books and records and prior to the date of the issuance of the invoice with respect thereto is less than thirty (30) days.

**“Environmental Laws”** means any and all federal, state, local, and foreign statutes, laws (including the common law), regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, restrictions and legally-binding agreements issued by or entered into with any Governmental Authority, in each case relating to pollution and the protection of the environment or the release of any materials regulated because of their potential effect on human health or the environment into the environment, including those related to hazardous substances or wastes, air emissions and discharges to wastewater systems.

**“Environmental Liability”** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of Newpark or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“Environmental Permit”** means any permit, approval, identification number, license or other authorization required under any Environmental Law.

**“Equity Interests”** means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination (*provided, however*, that debt securities that are or by their terms may be convertible or exchangeable into or for Equity Interests shall not constitute Equity Interests prior to conversion or exchange thereof).

“**ERISA**” means the Employee Retirement Income Security Act of 1974.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) under common control with any Borrower within the meaning of *Section 414(b)* or *(c)* of the Code (and *Sections 414(m)* and *(o)* of the Code for purposes of provisions relating to *Section 412* of the Code).

“**ERISA Event**” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of a Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Borrower or any ERISA Affiliate from a Multiemployer Plan or notification received by a Borrower or any ERISA Affiliate that a Multiemployer Plan is insolvent within the meaning of DOL Regulation *29 C.F.R. § 4041A.2*; (d) the filing by a Borrower or any ERISA Affiliate of a notice of intent to terminate, or the treatment of a Pension Plan or Multiemployer Plan amendment as a termination, under Section 4041 or 4041A of ERISA; (e) notification received by a Borrower or any ERISA Affiliate of the institution by the PBGC of proceedings to terminate a Pension Plan or Multiemployer Plan; (f) any event or condition which is reasonably expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of *Sections 430, 431* and *432* of the Code or *Sections 303, 304* and *305* of ERISA; or (h) the imposition of any liability under *Title IV* of ERISA, other than for PBGC premiums due but not delinquent under *Section 4007* of ERISA, upon a Borrower or any ERISA Affiliate.

“**ESG-Related Pricing Adjustment**” means any pricing adjustment requested by Newpark and its sustainability coordinator (or equivalent) to be made to the Applicable Rate and Commitment Fee, based on specific metrics and performance targets to be determined by Newpark and the Administrative Agent, related to Environmental, Social and Governance changes implemented by Newpark and its Domestic Subsidiaries in their respective businesses, such pricing adjustment to be reflected in an amendment to this Agreement to be submitted to the Required Lenders for approval and to be limited to an aggregate adjustment of up a 0.05% increase or decrease to the Applicable Rate and a 0.01% increase or decrease to the Commitment Fee.

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association, as in effect from time to time.

“**Event of Default**” has the meaning specified in *Section 8.01*.

“**Existing Credit Agreement**” has the meaning specified in the preliminary statements hereof.

“**Existing Lenders**” has the meaning specified in the preliminary statements hereof.

“**Existing Letters of Credit**” means those Letters of Credit set forth on *Schedule 1.01(b)*.



“**Existing Indebtedness**” has the meaning specified in the preliminary statements hereof.

“**Excluded Property**” has the meaning specified in Security Agreement.

“**Excluded Swap Obligation**” means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an “*eligible contract participant*” as defined in the Commodity Exchange Act (determined after giving effect to **Section 10.19** and any other “*keepwell, support or other agreement*” for the benefit of such Loan Party and any and all guarantees of such Loan Party’s Swap Obligations by other Loan Parties) at the time the Guarantee of such Loan Party, or a grant by such Loan Party of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one (1) swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition.

“**Excluded Taxes**” means, with respect to any Recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) Taxes imposed on or measured by its overall net income (however denominated), and franchise Taxes imposed on it (in lieu of net income Taxes), by the United States, any State or the District of Columbia (or any political subdivision thereof) or by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits Taxes imposed by the United States, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by a Borrower under **Section 10.13**), any United States withholding Tax that (i) is required to be imposed on amounts payable to such Foreign Lender pursuant to the Laws in force at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or (ii) is attributable to such Foreign Lender’s failure or inability (other than as a result of a Change in Law) to comply with **clause (B) of Section 3.01(e)(ii)**, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from any Borrower with respect to such withholding Tax pursuant to **Section 3.01(a)** and (d) any withholding Taxes imposed by FATCA.

“**FASB ASC**” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“**FATCA**” means **Sections 1471 through 1474** of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to **Section 1471(b)(1)** of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“**Federal Funds Rate**” means, for any day, the *per annum* rate calculated by FRBNY based on such day’s federal funds transactions by depository institutions (as determined in such manner as FRBNY shall set forth on its public website from time to time) and published on the next Business Day by FRBNY as the federal funds effective rate; *provided*, that in no event shall the Federal Funds Rate be less than zero (0).

“**Fee Letters**” means (a) that certain letter agreement dated as of April 14, 2022, between Newpark and the Administrative Agent and (b) any other letter agreements regarding fees entered into from time to time among any of the Borrowers, the Administrative Agent and/or any Arranger in connection with this Agreement or any of the transactions contemplated hereby.

“**Flood Insurance Regulations**” means (a) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (b) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (c) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), as the same may be amended or recodified from time to time, and (d) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

“**Foreign Lender**” means any Lender that is not a U.S. Person.

“**Foreign Subsidiary**” means any Subsidiary of Newpark that is not a Domestic Subsidiary.

“**FRBNY**” means the Federal Reserve Bank of New York.

“**Fronting Exposure**” means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuers, such Defaulting Lender’s Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lenders, such Defaulting Lender’s Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“**Fund**” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“**GAAP**” means generally accepted accounting principles in the United States set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) including, without limitation, the FASB ASC, that are applicable to the circumstances as of the date of determination, consistently applied and subject to **Section 1.03**.

“**Governmental Authority**” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guarantee**” means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof,

in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“**Guarantor**” means each Person, if any, that guarantees the payment or performance of any Obligations.

“**Guarantor Payment**” has the meaning specified in **Section 2.18(c)(ii)**.

“**Guaranty**” means any guaranty or guaranty supplement executed by a Guarantor in favor of the Secured Parties.

“**Hazardous Materials**” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, that class of chemicals known as per-and polyfluoroalkyl substances, and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“**Hedge Bank**” means any Person in its capacity as a party to a Swap Contract that, (a) at the time it enters into a Swap Contract not prohibited under **Article VI** or **VII**, is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) becomes a Lender, is a party to a Swap Contract not prohibited under **Article VI** or **VII**, in each case, in its capacity as a party to such Swap Contract (even if such Person ceases to be a Lender or such Person’s Affiliate ceased to be a Lender); *provided*, in the case of a Secured Hedge Agreement with a Person who is no longer a Lender (or Affiliate of a Lender), such Person shall be considered a Hedge Bank only through the stated termination date (without extension or renewal) of such Secured Hedge Agreement and provided further that for any of the foregoing to be included as a “Secured Hedge Agreement” on any date of determination by the Administrative Agent, the applicable Hedge Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

“**Honor Date**” has the meaning specified in **Section 2.03(c)**.

“**Immaterial Domestic Subsidiary**” means any Domestic Subsidiary that (a) does not own any assets of the type that would otherwise be Collateral other than (i) intercompany contracts to provide personnel services and (ii) other assets whose value does not exceed \$500,000 in the aggregate at any time, (b) generates less than 5.0% of Consolidated EBITDA for the Measurement Period most recently ended for which financial statements of Newpark have been delivered pursuant to **Section 6.01(a)** or **(b)**, and (c) owns net assets that have an aggregate book value of less than 5.0% of Consolidated Tangible Assets of Newpark as of the end of the fiscal quarter most recently ended for which financial statements have been delivered pursuant to **Section 6.01(a)** or **(b)**; *provided* that if any two (2) or more Domestic Subsidiaries meeting the qualifications of the foregoing **clauses (a), (b)** and **(c)** generate more than 10% of Consolidated EBITDA in the aggregate for any such Measurement Period, then one or more of such Domestic Subsidiaries, as selected by Newpark, will be deemed not to qualify as an Immaterial Domestic Subsidiary during such Measurement Period in order to prevent the foregoing 10% limitation from being exceeded.

“**Incremental Commitment**” has the meaning specified in **Section 2.14(a)**.

“**Indebtedness**” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP, subject, however, in any event and in all cases to the last sentence of **Section 1.03(b)**:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and not past due for more than sixty (60) days);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; *provided* that, if such indebtedness is limited in recourse, then the amount of such indebtedness for purposes of this Agreement will not exceed the fair market value of such property;
- (f) all Attributable Indebtedness in respect to Capitalized Leases and Synthetic Lease Obligations of such Person and all Synthetic Debt of such Person;
- (g) all Disqualified Capital Stock of such Person; and
- (h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The maximum amount of any direct or contingent obligations under any letter of credit (including standby and commercial) shall be determined by deducting therefrom the amount of any cash collateral securing such letter of credit.

“**Indemnified Taxes**” means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Borrower under any Loan Document.

“**Indemnitee**” has the meaning specified in **Section 10.04(b)**.

“**Information**” has the meaning specified in **Section 10.07**.

“**Insolvency Proceeding**” means any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order for relief under the Bankruptcy Code of the United States, or any other insolvency, debtor relief or debt adjustment law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its property; or (c) an assignment or trust mortgage for the benefit of creditors.

**“Interest Payment Date”** means (a) for each BSBY Loan, the last day of the applicable Interest Period and, if the Interest Period is more than three (3) months, each three (3) month anniversary of the beginning of the Interest Period; and (b) for all other Loans, the last Business Day of each March, June, September and December and the Maturity Date.

**“Interest Period”** means as to each BSBY Loan, the period commencing on the date such BSBY Loan is disbursed or converted to or continued as a BSBY Loan and ending on the date one (1), three (3) or six (6) months thereafter, as selected by the Borrower in its Loan Notice (in the case of each requested Interest Period, subject to availability); *provided* that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a BSBY Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a BSBY Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

**“Inventory”** means inventory as defined in the UCC, including all goods intended for sale, lease, display or demonstration; all work in process; and all raw materials, and other materials and supplies of any kind that are or could be used in connection with the manufacture, printing, packing, shipping, advertising, sale, lease or furnishing of such goods, or otherwise used or consumed in a Borrower’s business (but excluding equipment).

**“Inventory Reserve”** means reserves established by the Administrative Agent in its Permitted Discretion to reflect factors that may negatively impact the Value of Inventory, including change in salability, obsolescence, seasonality, theft, shrinkage, imbalance, change in composition or mix, markdowns and vendor chargebacks.

**“Investment”** means, as to any Person, an direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment; *provided, however*, that Investments in the form of loans, advances, and capital contributions shall be determined after giving effect to, and net of, repayments and returns of capital, as applicable.

**“Investment Grade Account Debtor”** means an Account Debtor with a long-term issuer rating of BBB- or higher by S&P or Baa3 or higher by Moody’s (or the equivalent of such rating organization).

**“IP Rights”** has the meaning specified in **Section 5.17**.

“**IP Security Agreement Supplement**” means any Copyright Security Agreement Supplement, Patent Security Agreement Supplement or Trademark Security Agreement Supplement, as such terms are defined in *Section 1.3* of the Security Agreement.

“**IRS**” means the United States Internal Revenue Service.

“**ISP**” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“**Issuer Documents**” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by an L/C Issuer and any Borrower (or any Subsidiary) or in favor of an L/C Issuer and relating to such Letter of Credit.

“**Laws**” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“**L/C Advance**” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

“**L/C Borrowing**” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

“**L/C Credit Extension**” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“**L/C Issuer**” means Bank of America in its capacity as an issuer of Letters of Credit hereunder, or any other issuer of Letters of Credit hereunder constituting a Lender and selected by Newpark (with such issuer’s consent) and acceptable to the Administrative Agent.

“**L/C Issuer Sublimit**” means (i) \$7,500,000 in the case of Bank of America, and (ii) \$7,500,000 in the case of JPMorgan Chase Bank, N.A., as such amounts may be adjusted from time to time by agreement of the L/C Issuers so long as the total of the L/C Issuer Sublimits for the L/C Issuers shall not be less than the then applicable Letter of Credit Sublimit.

“**L/C Obligations**” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit *plus* the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with **Section 1.06**. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of *Rule 3.14* of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“**Lender**” has the meaning specified in the introductory paragraph hereto and, if the context requires, includes the Swing Line Lenders.

“**Lending Office**” means the office (including any domestic or foreign Affiliate or branch) designated as such by the Administrative Agent, a Lender or a L/C Issuer by notice to the Borrowers and, if applicable, the Administrative Agent.

“**Letter of Credit**” means any standby or commercial letter of credit issued hereunder and shall include the Existing Letters of Credit.

“**Letter of Credit Application**” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by an L/C Issuer.

“**Letter of Credit Expiration Date**” means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“**Letter of Credit Fee**” has the meaning specified in *Section 2.03(h)*.

“**Letter of Credit Report**” means a certificate substantially the form of *Exhibit H* or any other form approved by the Administrative Agent.

“**Letter of Credit Sublimit**” means an amount equal to \$15,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

“**Leverage Covenant Trigger Period**” means the period (a) commencing on the day that Availability is less than 40% of the Borrowing Base and (b) continuing until, during each of the preceding thirty (30) consecutive days, Availability has exceeded 40% of Borrowing Base.

“**License**” means any license or agreement under which a Borrower is authorized to use IP Rights in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of property or any other conduct of its business.

“**Lien**” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“**Lien Waiver**” means an agreement, in form and substance reasonably satisfactory to the Administrative Agent, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and agrees to permit the Administrative Agent to enter upon the premises and remove the Collateral or to use the premises to store or dispose of the Collateral; (b) for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any documents in its possession relating to the Collateral as agent for the Administrative Agent, and agrees to deliver the Collateral to the Administrative Agent upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges the Administrative Agent’s Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver the Collateral to the Administrative Agent upon request or permit the Administrative Agent to take possession of the Collateral; and (d) for any Collateral subject to a licensor’s intellectual property rights, the licensor grants to the Administrative Agent the right, vis-à-vis such licensor, to enforce the Administrative Agent’s Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, whether or not a default exists under any applicable license. Notwithstanding the foregoing, a Lien Waiver shall not be required to be delivered in connection with Collateral that is temporarily (i) located on leased premises, (ii) held by a warehouseman, processor, shipper, customs broker or freight forwarder, or (iii) held by a repairman, mechanic or bailee, in each case, for a period less than sixty (60) days.

“**Loan**” means an extension of credit by a Lender to the Borrowers under **Article II** in the form of a Revolving Credit Loan or a Swing Line Loan.

“**Loan Documents**” means, collectively, (a) this Agreement, (b) the Notes, (c) any Guaranty, (d) the Collateral Documents, (e) the Fee Letters, (f) each Issuer Document, (g) any arrangements entered into by any L/C Issuer and any Borrower pursuant to **Section 2.03(a)(iii) (E)**, (h) any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of **Section 2.15** of this Agreement, and (i) all “**Loan Documents**” (as defined in the Existing Credit Agreement) executed and delivered pursuant to the Existing Credit Agreement (except to the extent any of the same are amended and restated pursuant hereto or in connection herewith), whether or not expressly so stated in any other definition of the agreements, instruments and other documents described in the foregoing **clauses (a) through (h)** set forth herein or in any other Loan Document.

“**Loan Parties**” means, collectively, each Borrower and each Guarantor.

“**Material Adverse Effect**” means (a) a material adverse change in, or a material adverse effect upon, the assets, operations, business, properties, liabilities (actual or contingent), or financial condition of the Borrowers taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any material Loan Document, or of the ability of any Loan Party to perform its obligations under any material Loan Document to which it is a party or the transactions contemplated thereby; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

“**Material Contract**” means, with respect to any Person, any agreement or instrument to which such Person is a party which is material to the business, financial condition, operations, performance, or properties of such Person.

“**Material Indebtedness**” has the meaning specified in **Section 8.01(e)**.

“**Mats**” means synthetic mats owned by a Borrower held for sale or rent in the ordinary course of business.

“**Mats Rental Inventory**” means Inventory consisting of Mats owned by a Borrower and included in its rental fleet.

“**Maturity Date**” means May 2, 2027.

“**Maximum Rate**” has the meaning specified in **Section 10.09**.

“**Measurement Period**” means, at any date of determination, the most recently completed four fiscal quarters of Newpark.

“**Minimum Collateral Amount**” means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during any period when a Lender constitutes a Defaulting Lender, an amount equal to 103% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of **Section 2.15(a)(i) or (a)(ii)**, an amount equal to 103% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their reasonable discretion.



“**Modification**” means any amendment, supplement, extension, approval, consent, waiver, change or other modification of a Loan Document, including any waiver of a Default or Event of Default.

“**Moody’s**” means Moody’s Investors Service, Inc. and any successor thereto.

“**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 and (ii) \$20,000,000, and (b) continuing until, during each of the preceding thirty (30) consecutive days, Availability has at all times exceeded the greater of (i) 15% of the Borrowing Base and (ii) \$20,000,000.

“**Mortgage**” means a mortgage or deed of trust pursuant to which a Loan Party grants a Lien on certain of its Real Estate to the Administrative Agent, as security for the Obligations.

“**Multiemployer Plan**” means any employee benefit plan of the type described in *Section 4001(a)(3)* of ERISA, to which any Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

“**Multiple Employer Plan**” means a Plan which has two (2) or more contributing sponsors (including any Borrower or any ERISA Affiliate) at least two (2) of whom are not under common control, as such a plan is described in *Section 4064* of ERISA.

“**Net Cash Proceeds**” means, with respect to any Disposition by any Loan Party or any of its Subsidiaries, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction, (C) income taxes reasonably estimated to be actually payable within two (2) years of the date of the relevant transaction as a result of any gain recognized in connection therewith; *provided* that, if the amount of any estimated taxes pursuant to *subclause (C)* exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds and (D) amounts provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustment associated with such Disposition (provided, that to the extent at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds).

“**Newpark**” has the meaning specified in the introductory paragraph hereof.

“**NIBS**” has the meaning specified in the introductory paragraph hereto.

“**NOLV Percentage**” means the net orderly liquidation value of Inventory, expressed as a percentage, expected to be realized at an orderly, negotiated sale held within a reasonable period of time, net of all liquidation expenses, as determined from the most recent appraisal of the applicable Borrower’s Inventory or Mats Rental Inventory, as applicable, performed by an appraiser and on terms satisfactory to the Administrative Agent.

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of **Section 10.01** and (b) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**Non Extension Notice Date**” has the meaning specified in **Section 2.03(b)(iii)**.

“**Note**” means a promissory note made by the Borrowers in favor of a Lender evidencing Revolving Credit Loans or Swing Line Loans, as the case may be, made by such Lender, substantially in the form of **Exhibit C**.

“**Notice of Loan Prepayment**” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of **Exhibit F** or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“**NPL**” means the National Priorities List under CERCLA.

“**Obligations**” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, Letter of Credit, Secured Cash Management Agreement or Secured Hedge Agreement, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; *provided* that Obligations of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

“**Organization Documents**” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to **Section 3.06(b)**).

“**Outstanding Amount**” means (a) with respect to Revolving Credit Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrowers of Unreimbursed Amounts.

“**Participant**” has the meaning specified in **Section 10.06(d)**.

“**Participant Register**” has the meaning specified in **Section 10.06(d)**.

“**Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

“**PBGC**” means the Pension Benefit Guaranty Corporation.

“**Pension Act**” means the Pension Protection Act of 2006.

“**Pension Funding Rules**” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430 and 436 of the Code and Sections 302 and 303 of ERISA.

“**Pension Plan**” means any employee pension benefit plan (including a Multiple Employer Plan but excluding a Multiemployer Plan) that is maintained or is contributed to by any Borrower or any ERISA Affiliate and is either covered by *Title IV* of ERISA or is subject to the minimum funding standards under **Section 412** of the Code.

“**Permitted Acquisition**” means any Acquisition as long as (a) at the time of and immediately after giving effect thereto, no Default or Event of Default exists or is caused thereby; (b) the Acquisition is consensual; (c) no Indebtedness is assumed or incurred except as permitted by **Section 7.02**, and no Liens are assumed or incurred except as permitted by **Section 7.01**; (d) upon giving *pro forma* effect thereto, either (i) average Availability for the thirty (30) days preceding and as of the date of the Acquisition is not less than the greater of \$30,000,000 and 20% of the Borrowing Base, or (ii)(1) average Availability for the thirty (30) days preceding and as of the date of the Acquisition is not less than the greater of \$20,000,000 and 15% of the Borrowing Base and (2) the Consolidated Fixed Charge Coverage Ratio on a *pro forma* basis is at least 1.00 to 1.00 for the Measurement Period most recently ended for which financial statements of Newpark have been delivered pursuant to **Section 6.01(a) or (b)**; (e) the Borrowers deliver to the Administrative Agent, at least five (5) Business Days prior to the Acquisition (or such later date as the Administrative Agent may agree in its sole discretion), copies of all material agreements relating thereto (or if final executed copies are not then available, the then most recent drafts thereof) and a certificate, in form and substance satisfactory to the Administrative Agent, stating that the Acquisition is a “*Permitted Acquisition*” and demonstrating compliance with the foregoing requirements and (f) prior to inclusion of any Accounts and Inventory acquired in any such Acquisition in the determination of the Borrowing Base (which, for the avoidance of doubt, must be owned by a Borrower), the Administrative Agent shall have obtained an appraisal with respect to such Inventory and conducted a field examination, in each case, on a basis reasonably satisfactory to the Administrative Agent; *provided*, that such acquired Accounts and Inventory that will otherwise satisfy the eligibility criteria (as determined in good faith by Newpark based on a review of such eligibility criteria and the due diligence for such Acquisition) may be included in the calculation of **clause (b)** of the definition of “Borrowing Base” for a period not to exceed ninety (90) days pending completion of such field examination and appraisal.

“**Permitted Discretion**” means a determination made in the exercise, in good faith, of reasonable business judgment (from the perspective of a secured, asset-based lender).

“**Permitted Sale Leaseback Transaction**” means any Synthetic Lease hereinafter entered into by any of the Borrowers or any of their respective Subsidiaries in respect of any Real Estate in which such obligor has an interest, together with any fixtures and personal property related thereto that do not constitute Collateral.

“**Permitted Term Loan**” means any term loan hereinafter obtained by any of the Borrowers or any of their respective Subsidiaries secured by any Real Estate in which such obligor has an interest, together with any fixtures and personal property related thereto that do not constitute Collateral.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Plan**” means any employee benefit plan within the meaning of *Section 3(3)* of ERISA (including a Pension Plan), maintained for employees of any Borrower or any ERISA Affiliate or any such Plan to which any Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“**Platform**” has the meaning specified in *Section 6.02*.

“**Pledged Debt**” has the meaning specified in *Section 1.3* of the Security Agreement.

“**Prime Rate**” means the rate of interest announced by Bank of America from time to time as its prime rate. Such rate is set by Bank of America on the basis of various factors, including its costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such rate. Any change in such rate publicly announced by Bank of America shall take effect at the opening of business on the day specified in the announcement.

“**Pro Forma Basis**” shall mean on a basis in accordance with GAAP and Regulation S-X and otherwise reasonably satisfactory to the Administrative Agent.

“**Public Lender**” has the meaning specified in *Section 6.02*.

“**Qualified ECP Guarantor**” means, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualifies at such time as an “*eligible contract participant*” under the Commodity Exchange Act and can cause another Person to qualify as an “*eligible contract participant*” at such time under *Section 1a(18)(A)(v)(ii)* of the Commodity Exchange Act.

“**Real Estate**” means all right, title and interest (whether as owner, lessor or lessee) in any real property or any buildings, structures, parking areas or other improvements thereon.

“**Recipient**” means (a) any Lender, (b) any L/C Issuer and (c) the Administrative Agent, as applicable.

“**Register**” has the meaning specified in *Section 10.06(c)*.

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“**Relevant Governmental Body**” means the Federal Reserve Board and/or FRBNY, or a committee officially endorsed or convened by the Federal Reserve Board and/or FRBNY.

“**Removal Effective Date**” has the meaning specified in **Section 9.06**.

“**Rent and Charges Reserve**” means the aggregate of (a) all past due rent and other amounts owing by a Borrower to any landlord, warehouseman, processor, repairman, mechanic, shipper, freight forwarder, broker or other Person who possesses any Collateral or could assert a Lien on any Collateral; and (b) a reserve at least equal to three (3) months’ rent and other charges that could be payable to any such Person, in each case of **clauses (a) and (b)**, unless such Person has executed a Lien Waiver. Rent payable under Capitalized Leases will not be included in the Rent and Charges Reserve.

“**Reportable Event**” means any of the events set forth in **Section 4043(c)** of ERISA, other than events for which the thirty (30) day notice period has been waived.

“**Request for Credit Extension**” means (a) with respect to a Revolving Credit Borrowing, conversion or continuation of Revolving Credit Loans, a Revolving Credit Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

“**Required Lenders**” means, (a) if there are only one (1) or two (2) Lenders, all of such Lenders (other than any such Lender that is a Defaulting Lender) and (b) if there are more than two (2) Lenders, at least two (2) unaffiliated Lenders holding more than 50% of the sum of the (i) Total Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed “held” by such Lender for purposes of this definition) and (ii) aggregate unused Commitments; *provided* that the unused Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“**Rescindable Amount**” has the meaning specified in **Section 2.12(c)**.

“**Resignation Effective Date**” has the meaning specified in **Section 9.06**.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Responsible Officer**” means (i) the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party, (ii) solely for purposes of the delivery of incumbency certificates pursuant to **Section 4.01**, the secretary or any assistant secretary of a Loan Party, and (iii) solely for purposes of notices given pursuant to **Article II**, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and to the extent requested by the Administrative Agent, appropriate authorization documentation, in form and substance satisfactory to the Administrative Agent.

“**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).

“**Revolving Credit Borrowing**” means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of BSBY Loans, having the same Interest Period made by each of the Lenders pursuant to **Section 2.01**.

“**Revolving Credit Increase Effective Date**” has the meaning specified in **Section 2.14(d)**.

“**Revolving Credit Loan**” has the meaning specified in **Section 2.01**.

“**Revolving Credit Loan Notice**” means a notice of (a) a Revolving Credit Borrowing, (b) a conversion of Loans from one (1) Type to the other, or (c) a continuation of BSBY Loans, pursuant to **Section 2.02(a)**, which, if in writing, shall be substantially in the form of **Exhibit A**, or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system, including electronic mail, as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of Newpark.

“**S&P**” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc., and any successor thereto.

“**Sanction(s)**” means any sanction administered or enforced by the U.S. government, UN Security Council, European Union, U.K. government or other applicable sanctions authority, including restrictions imposed with respect to the specially designated nationals list maintained by the U.S. Treasury Office of Foreign Assets Control (OFAC).

“**SEC**” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“**Secured Bank Product Obligations**” means all debt, obligations and other liabilities owing under Secured Cash Management Agreements and Secured Hedge Agreements; *provided* that Secured Bank Product Obligations of a Loan Party shall not include the Excluded Swap Obligations of such Loan Party or any obligations of such Loan Party with respect to any leases that may constitute Bank Products.

“**Secured Cash Management Agreement**” means any Cash Management Agreement that is entered into by and between any Loan Party or any of its Subsidiaries and any Cash Management Bank which has delivered a Secured Party Designation Notice.

“**Secured Hedge Agreement**” means any Swap Contract permitted under **Article VII** that is entered into by and between any Borrower and any Hedge Bank which has delivered a Secured Party Designation Notice.

“**Secured Parties**” means, collectively, the Administrative Agent, the Lenders, the L/C Issuers, the Hedge Banks, the Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to **Section 9.05**, and the other Persons the Obligations owing to which are or are purported to be secured by the Collateral under the terms of the Collateral Documents.

“**Secured Party Designation Notice**” means a notice from any Lender or an Affiliate of a Lender, substantially in the form of **Exhibit G**, (a) describing the Secured Cash Management Agreement or Secured Hedge Agreement and setting forth the maximum amount to be secured by the Collateral and the methodology to be used in calculating such amount and (b) agreeing to be bound by **Section 9.11**.

“**Security Agreement**” means that certain Second Amended and Restated Security Agreement dated as of the Closing Date, executed by each of the Loan Parties in favor of the Administrative Agent.

“**Security Agreement Supplement**” means the form of supplement attached to the Security Agreement as **Annex I**.

“**SOFR**” means the secured overnight financing rate published by FRBNY (or a successor administrator), as administrator of the benchmark, on its website (or any successor source satisfactory to the Administrative Agent).

“**SOFR Adjustment**” means (a) with respect to Daily Simple SOFR, 0.11448%, and (b) with respect to Term SOFR, 0.11448% for a one (1) month interest period, 0.26161% for a three (3) month interest period and 0.42826% for a six (6) month interest period.

“**Solvent**” and “**Solvency**” mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**Specified Disposition**” means any Disposition described on **Schedule 7.05**.

“**Specified Loan Party**” means any Loan Party that is not an “*eligible contract participant*” under the Commodity Exchange Act (determined prior to giving effect to **Section 10.19**).

“**Subsidiary**” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one (1) or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “*Subsidiary*” or to “*Subsidiaries*” shall refer to a Subsidiary or Subsidiaries of Newpark.

“**Swap Contract**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “**Master Agreement**”), including any such obligations or liabilities under any Master Agreement.

“**Swap Obligations**” means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of *Section 1a(47)* of the Commodity Exchange Act.

“**Swap Termination Value**” means, in respect of any one (1) or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in *clause (a)*, the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one (1) or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“**Swing Line Borrowing**” means a borrowing of a Swing Line Loan pursuant to *Section 2.04*.

“**Swing Line Lender**” means Bank of America, in its capacity as provider of Swing Line Loans, and, at the request of Newpark and subject to the consent of the Administrative Agent in its sole discretion, any other swing line lender that agrees to act as a provider of Swing Line Loans, or, in each case, any successor swing line lender hereunder acceptable to the Administrative Agent.

“**Swing Line Loan**” has the meaning specified in *Section 2.04(a)*.

“**Swing Line Loan Notice**” means a notice of a Swing Line Borrowing pursuant to *Section 2.04(b)*, which, if in writing, shall be substantially in the form of *Exhibit B* or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of Newpark.

“**Swing Line Sublimit**” means, with respect to each Swing Line Lender, an amount equal to the lesser of (a) \$17,500,000 and (b) the Aggregate Commitments. The Swing Line Sublimits are part of, and not in addition to, the Aggregate Commitments.

“**Synthetic Debt**” means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds (including any minority interest transactions that function primarily as a borrowing) but are not otherwise included in the definition of “*Indebtedness*” or as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

“**Synthetic Lease**” means (a) a so-called synthetic, off-balance sheet or tax retention lease and (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).



“**Synthetic Lease Obligation**” means the monetary obligation of a Person under a Synthetic Lease.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Term SOFR**” means, for the applicable corresponding Interest Period of the BSBY Rate (or if any Interest Period does not correspond to an interest period applicable to SOFR, the closest corresponding interest period of SOFR, but if such interest period of SOFR corresponds equally to two (2) Interest Periods of the BSBY Rate, the corresponding interest period of shorter duration shall be applied), the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“**Total Outstandings**” means (a) the aggregate Outstanding Amount of all Loans and all L/C Obligations less (b) the amount of L/C Obligations which are Cash Collateralized pursuant to **Section 2.15(b)**.

“**Total Swing Line Sublimit**” means an amount equal to the lesser of (a) \$17,500,000 and (b) the Aggregate Commitments. The Total Swing Line Sublimit is a part of, and not in addition to, the Aggregate Commitments.

“**Treasury Management Services**” means the maintenance of operating and deposit accounts, lockbox administration, funds transfer, information reporting services and other treasury management services.

“**Type**” means, with respect to a Loan, its character as a Base Rate Loan or a BSBY Loan.

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York; *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “**UCC**” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“**UK Financial Institution**” means any BRRD Undertaking (as defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**United States**” and “**U.S.**” mean the United States of America.

“**Unreimbursed Amount**” has the meaning specified in **Section 2.03(c)(i)**.

“**U.S. Loan Party**” means any Loan Party that is organized under the laws of one of the states of the United States of America and that is not a CFC.

“**U.S. Person**” means any Person that is a “*United States person*” as defined in *Section 7701(a)(30)* of the Code.

“**U.S. Tax Compliance Certificate**” has the meaning specified in *Section 3.01(e)(ii)*.

“**Value**” means, (a) for an Account, its face amount, net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could properly be claimed by the Account Debtor or any other Person; and (b) for Inventory, its value determined on the basis of the lower of cost or market, calculated on a first-in, first out basis, and excluding any portion of cost attributable to intercompany profit among the Borrowers and their Affiliates.

“**Weekly BBC Trigger Period**” means the period (a) commencing on the day that an Event of Default occurs, or Availability is less than the greater of (i) 12.5% of the Borrowing Base and (ii) \$20,000,000, and (b) continuing until, during each of the preceding thirty (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 and (ii) \$20,000,000.

“**Write-Down and Conversion Powers**” means (a) the write-down and conversion powers of the applicable EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which powers are described in the EU Bail-In Legislation Schedule; or (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**1.02 Other Interpretive Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “*from*” means “from and including;” the words “*to*” and “*until*” each mean “to but excluding;” and the word “*through*” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

### 1.03 Accounting Terms.

(a) **Generally.** All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (A) Indebtedness of Newport and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded and (B) all calculations shall be made without duplication. Unless the context indicates otherwise, any reference to a “fiscal year” shall refer to a fiscal year of Newport, and any reference to a “fiscal quarter” shall refer to a fiscal quarter of Newport.

(b) **Changes in GAAP.** If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Newport or the Required Lenders shall so request, the Administrative Agent, the Lenders and Newport shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders, which approval the Required Lenders agree not to unreasonably withhold or delay); *provided* that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Newport shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) **Consolidation of Variable Interest Entities; Etc.** All references herein to consolidated financial statements of Newport and its Subsidiaries or to the determination of any amount for Newport and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that Newport is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein. Further, all references herein to “*consolidated*” (and its correlative meanings) when used in respect of Newport or any one (1) or more of its Subsidiaries shall mean on a consolidated basis for Newport and its Subsidiaries in accordance with GAAP.

1.04 **Rounding.** Any financial ratios required to be maintained by Newpark pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one (1) place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Central time (daylight or standard, as applicable).

1.06 **Letter of Credit Amounts.** Unless otherwise specified herein, the amount of a Letter of Credit at any time of determination shall be deemed to be the stated amount of such Letter of Credit in effect at such time or, if less, such portion of the stated amount that is permitted to be drawn thereunder.

1.07 **Uniform Commercial Code.** Terms relating to Collateral used and not otherwise defined herein that are defined in the UCC shall have the meanings set forth in the UCC, as applicable and as the context requires.

1.08 **Division.** Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company or limited partnership, or an allocation of assets to a series of any such entity (or the unwinding of a Division or allocation) as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer or similar term, as applicable, to, of or with a separate Person. Any Division of Person shall constitute a separate Person hereunder.

1.09 **Currency Equivalents Generally.** Any amount specified in this Agreement (other than in Articles *II* and *IX*) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this *Section 1.09*, the “*Spot Rate*” for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date of such determination; *provided* that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

## II. THE COMMITMENTS AND CREDIT EXTENSIONS.

2.01 **The Loans.** Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a “*Revolving Credit Loan*”) to the Borrowers from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Commitment; *provided, however*, that after giving effect to any Revolving Credit Borrowing, (i) the Total Outstandings shall not exceed the Borrowing Base, and (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender, *plus* such Lender’s Applicable Percentage of the Outstanding Amount of all L/C Obligations, *plus* such Lender’s Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender’s Commitment. Within the limits of the Borrowing Base, and subject to the other terms and conditions hereof, the Borrowers may borrow under this *Section 2.01*, prepay under *Section 2.05*, and reborrow under this *Section 2.01*. Revolving Credit Loans may be Base Rate Loans or BSBY Loans, as further provided herein; *provided, however*, any Revolving Credit Borrowings made on the Closing Date or any of the three (3) Business Days following the Closing Date shall be made as Base Rate Loans unless Newpark delivers a funding indemnity letter acceptable to the Administrative Agent not less than three (3) Business Days prior to the date of such Revolving Credit Borrowing.

## 2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Revolving Credit Borrowing, each conversion of Revolving Credit Loans from one (1) Type to the other, and each continuation of BSBY Loans shall be made upon Newport's irrevocable notice to the Administrative Agent, which shall be given by a Revolving Credit Loan Notice, appropriately completed and signed by a Responsible Officer of Newport. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of BSBY Loans or of any conversion of BSBY Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each Borrowing of, conversion to or continuation of BSBY Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Except as provided in **Sections 2.03(c)** and **2.04(c)**, each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Revolving Credit Loan Notice shall specify (i) whether Newport is requesting a Revolving Credit Borrowing, a conversion of Revolving Credit Loans from one (1) Type to the other, or a continuation of BSBY Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Revolving Credit Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If Newport fails to specify a Type of Loan in a Revolving Credit Loan Notice or if Newport fails to give a timely notice requesting a conversion or continuation, then the Revolving Credit Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable BSBY Loans. If Newport requests a Borrowing of, conversion to, or continuation of BSBY Loans in any such Revolving Credit Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a BSBY Loan.

(b) Following receipt of a Revolving Credit Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the Revolving Credit Loans, and if no timely notice of a conversion or continuation is provided by Newport, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in **Section 2.02(a)**. In the case of a Revolving Credit Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 12:00 noon on the Business Day specified in the applicable Revolving Credit Loan Notice. Upon satisfaction of the applicable conditions set forth in **Section 4.02** (and, if such Borrowing is the initial Credit Extension, **Section 4.01**), the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of such Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by Newport; *provided, however*, that if, on the date a Revolving Credit Loan Notice with respect to a Revolving Credit Borrowing is given by Newport, there are L/C Borrowings outstanding, then the proceeds of such Revolving Credit Borrowing, *first*, shall be applied to the payment in full of any such L/C Borrowings, and *second*, shall be made available to the applicable Borrower as provided above.

(c) Except as otherwise provided herein, a BSBY Loan may be continued or converted only on the last day of an Interest Period for such BSBY Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as BSBY Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify Newpark and the Lenders of the interest rate applicable to any Interest Period for BSBY Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify Newpark and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Revolving Credit Borrowings, all conversions of Revolving Credit Loans from one Type to the other, and all continuations of Revolving Credit Loans as the same Type, there shall not be more than five (5) Interest Periods in effect with respect to BSBY Loans at any time.

### 2.03 Letters of Credit.

#### (a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this **Section 2.03**, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrowers, and to amend or extend Letters of Credit previously issued by it, in accordance with **Section 2.03(b)**, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrowers and any drawings thereunder; *provided* that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Outstandings shall not exceed the Borrowing Base, (y) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender, *plus* such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, *plus* such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by Newpark for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by Newpark that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) No L/C Issuer shall issue any Letter of Credit if:

(A) subject to **Section 2.03(b)(iii)**, the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the applicable L/C Issuer from issuing the Letter of Credit, or any Law applicable to the applicable L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the applicable L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the applicable L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of the applicable L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the applicable L/C Issuer, the Letter of Credit is in an initial stated amount less than \$500,000;

(D) the Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Lender is at that time a Defaulting Lender, unless the applicable L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with Newpark or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to **Section 2.16(a)(iv)**) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion;

(F) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(G) immediately after giving effect to such issuance, the outstanding L/C Obligations in respect of all Letters of Credit issued by such L/C Issuer would exceed such L/C Issuer's L/C Issuer Sublimit.

(iv) No L/C Issuer shall amend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) Each L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) Each L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in **Article IX** with respect to any acts taken or omissions suffered by any L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term “*Administrative Agent*” as used in **Article IX** included the L/C Issuers with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuers.

**(b) Procedures for Issuance and Amendment of Letters of Credit; Auto Extension Letters of Credit.**

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Newpark delivered to the applicable L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of Newpark. Such Letter of Credit Application may be sent by fax transmission, by United States mail, by overnight courier, by electronic transmission using the system provided by the applicable L/C Issuer, by personal delivery or by any other means acceptable to such L/C Issuer. Such Letter of Credit Application must be received by the applicable L/C Issuer and the Administrative Agent not later than 10:00 a.m. at least two (2) Business Days (or such later date and time as the Administrative Agent and the applicable L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the applicable L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the applicable L/C Issuer may require. Additionally, Newpark shall furnish to the applicable L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as such L/C Issuer or the Administrative Agent may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from Newpark and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the applicable L/C Issuer has received written notice from any Lender, the Administrative Agent or any Borrower, at least one (1) Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in **Article IV** shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer’s usual and customary business practices. Immediately upon the issuance of each



Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the applicable L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If Newpark so requests in any applicable Letter of Credit Application, the applicable L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto Extension Letter of Credit**"); *provided* that any such Auto Extension Letter of Credit must permit such L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "**Non Extension Notice Date**") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the applicable L/C Issuer, Newpark shall not be required to make a specific request to such L/C Issuer for any such extension. Once an Auto Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the applicable L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; *provided, however*, that such L/C Issuer shall not permit any such extension if (A) such L/C Issuer has determined that it would not be permitted, or would have no obligation at such time, to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of *clause (ii)* or *(iii)* of **Section 2.03(a)** or otherwise), or (B) it has received notice (which, in the case of the Administrative Agent or any Lender, may be by telephone or in writing) on or before the day that is seven Business Days before the Non Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or Newpark that one or more of the applicable conditions specified in **Section 4.02** is not then satisfied, and in each such case directing such L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to Newpark and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) **Drawings and Reimbursements; Funding of Participations.**

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall notify Newpark and the Administrative Agent thereof. Not later than 10:00 a.m. on the date of any payment by the applicable L/C Issuer under a Letter of Credit (each such date, an "**Honor Date**"), the Borrowers shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrowers fail to so reimburse the applicable L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "**Unreimbursed Amount**"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrowers shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in **Section 2.02** for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Commitments and the conditions set forth in **Section 4.02** (other than the delivery of a Revolving Credit Loan Notice). Any notice given by the applicable L/C Issuer or the Administrative Agent pursuant to this **Section 2.03(c)(i)** may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to **Section 2.03(c)(i)** make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the applicable L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 12:00 noon on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of **Section 2.03(c)(iii)**, each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrowers in such amount. The Administrative Agent shall remit the funds so received to such L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in **Section 4.02** cannot be satisfied or for any other reason, the Borrowers shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of such L/C Issuer pursuant to **Section 2.03(c)(ii)** shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this **Section 2.03**.

(iv) Until each Lender funds its Revolving Credit Loan or L/C Advance pursuant to this **Section 2.03(c)** to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of such L/C Issuer.

(v) Each Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse the applicable L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this **Section 2.03(c)**, shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against such L/C Issuer, the Borrowers or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided, however*, that each Lender's obligation to make Revolving Credit Loans pursuant to this **Section 2.03(c)** is subject to the conditions set forth in **Section 4.02** (other than delivery by Newpark of a Revolving Credit Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrowers to reimburse the applicable L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the applicable L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this **Section 2.03(c)** by the time specified in **Section 2.03(c)(ii)**, then, without limiting the other provisions of this Agreement, such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate *per annum* equal to the greater of the Federal Funds Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation, *plus* any administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Revolving Credit Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of such L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this **Section 2.03(c)(vi)** shall be conclusive absent manifest error.

(d) **Repayment of Participations.**

(i) At any time after the applicable L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with **Section 2.03(c)**, if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrowers or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the applicable L/C Issuer pursuant to **Section 2.03(c)(i)** is required to be returned under any of the circumstances described in **Section 10.05** (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this **clause** shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) **Obligations Absolute.** The joint and several obligation of the Borrowers to reimburse each L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any L/C Issuer or any other Person, whether in connection with this Agreement or such Letter of Credit, the transactions contemplated hereby or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, endorsement, certificate or other document presented under or in connection with such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by any L/C Issuer of any requirement that exists for such L/C Issuer's protection and not the protection of the Borrowers or any waiver by any L/C Issuer which does not in fact materially prejudice the Borrowers;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by any L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC or the ISP, as applicable;

(vii) any payment by any L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by any L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any of its Subsidiaries.

Newpark shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Newpark's instructions or other irregularity, Newpark will immediately notify the applicable L/C Issuer. The Borrowers shall be conclusively deemed to have waived any such claim against the applicable L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) **Role of L/C Issuers.** Each Lender and the Borrowers agree that, in paying any drawing under a Letter of Credit, no L/C Issuer shall have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; *provided, however*, that this assumption is not intended to, and shall not, preclude such Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement or otherwise. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuers shall be liable or responsible for any of the matters described in *clauses (i) through (viii) of Section 2.03(e)*; *provided, however*, that anything in such clauses to the contrary notwithstanding, a Borrower may have a claim against any L/C Issuer, and any L/C Issuer may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which such Borrower proves, as determined by a final nonappealable judgment of a court of competent jurisdiction, were caused

by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, any L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and such L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. Each L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("*SWIFT*") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) **Applicability of ISP.** Unless otherwise expressly agreed by the applicable L/C Issuer and Newpark when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, no L/C Issuer shall be responsible to the Borrowers for, and each L/C Issuer's rights and remedies against the Borrowers shall not be impaired by, any action or inaction of any L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where such L/C Issuer or the beneficiary is located, the practice stated in the ISP or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) **Letter of Credit Fees.** The Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance, subject to *Section 2.16*, with its Applicable Percentage a Letter of Credit fee (the "*Letter of Credit Fee*") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with *Section 1.06*. Letter of Credit Fees shall be (i) due and payable on the first day of each month, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a monthly basis in arrears. If there is any change in the Applicable Rate during any month, the daily amount available to be drawn under each Letter of Credit shall be computed and *multiplied* by the Applicable Rate separately for each period during such month that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) **Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers.** The Borrowers shall pay directly to the applicable L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate *per annum* specified in the applicable Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a monthly basis in arrears. Such fronting fee shall be due and payable on the first day of each month in respect of the most recently ended monthly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with **Section 1.06**. In addition, the Borrowers shall pay directly to the applicable L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) **Conflict with Issuer Documents.** In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) **L/C Issuer Reports to the Administrative Agent.** Unless otherwise agreed by the Administrative Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this **Section**, provide the Administrative Agent a Letter of Credit Report, as set forth below:

(i) reasonably prior to the time that such L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrowers fail to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(v) for so long as any Letter of Credit issued by an L/C Issuer is outstanding, such L/C Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all other times a Letter of Credit Report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit Report appropriately completed with the information for every outstanding Letter of Credit issued by such L/C Issuer.

(l) **Letters of Credit Issued for Subsidiaries.** Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrowers shall be jointly and severally obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrowers hereby acknowledge that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrowers, and that the Borrowers' business derives substantial benefits from the businesses of such Subsidiaries.

## 2.04 Swing Line Loans.

(a) **The Swing Line.** Subject to the terms and conditions set forth herein, each Swing Line Lender may in its sole discretion, in reliance upon the agreements of the other Lenders set forth in this **Section 2.04**, make loans (each such loan, a “**Swing Line Loan**”) to the Borrowers from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of its Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Credit Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender’s Commitment; *provided, however*, that (i) after giving effect to any Swing Line Loan, (A) the Total Outstandings shall not exceed the Borrowing Base at such time, (B) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender at such time, *plus* such Lender’s Applicable Percentage of the Outstanding Amount of all L/C Obligations at such time, *plus* such Lender’s Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender’s Commitment, (C) the aggregate Outstanding Amount of all Swing Line Loans at any time shall not exceed the Total Swing Line Sublimit and *provided further* that the Borrowers shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (ii) no Swing Line Lender shall be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrowers may borrow under this **Section 2.04**, prepay under **Section 2.05**, and reborrow under this **Section 2.04**. Each Swing Line Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the applicable Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender’s Applicable Percentage times the amount of such Swing Line Loan.

(b) **Borrowing Procedures.** Each Swing Line Borrowing shall be made upon Newport’s irrevocable notice to the applicable Swing Line Lender and the Administrative Agent, which shall be given by a Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of Newport. Each such notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than 2:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Unless the applicable Swing Line Lender has received notice from the Administrative Agent (including at the request of any Lender) prior to 3:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing such Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of **Section 2.04(a)**, or (B) that one or more of the applicable conditions specified in **Article IV** is not then satisfied, then, subject to the terms and conditions hereof, the applicable Swing Line Lender will, not later than 4:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the applicable Borrower.

### (c) Refinancing of Swing Line Loans.

(i) Each Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of Newport (which hereby irrevocably authorizes each Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender’s Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Revolving Credit Loan Notice for purposes hereof) and in accordance with the requirements of **Section 2.02**, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in **Section 4.02**. The applicable Swing Line Lender shall furnish Newport with a copy of the applicable Revolving Credit Loan Notice promptly after delivering such notice to the

Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Revolving Credit Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the applicable Swing Line Lender at the Administrative Agent's Office not later than 12:00 noon on the day specified in such Revolving Credit Loan Notice, whereupon, subject to **Section 2.04(c)(ii)**, each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with **Section 2.04(c)(i)**, the request for Base Rate Loans submitted by the applicable Swing Line Lender as set forth herein shall be deemed to be a request by such Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the applicable Swing Line Lender pursuant to **Section 2.04(c)(i)** shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the applicable Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this **Section 2.04(c)** by the time specified in **Section 2.04(c)(i)**, the applicable Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the applicable Swing Line Lender at a rate *per annum* equal to the greater of the Federal Funds Rate and a rate determined by the applicable Swing Line Lender in accordance with banking industry rules on interbank compensation, *plus* any administrative, processing or similar fees customarily charged by the applicable Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Revolving Credit Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the applicable Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this **clause (iii)** shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this **Section 2.04(c)** shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the applicable Swing Line Lender, the Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided, however*, that each Lender's obligation to make Revolving Credit Loans pursuant to this **Section 2.04(c)** is subject to the conditions set forth in **Section 4.02**. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrowers to repay Swing Line Loans, together with interest as provided herein.



(d) **Repayment of Participations.**

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the applicable Swing Line Lender receives any payment on account of such Swing Line Loan, such Swing Line Lender will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by such Swing Line Lender.

(ii) If any payment received by the applicable Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by such Swing Line Lender under any of the circumstances described in **Section 10.05** (including pursuant to any settlement entered into by such Swing Line Lender in its discretion), each Lender shall pay to the applicable Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned, at a rate *per annum* equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the applicable Swing Line Lender. The obligations of the Lenders under this *clause* shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) **Interest for Account of Swing Line Lender.** Each Swing Line Lender shall be responsible for invoicing the Borrowers for interest on such Swing Line Lender's Swing Line Loans (*provided* that any failure of a Swing Line Lender to provide an invoice for interest on Swing Line Loans shall not release the Borrowers from their obligation to pay such interest). Until each Lender funds its Base Rate Loan or risk participation pursuant to this **Section 2.04** to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the applicable Swing Line Lender.

(f) **Payments Directly to Swing Line Lender.** The Borrowers shall make all payments of principal and interest in respect of the Swing Line Loans directly to the applicable Swing Line Lender.

2.05 **Prepayments.**

(a) **Optional.**

(i) The Borrowers may, upon notice to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Credit Loans in whole or in part without premium or penalty subject to **Section 3.05**; *provided* that (A) such notice must be received by the Administrative Agent not later than 10:00 a.m. (1) three (3) Business Days prior to any date of prepayment of BSBY Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of BSBY Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (C) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if BSBY Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrowers, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a BSBY Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to **Section 3.05**. Subject to **Section 2.16**, each such prepayment shall be applied to the Revolving Credit Loans of the Lenders in accordance with their respective Applicable Percentages. Each notice delivered by Newpark on behalf of the Borrowers pursuant to this **Section 2.05(a)** will be irrevocable, except that if a notice of prepayment is given on a conditional basis as contemplated by **Section 2.06**,

then such notice of prepayment may be revoked if such notice of termination or reduction is revoked in accordance with **Section 2.06**.

(ii) The Borrowers may, upon notice to the applicable Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; *provided* that (A) such notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than 12:00 noon on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of \$100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrowers, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by all accrued interest on the amount prepaid.

(b) **Mandatory.**

(i) If for any reason, the Total Outstandings at any time exceed the Borrowing Base at such time, the Borrowers shall immediately prepay Revolving Credit Loans, Swing Line Loans and L/C Borrowings and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount equal to such excess.

(ii) In the event any Loan Party receives the Net Cash Proceeds of any Specified Disposition, the Borrowers shall promptly (and in any event within two (2) Business Days of the Loan Parties' receipt of such Net Proceeds) prepay Revolving Credit Loans, Swing Line Loans and L/C Borrowings and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount equal to 100% of the Net Cash Proceeds of such Specified Disposition.

**2.06 Termination or Reduction of Commitments.** Newpark may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, the Letter of Credit Sublimit or the Total Swing Line Sublimit, or from time to time permanently reduce the Aggregate Commitments, the Letter of Credit Sublimit or the Total Swing Line Sublimit; *provided* that (i) any such notice shall be received by the Administrative Agent not later than 10:00 a.m. five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof and (iii) Newpark shall not terminate or reduce (A) the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Borrowing Base, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Total Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Total Swing Line Sublimit or the Outstanding Amount of Swing Line Loans owing to any Swing Line Lender would exceed such Swing Line Lender's Swing Line Sublimit. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Aggregate Commitments under this **Section 2.06**. Upon any reduction of the Aggregate Commitments, the Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. Upon any reduction of the Total Swing Line Sublimit, each Swing Line Lender's Swing Line Sublimit shall be an amount equal to such reduction amount. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination. Each notice delivered by Newpark on behalf of the Borrowers pursuant to this **Section 2.06** will be irrevocable, except that a notice of termination of the Commitments delivered by Newpark may state that such notice is conditioned upon the effectiveness of other credit facilities or an acquisition or disposition transaction, in which case such notice may be revoked by Newpark (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

## 2.07 Repayment of Revolving Credit Loans.

(a) **Revolving Credit Loans.** The Borrowers jointly and severally shall repay to the Lenders on the Maturity Date the aggregate principal amount of all Revolving Credit Loans outstanding on such date.

(b) **Swing Line Loans.** The Borrowers jointly and severally shall repay each Swing Line Loan on the earlier to occur of (i) the date ten (10) Business Days after such Loan is made and (ii) the Maturity Date.

(c) **Dominion Account.** During any Cash Dominion Trigger Period, the ledger balance in each Dominion Account as of the end of a Business Day shall be applied to the Obligations at the beginning of the next Business Day. If a credit balance results from such application, it shall not accrue interest in favor of the Borrowers and shall be made available to the Borrowers as long as no Default or Event of Default exists. At all times when a Cash Dominion Trigger Period is not in effect, the Borrowers shall have unrestricted access to amounts in Deposit Accounts.

## 2.08 Interest.

(a) Subject to the provisions of **Section 2.08(b)** and **Section 10.09**, (i) each BSBY Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate *per annum* equal to the BSBY Rate for such Interest Period *plus* the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate *per annum* equal to the Base Rate *plus* the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate *per annum* equal to the Base Rate *plus* the Applicable Rate.

(b) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate *per annum* at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrowers under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders such amount shall thereafter bear interest at a fluctuating interest rate *per annum* at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrowers shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate *per annum* at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 **Fees.** In addition to certain fees described in **Sections 2.03(h)** and **(i)**:

(a) **Commitment Fee.** The Borrowers jointly and severally shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to the Applicable Fee Rate times the actual daily amount by which the Aggregate Commitments exceed the sum of (i) the Outstanding Amount of Revolving Credit Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in **Section 2.16**. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in **Article IV** is not met, and shall be due and payable quarterly in arrears on the first day of each April, July, October and January, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Fee Rate during any quarter, the actual daily amount shall be computed and *multiplied* by the Applicable Fee Rate separately for each period during such quarter that such Applicable Fee Rate was in effect.

(b) **Other Fees.** The Borrowers shall pay to the Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 **Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.**

(a) All computations of fees and interest shall be made on the basis of a three hundred sixty (360) day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a three hundred sixty-five (365) day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to **Section 2.12(a)**, bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of Newpark or for any other reason, Newpark or the Lenders determine that (i) the Consolidated Leverage Ratio as calculated by Newpark as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the applicable L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrowers under the Bankruptcy Code of the United States, automatically pay without further action by the Administrative Agent, any Lender or any L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or any L/C Issuer, as the case may be, under *Section 2.03(c)(iii)*, *2.03(h)* or *2.08(b)* or under *Article VIII*. The Borrowers' obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

## 2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in *Section 2.11(a)*, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

## 2.12 Payments Generally; the Administrative Agent's Clawback.

(a) **General.** All payments to be made by the Borrowers shall be made free and clear and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 1:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 1:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected on computing interest or fees, as the case may be.

(b) **Funding by Lenders; Presumption by the Administrative Agent.** Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of BSBY Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 11:00 a.m. on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with **Section 2.02** (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by **Section 2.02**) and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, *plus* any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (ii) in the case of a payment to be made by the Borrowers, the interest rate applicable to Base Rate Loans. If the Borrowers and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrowers the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(c) **Payments by the Borrowers; Presumptions by the Administrative Agent.** Unless the Administrative Agent shall have received notice from Newpark prior to the time at which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuers hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuers, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of Lenders or the L/C Issuers hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment, a "**Rescindable Amount**"): (1) the Borrowers have not in fact made such payment, (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrowers (whether or not then owed), or (3) Agent has for any reason otherwise erroneously made such payment, then each Lender or such L/C Issuer, as applicable, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to or otherwise made for the account of such Lender or such L/C Issuer, in immediately available funds with interest thereon for each day from and including the date such amount is distributed to it to but excluding the date of payment to Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice by the Administrative Agent to the L/C Issuers, any Lender or any Borrower with respect to any amount owing under this **clause (c)** shall be conclusive, absent manifest error

(d) **Failure to Satisfy Conditions Precedent.** If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this *Article II*, and such funds are not made available to the Borrowers by the Administrative Agent because the conditions to the applicable Credit Extension set forth in *Article IV* are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(e) **Obligations of Lenders Several.** The obligations of the Lenders hereunder to make Revolving Credit Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to *Section 10.04(c)* are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under *Section 10.04(c)* on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under *Section 10.04(c)*.

(f) **Funding Source.** Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(g) **Insufficient Funds.** If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

2.13 **Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Parties at such time) of payment on account of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time then, in each case under *clause (a)* and *(b)* above, the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Revolving Credit Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this **Section** shall not be construed to apply to (A) any payment made by or on behalf of the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in **Section 2.15**, or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to Newport or any Subsidiary or Affiliate thereof (as to which the provisions of this **Section** shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Laws, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

#### 2.14 **Increase in Commitments.**

(a) **Request for Increase.** Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), Newport may from time to time, request an increase in the Aggregate Commitments (an “**Incremental Commitment**”) in an amount up to but not exceeding (giving effect to all such increases) \$250,000,000; *provided* that (i) any such request for an Incremental Commitment shall be in a minimum amount of \$10,000,000, (ii) Newport may make a maximum of five (5) such requests, (iii) such Incremental Commitment shall be on the same terms and conditions, including pricing, as the then existing Commitments, except with respect to any arrangement, upfront, or similar fees that may be agreed to among the Borrowers and any Lenders providing such Incremental Commitment, (iv) neither the funding of such Incremental Commitment (assuming that such Incremental Commitment were fully drawn) nor the existence of the Liens securing the same would violate the terms of any indenture or other agreement governing Indebtedness for borrowed money in excess of \$25,000,000 of Newport or any of its Subsidiaries and (v) any such Incremental Commitment shall benefit from the same guarantees as, and be secured on a *pari passu* basis by the same Collateral securing, the existing Commitments. At the time of sending such notice, Newport (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) **Lender Elections to Provide an Incremental Commitment.** Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to provide an Incremental Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested Incremental Commitment. Any Lender not responding within such time period shall be deemed to have declined to provide an Incremental Commitment. For the avoidance of doubt, no Lender is obligated to provide an Incremental Commitment.

(c) **Notification by the Administrative Agent; Additional Lenders.** The Administrative Agent shall notify Newport and each Lender of the Lenders’ responses to each request for an Incremental Commitment. Subject to the approval of the Administrative Agent, the L/C Issuers and the Swing Line Lenders (which approvals shall not be unreasonably withheld or delayed), Newport may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel, which invitation may be made concurrently with the notice required by **Section 2.14(a)**.



(d) **Effective Date and Allocations.** If the Aggregate Commitments are increased in accordance with this *Section*, the Administrative Agent and Newpark shall determine the effective date (the “**Revolving Credit Increase Effective Date**”) and the final allocation of such increase. The Administrative Agent shall promptly notify Newpark and the Lenders of the final allocation of such increase and the Revolving Credit Increase Effective Date.

(e) **Conditions to Effectiveness of Incremental Commitment.** As a condition precedent to such Incremental Commitment, (i) Newpark shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Revolving Credit Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (x) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such Incremental Commitment, and (y) in the case of the Borrowers, certifying that, before and after giving effect to such Incremental Commitment, (a) the representations and warranties contained in *Article V* and the other Loan Documents are true and correct on and as of the Revolving Credit Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this *Section 2.14* the representations and warranties contained in *subsections (a) and (b) of Section 5.05* shall be deemed to refer to the most recent statements furnished pursuant to *clauses (a) or (b), as applicable, of Section 6.01*, (b) at the time of and after giving effect on a *pro forma* basis to such Incremental Commitment and any borrowings made on the Revolving Credit Increase Effective Date, the Borrowers are in compliance with *Section 7.11* of the end of the most recently ended fiscal quarter for which financial statements of Newpark have been delivered pursuant to *Section 6.01(a) or (b)* and (c) no Default exists. The Borrowers shall prepay any Revolving Credit Loans outstanding on the Revolving Credit Increase Effective Date (and pay any additional amounts required pursuant to *Section 3.05*) to the extent necessary to keep the outstanding Revolving Credit Loans ratable with any revised Applicable Percentages arising from any nonratable Incremental Commitment under this *Section* and the Borrowers may use advances from Lenders having new or Incremental Commitments for such prepayment.

(f) **Conflicting Provisions.** This *Section* shall supersede any provisions in *Section 2.13* or *10.01* to the contrary

#### 2.15 Cash Collateral.

(a) **Certain Credit Support Events.** Upon the request of the Administrative Agent or any L/C Issuer (i) if the applicable L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrowers shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent, the L/C Issuers or the Swing Line Lenders, the Borrowers shall deliver to the Administrative Agent Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to *clause (ii)* above, after giving effect to *Section 2.16(a)(iv)* and any Cash Collateral provided by the Defaulting Lender).

(b) **Voluntary Cash Collateralization of Letters of Credit.** Upon prior notice to the Administrative Agent and any L/C Issuer, Newpark or any other Borrower may, in its discretion and at any time, Cash Collateralize all or a portion of the Outstanding Amount of L/C Obligations.

(c) **Grant of Security Interest.** All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked deposit accounts at Bank of America which, in the case of Cash Collateral provided by any Borrower, shall be interest bearing deposit accounts. The applicable Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral. In connection with any Cash Collateral, each Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders (including the Swing Line Lenders), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to **Section 2.15(d)**. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the applicable Borrower as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(d) **Application.** Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this **Section 2.15** or **Sections 2.03, 2.04, 2.05, 2.06, 2.16** or **8.02** in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(e) **Release.** Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with **Section 10.06(b)(vi)**)), (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral or (iii) in the case of **Section 2.15(b)** only, the request of Newpark or the other Borrower providing such Cash Collateral; *provided, however*, (w) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, (x) that Cash Collateral furnished by or on behalf of a Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this **Section 2.15** may be otherwise applied in accordance with **Section 8.03**), and (y) the Person providing Cash Collateral and the L/C Issuers or Swing Line Lenders, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

## 2.16 Defaulting Lenders.

(a) **Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) **Waivers and Amendments.** That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in **Section 10.01**.

(ii) **Reallocation of Payments.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to **Article VIII** or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to **Section 10.08**), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a *pro rata* basis of any amounts owing by that Defaulting Lender to the L/C Issuers or Swing Line Lenders hereunder; *third*, to Cash Collateralize the applicable L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with **Section 2.15**; *fourth*, as Newpark may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and Newpark, to be held in a non-interest bearing deposit account and released in order to (A) satisfy potential future obligations of that Defaulting Lender to fund Loans under this Agreement and (B) Cash Collateralize the applicable L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with **Section 2.15**; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuers or Swing Line Lenders against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by a Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that Defaulting Lender or as otherwise as may be required under the Loan Documents in connection with any Lien conferred thereunder or directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or L/C Borrowings were made at a time when the conditions set forth in **Section 4.02** were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders *pro rata* in accordance with the Commitments hereunder without giving effect to **Section 2.16(a)(v)**. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this **Section 2.16(a)(ii)** shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.**

(A) **Fees.** No Defaulting Lender shall be entitled to receive any fee payable pursuant to **Section 2.09(a)** for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) **Letter of Credit Fees.** Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to **Section 2.03(a)(iii) (E)**.

(C) **Defaulting Lender Fees.** With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to **clause (B)** above, the Borrowers shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to **clause (iv)** below, (2) pay to the applicable L/C Issuer and applicable Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee.

(iv) **Reallocation of Applicable Percentages to Reduce Fronting Exposure.** All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (A) the conditions set forth in **Section 4.02** are satisfied at the time of such reallocation (and, unless Newpark shall have otherwise notified the Administrative Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (B) such reallocation does not cause (1) the aggregate principal amount at such time of such Non-Defaulting Lender's outstanding Revolving Credit Loans and participations in L/C Obligations and Swing Line Loans to exceed (2) such Non-Defaulting Lender's Commitment. Subject to **Section 10.20**, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) **Cash Collateral, Repayment of Swing Line Loans.** If the reallocation described in **clause (a)(iv)** above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (A) *first*, prepay Swing Line Loans in an amount equal to the applicable Swing Line Lender's Fronting Exposure and (B) *second*, Cash Collateralize the applicable L/C Issuer's Fronting Exposure in accordance with the procedures set forth in **Section 2.15**.

(b) **Defaulting Lender Cure.** If Newpark, the Administrative Agent, Swing Line Lenders and the L/C Issuers agree in writing in their sole discretion that a Defaulting Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Credit Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a *pro rata* basis by the Lenders in accordance with their Applicable Percentages (without giving effect to **Section 2.16(a)(iv)**), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.17 **Newpark as the Borrowers' Agent.** Each Borrower hereby designates Newpark as its representative and agent for all purposes under the Loan Documents, including requests for Loans and Letters of Credit, designation of interest rates, delivery or receipt of communications, preparation and delivery of the Borrower Materials, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Loan Documents (including in respect of compliance with covenants), and all other dealings with the Administrative Agent, any L/C Issuer or any Lender. Newpark hereby accepts such appointment. The Administrative Agent and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any notice of borrowing) delivered by Newpark on behalf of any Borrower. The Administrative Agent and the Lenders may give any notice or communication with a Loan Party hereunder to Newpark on behalf of such Loan Party. Each of the Administrative Agent, L/C Issuer and Lenders shall have the right, in its discretion, to deal exclusively with Newpark for any or all purposes under the Loan Documents. Each Borrower agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by Newpark shall be binding upon and enforceable against it.

#### 2.18 **Nature and Extent of Each Borrower's Liability.**

(a) **Joint and Several Liability.** Each Borrower agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to the Administrative Agent and Lenders the prompt payment and performance of, all Obligations, except its Excluded Swap Obligations. Each Borrower agrees that its guaranty of the obligations constitute a continuing guaranty of payment and not of collection, that such obligations shall not be discharged until payment in full of the Obligations, and that such obligations are absolute and unconditional, irrespective of (i) the genuineness, validity, regularity, enforceability, subordination or any future modification of, or change in, any Obligations or Loan Document, or any other document, instrument or agreement to which any Loan Party is or may become a party or be bound; (ii) the absence of any action to enforce this Agreement (including this **Section**) or any other Loan Document, or any waiver, consent or indulgence of any kind by the Administrative Agent or any Lender with respect thereto; (iii) the existence, value or condition of, or failure to perfect a Lien or to preserve rights against, any security or guaranty for any Obligations or any action, or the absence of any action, by the Administrative Agent or any Lender in respect thereof (including the release of any security or guaranty); (iv) the insolvency of any Loan Party; (v) any election by the Administrative Agent or any Lender in an Insolvency Proceeding for the application of *Section 1111(b)(2)* of the Bankruptcy Code; (vi) any borrowing or grant of a Lien by any other Borrower, as debtor-in-possession under *Section 364* of the Bankruptcy Code or otherwise; (vii) the disallowance of any claims of the Administrative Agent or any Lender against any Loan Party for the repayment of any Obligations under *Section 502* of the Bankruptcy Code or otherwise; or (viii) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, except the payment in full of the Obligations.

(b) **Waivers.**

(i) Each Borrower expressly waives all rights that it may have now or in the future under any statute, at common law, in equity or otherwise, to compel the Administrative Agent or Lenders to marshal assets or to proceed against any Loan Party, other Person or security for the payment or performance of any Obligations before, or as a condition to, proceeding against such Borrower. Each Borrower waives all defenses available to a surety, guarantor or accommodation co-obligor other than payment in full of the Obligations and waives, to the maximum extent permitted by law, any right to revoke any guaranty of Obligations as long as it is a Borrower. It is agreed among each Borrower, the Administrative Agent and the Lenders that the provisions of this **Section 2.18** are of the essence of the transaction contemplated by the Loan Documents and that, but for such provisions, the Administrative Agent and the Lenders would decline to make Loans and issue Letters of Credit. Each Borrower acknowledges that its guaranty pursuant to this **Section** is necessary to the conduct and promotion of its business, and can be expected to benefit such business.

(ii) The Administrative Agent and the Lenders may, in their discretion, pursue such rights and remedies as they deem appropriate, including realization upon Collateral by judicial foreclosure or nonjudicial sale or enforcement, without affecting any rights and remedies under this **Section 2.18**. If, in taking any action in connection with the exercise of any rights or remedies, the Administrative Agent or any Lender shall forfeit any other rights or remedies, including the right to enter a deficiency judgment against any Borrower or other Person, whether because of any applicable Laws pertaining to "election of remedies" or otherwise, each Borrower consents to such action and waives any claim based upon it, even if the action may result in loss of any rights of subrogation that any Borrower might otherwise have had. Any election of remedies that results in denial or impairment of the right of the Administrative Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Obligations. Each Borrower waives all rights and defenses arising out of an election of remedies, such as nonjudicial foreclosure with respect to any security for Obligations, even though that election of remedies destroys such Borrower's rights of subrogation against any other Person. The Administrative Agent may bid Obligations, in whole or part, at any foreclosure, trustee or other sale, including any private sale, and the amount of such bid need not be paid by the Administrative Agent but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether the Administrative Agent or any other Person is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral, and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this **Section 2.18**, notwithstanding that any present or future law or court decision may have the effect of reducing the amount of any deficiency claim to which the Administrative Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

(c) **Extent of Liability; Contribution.**

(i) Notwithstanding anything herein to the contrary, each Borrower's liability under this **Section 2.18** shall not exceed the greater of (x) all amounts for which such Borrower is primarily liable, as described in **clause (iii)** below, and (y) such Borrower's Allocable Amount.

(ii) If any Borrower makes a payment under this **Section 2.18** of any Obligations (other than amounts for which such Borrower is primarily liable) (a "**Guarantor Payment**") that, taking into account all other Guarantor Payments previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payments in the same proportion that such Borrower's Allocable Amount bore to the total Allocable Amounts of all the Borrowers, then such Borrower shall be entitled to receive contribution and indemnification payments from, and to be reimbursed by, each other Borrower for the amount of such excess, ratably based on their respective Allocable Amounts in effect immediately prior to such Guarantor Payment. The "Allocable Amount" for any Borrower shall be the maximum amount that could then be recovered from such Borrower under this **Section 2.18** without rendering such payment voidable under **Section 548** of the Bankruptcy Code or under any applicable state fraudulent transfer or conveyance act, or similar statute or common law.

(iii) **Section 2.18(c)(i)** shall not limit the liability of any Borrower to pay or guarantee Loans made directly or indirectly to it (including Loans advanced hereunder to any other Person and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower), L/C Obligations relating to Letters of Credit issued to support its business, Secured Bank Product Obligations incurred to support its business, and all accrued interest, fees, expenses and other related Obligations with respect thereto, for which such Borrower shall be primarily liable for all purposes hereunder. The Administrative Agent and the Lenders shall have the right, at any time in their discretion, to condition Loans and Letters of Credit upon a separate calculation of borrowing availability for each Borrower and to restrict the disbursement and use of Loans and Letters of Credit to a Borrower based on that calculation.

(d) **Joint Enterprise.** Each Borrower has requested that the Administrative Agent and the Lenders make this credit facility available to the Borrowers on a combined basis, in order to finance the Borrowers' business most efficiently and economically. The Borrowers' business is a mutual and collective enterprise, and the successful operation of each Borrower is dependent upon the successful performance of the integrated group. The Borrowers believe that consolidation of their credit facility will enhance the borrowing power of each Borrower and ease administration of the facility, all to their mutual advantage. The Borrowers acknowledge that the Administrative Agent's and the Lenders' willingness to extend credit and to administer the Collateral on a combined basis hereunder is done solely as an accommodation to the Borrowers and at the Borrowers' request.

(e) **Subordination.** Each Borrower hereby subordinates any claims, including any rights at law or in equity to payment, subrogation, reimbursement, exoneration, contribution, indemnification or set off, that it may have at any time against any other Loan Party, howsoever arising, to the payment in full of its Obligations.

### III. TAXES, YIELD PROTECTION AND ILLEGALITY.

#### 3.01 Taxes

##### (a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable Laws require an applicable withholding agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by Newpark or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to **subsection (e)** below.

(ii) If any applicable withholding agent shall be required by the Code to withhold or deduct any Taxes, including both United States federal backup withholding and withholding Taxes, from any payment, then (A) such withholding agent shall withhold or make such deductions as are determined by such withholding agent to be required based upon the information and documentation it has received pursuant to **subsection (e)** below, (B) such withholding agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) if such Tax subject to withholding or deduction is an Indemnified Tax or Other Tax, the sum payable by the Borrowers shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this **Section**) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) **Payment of Other Taxes by the Borrowers.** Without limiting the provisions of **subsection (a)** above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.

##### (c) Tax Indemnifications.

(i) Without limiting the provisions of **subsection (a)** or **(b)** above, the Borrowers shall, and do hereby, jointly and severally indemnify each Recipient and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this **Section**) withheld or deducted by the Borrowers or the Administrative Agent or paid by the applicable Recipient and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Borrowers shall also, and do hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, for any amount which a Lender or an L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required by **clause (ii)** of this **subsection**. A certificate as to the amount of any such payment or liability delivered to Newpark by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error.



(ii) Without limiting the provisions of **subsection (a)** or **(b)** above, each Lender and each L/C Issuer shall, and does hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by any Governmental Authority as a result of the failure by such Lender or such L/C Issuer, as the case may be, to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Lender or such L/C Issuer, as the case may be, to the Administrative Agent pursuant to **subsection (e)**. Each Lender and each L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or such L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this **clause (ii)**.

(d) **Evidence of Payments.** Upon request by Newpark or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrowers or the Administrative Agent to a Governmental Authority as provided in this **Section 3.01**, Newpark shall deliver to the Administrative Agent or the Administrative Agent shall deliver to Newpark, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to Newpark or the Administrative Agent, as the case may be.

(e) **Status of Lenders; Tax Documentation.**

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Newpark and the Administrative Agent, at the time or times reasonably requested by Newpark or the Administrative Agent, such properly completed and executed documentation reasonably requested by Newpark or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Newpark or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Newpark or the Administrative Agent as will enable Newpark or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two (2) sentences, the completion, execution and submission of such documentation (other than such documentation set forth in **Section 3.01(e)(ii)(A)**, **(ii)(B)** and **(ii)(D)** below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to Newpark and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Newpark or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Newport and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Newport or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “*interest*” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “*business profits*” or “*other income*” article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under *Section 881(c)* of the Code, (x) a certificate substantially in the form of ***Exhibit I-1*** to the effect that such Foreign Lender is not a “*bank*” within the meaning of *Section 881(c)(3)(A)* of the Code, a “*10 percent shareholder*” of any Borrower within the meaning of *Section 881(c)(3)(B)* of the Code, or a “*controlled foreign corporation*” described in *Section 881(c)(3)(C)* of the Code (a “***U.S. Tax Compliance Certificate***”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN E (as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN E (as applicable), a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit I-2*** or ***Exhibit I-3***, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit I-4*** on behalf of each such direct and indirect partner.

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Newport and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Newport or the Administrative Agent), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit Newport or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in *Section 1471(b)* or *1472(b)* of the Code, as applicable), such Recipient shall deliver to Newpark and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Newpark or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by *Section 1471(b)(3)(C)(i)* of the Code) and such additional documentation reasonably requested by Newpark or the Administrative Agent as may be necessary for Newpark and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this *clause (D)*, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Newpark and the Administrative Agent in writing of its legal inability to do so.

(f) **Treatment of Certain Refunds.** Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or any L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If the Administrative Agent, any Lender or any L/C Issuer determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this *Section*, it shall pay to the Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this *Section* with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Administrative Agent, such Lender or such L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrowers, upon the request of the Administrative Agent, such Lender or such L/C Issuer, agree to repay the amount paid over to the Borrowers (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or such L/C Issuer in the event the Administrative Agent, such Lender or such L/C Issuer is required to repay such refund to such Governmental Authority. This *subsection* shall not be construed to require the Administrative Agent, any Lender or any L/C Issuer to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrowers or any other Person.

(g) **FATCA Grandfathering.** For purposes of determining U.S. withholding Taxes imposed under FATCA, from and after the date of this Agreement, the Borrowers and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "*grandfathered obligation*" within the meaning of Treasury Regulation *Section 1.1471-2(b)(2)(i)*."

(h) **Survival.** Each party's obligations under this *Section 3.01* shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

1.02 **Illegality.** If any Lender determines that any applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to perform any of its obligations hereunder, to make, maintain, issue, fund or commit to, participate in, or charge applicable interest or fees with respect to any Loan or Letter of Credit, or to determine or charge interest or fees based on BSBY Rate, then, on notice thereof by such Lender to the Administrative Agent, (a) any obligation of such Lender to perform such obligations, to make, maintain, issue, fund, commit to or participate in the Loan or Letter of Credit (or to charge interest or fees otherwise applicable thereto), or to continue or convert Loans as BSBY Loans, shall be suspended and the Borrowers shall make such appropriate accommodations regarding affected Letters of Credit as such Lender may reasonably request, (b) if such notice asserts the illegality of such Lender to make or maintain Base Rate Loans whose interest rate is determined by reference to BSBY Rate, the interest rate applicable to such Lender's Base Rate Loans shall, as necessary to avoid such illegality, be determined by the Administrative Agent without reference to the BSBY Rate component of Base Rate, in each case until such Lender notifies the Administrative Agent that the circumstances giving rise to Lender's determination no longer exist. Upon delivery of such notice, the Borrowers shall prepay or convert BSBY Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain the Loan and charge applicable interest to such day, or immediately, if such Lender cannot so maintain the Loan. Upon any such prepayment or conversion of a Loan pursuant to this **Section**, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

1.03 **Inability to Determine Rates.**

(a) **Inability to Determine Rate.** If in connection with any request for a BSBY Loan or a conversion to or continuation thereof, as applicable, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with **Section 3.03(b)**, and the circumstances under **Section 3.03(b)(i)** or the Scheduled Unavailability Date has occurred (as applicable), or (B) adequate and reasonable means do not otherwise exist for determining BSBY Rate for any requested Interest Period with respect to a proposed BSBY Loan or in connection with an existing or proposed Base Rate Loan, or (ii) the Administrative Agent or Required Lenders determine that for any reason BSBY Rate for any requested Interest Period with respect to a proposed BSBY Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrowers and Lenders. Thereafter, (x) the obligation of Lenders to make, maintain, or convert Base Rate Loans to, BSBY Loans shall be suspended (to the extent of the affected BSBY Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the BSBY Rate component of Base Rate, the utilization of such component in determining Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by Required Lenders described above, until the Administrative Agent upon instruction of Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrowers may revoke any pending request for a Borrowing, conversion or continuation of BSBY Loans (to the extent of the affected BSBY Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for Base Rate Loans, and (ii) any outstanding BSBY Loans shall convert to Base Rate Loans at the end of their respective Interest Periods.

(b) **Successor Rates.** Notwithstanding anything to the contrary in any Loan Document, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrowers or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrowers) that the Borrowers or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining one, three (3) and six (6) month interest periods of BSBY Rate, including because the BSBY Screen Rate is not available or published on a current basis, and such circumstances are unlikely to be temporary; or

(ii) Bloomberg or any successor administrator of the BSBY Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent, Bloomberg or such administrator with respect to its publication of BSBY, in each case acting in such capacity, has made a public statement identifying a specific date after which one (1), three (3) and six (6) month interest periods of BSBY Rate or the BSBY Screen Rate shall or will no longer be made available or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided, that at the time of such statement, there is no successor administrator satisfactory to the Administrative Agent that will continue to provide such interest periods of BSBY Rate after such specific date (the latest date on which one (1), three (3) and six (6) month interest periods of BSBY Rate or the BSBY Screen Rate are no longer available permanently or indefinitely, "**Scheduled Unavailability Date**");

then, on a date and time determined by the Administrative Agent (any such date, "**BSBY Replacement Date**"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to **clause (ii)** above, no later than the Scheduled Unavailability Date, BSBY Rate will be replaced hereunder and under any other applicable Loan Document with, subject to the proviso below, the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, any Loan Document ("**Successor Rate**");

- (A) Term SOFR *plus* the SOFR Adjustment; and
- (B) Daily Simple SOFR *plus* the SOFR Adjustment;

*provided*, that if initially BSBY is replaced with Daily Simple SOFR *plus* the SOFR Adjustment and, subsequent to such replacement, the Administrative Agent determines that Term SOFR has become available and is administratively feasible for the Administrative Agent in its discretion, and the Administrative Agent notifies the Borrowers and Lenders of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Successor Rate shall be Term SOFR *plus* the SOFR Adjustment. If the Successor Rate is Daily Simple SOFR *plus* the SOFR Adjustment, all interest will be payable on a monthly basis.

Notwithstanding anything to the contrary herein, (x) if the Administrative Agent determines that neither of the alternatives in **clauses (A)** and **(B)** above is available on or prior to the BSBY Replacement Date or (y) if the events or circumstances of the type described in **clauses (i)** or **(ii)** above have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrowers may amend this Agreement solely for the purpose of replacing BSBY Rate or any then current Successor Rate in accordance with this **Section** at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for such alternative benchmarks in similar U.S. dollar denominated credit facilities syndicated and agented in the United States and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for such benchmarks in similar U.S. dollar denominated credit facilities syndicated and agented in the United States, which adjustment or method for calculating such adjustment shall be published on an information service selected by the Administrative Agent from time to time in its discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a Successor Rate. Any such amendment shall become effective at

5:00 p.m. on the fifth Business Day after the Administrative Agent posts such proposed amendment to all Lenders and the Borrowers unless, prior to such time, Required Lenders deliver to the Administrative Agent written notice that Required Lenders object to the amendment.

The Administrative Agent will promptly (in one or more notices) notify the Borrowers and Lenders of implementation of any Successor Rate. A Successor Rate shall be applied in a manner consistent with market practice; *provided*, that to the extent market practice is not administratively feasible for the Administrative Agent, the Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero (0), the Successor Rate will be deemed to be zero (0) for all purposes of the Loan Documents.

### 3.04 **Increased Costs; Capital Adequacy.**

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or any L/C Issuer;

(ii) subject any Recipient to Taxes (other than (i) Indemnified Taxes, (ii) Excluded Taxes, and (iii) Other Taxes) with respect to any Loan, Letter of Credit, Commitment or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender, any L/C Issuer or interbank market any other condition, cost or expense affecting any Loan, Letter of Credit, participation in L/C Obligations, Commitment or Loan Document;

and the result thereof shall be to increase the cost to a Lender of making or maintaining any Loan or its Commitment, or converting to or continuing any interest option for a Loan, or to increase the cost to a Lender or a L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by a Lender or a L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Borrowers will pay to it such additional amount(s) as will compensate it for the additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If a Lender or a L/C Issuer determines that a Change in Law affecting it or its holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's, such L/C Issuer's or holding company's capital as a consequence of this Agreement, or such Lender's or such L/C Issuer's Commitment, Loans, Letters of Credit or participations in L/C Obligations or Loans, to a level below that which such Lender, such L/C Issuer or holding company could have achieved but for such Change in Law (taking into consideration its policies with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or such L/C Issuer, as the case may be, such additional amounts as will compensate it or its holding company for the reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in **subsection (a)** or **(b)** of this **Section** and delivered to Newpark shall be conclusive absent manifest error. Subject to **clause (d)** below, the Borrowers shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this **Section** shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this **Section** for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Lender or such L/C Issuer, as the case may be, notifies Newpark of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180)-day period referred to above shall be extended to include the period of retroactive effect thereof).

**3.05 Compensation for Losses.** Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any BSBY Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any BSBY Loan on the date or in the amount notified by Newpark; or

(c) any assignment of a BSBY Loan on a day other than the last day of the Interest Period therefor as a result of a request by Newpark pursuant to **Section 10.13**;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrowers to the Lenders under this **Section 3.05**, each Lender shall be deemed to have funded each BSBY Loan made by it at the BSBY Rate for such Loan by a matching deposit or other borrowing in an interbank market for a comparable amount and for a comparable period, whether or not such BSBY Loan was in fact so funded.

### **3.06 Mitigation Obligations; Replacement of Lenders.**

(a) **Designation of a Different Lending Office.** If any Lender requests compensation under **Section 3.04**, or the Borrowers are required to pay any additional amount to any Lender, any L/C Issuer, or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to **Section 3.01**, or if any Lender gives a notice pursuant to **Section 3.02**, then such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to **Section 3.01** or **3.04**, as the case may be, in the future, or eliminate the need for the notice pursuant to **Section 3.02**, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. The

Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender requests compensation under *Section 3.04*, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to *Section 3.01*, Newpark may replace such Lender in accordance with *Section 10.13*.

3.07 **Survival.** All of the Borrowers' obligations under this *Article III* shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

#### IV. **CONDITIONS PRECEDENT TO CREDIT EXTENSIONS.**

4.01 **Conditions of Initial Credit Extension.** The obligation of each L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Borrower, each dated the date hereof (in the case of this Agreement) or the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and Newpark;

(ii) a Note (or amendment and restatement of a Note, as the case may be) executed by the Borrowers in favor of each Lender requesting a Note (or amendment and restatement of a Note, as the case may be);

(iii) executed counterparts of the Security Agreement, duly executed by each Borrower, together with:

(A) completed requests for information, dated on or before the date of the initial Credit Extension, listing all effective financing statements filed in such jurisdictions as the Administrative Agent may determine necessary or desirable in order to perfect the Liens created under the Security Agreement that name any Borrower as debtor, together with copies of such other financing statements, and



(B) evidence of the completion of all other actions, recordings and filings of or with respect to the Security Agreement that the Administrative Agent may deem necessary or desirable in order to perfect the Liens created thereby (unless the Security Agreement permits such action to be taken after the Closing Date).

(iv) amended and restated Mortgages, executed by Newpark Drilling in favor of the Administrative Agent; provided that with respect to that certain First Preferred Fleet Mortgage by Newpark Drilling in favor of the Administrative dated as of July 6, 2016 (the “*Existing Fleet Mortgage*”), inasmuch as the Borrowers intend to transfer ownership of the vessels covered by the Existing Fleet Mortgage to a new Loan Party and re-register such vessels within ninety (90) days after the Closing Date, the Borrowers shall have ninety (90) days after the Closing Date (or such longer period as may be agreed by the Administrative Agent in its discretion) (the “Registration Period”) to effectuate such transfer of ownership and re-registration, and none of the representations, warranties or covenants contained in the Existing Fleet Mortgage shall be deemed with reaffirmed or restated by this Agreement (it being agreed and acknowledged by the Administrative Agent and Lenders that, notwithstanding anything to the contrary, none of the representations, warranties or covenants contained in the Existing Fleet Mortgage shall be made, brought down or complied with until after the Registration Period has expired);

(v) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Borrower as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Borrower is a party or is to be a party;

(vi) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Borrower is duly organized or formed, and that such Borrower is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(vii) favorable opinions of (A) Sidley Austin LLP, counsel to the Borrowers, and (B) local Nevada counsel to Dura-Base as to corporate matters in respect of Dura-Base, each addressed to the Administrative Agent and each Lender, as to the matters concerning the Borrowers and the Loan Documents as the Required Lenders may reasonably request;

(viii) a certificate signed by a Responsible Officer of Newpark certifying (A) that the conditions specified in **Sections 4.02(a)** and **(b)** have been satisfied and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(ix) financial projections of Newpark and its Subsidiaries on a consolidated basis prepared by management of Newpark, including consolidated balance sheets and statements of income or operations and cash flows of Newpark and its Subsidiaries on an annual basis for Newpark’s current fiscal year, in form and substance reasonably satisfactory to the Administrative Agent;

(x) certificates attesting to the Solvency of each Borrower before and after giving effect to the entering into of this Agreement and any repayment or incurrence of Indebtedness on the Closing Date and the payment of fees and expenses in connection therewith, from the chief financial officer of Newpark;

(xi) evidence that all insurance required to be maintained pursuant to the Loan Documents has been obtained and is in effect, together with the certificates of insurance, naming the Administrative Agent, on behalf of the Lenders, as lender loss payee, under all insurance policies maintained with respect to the assets and properties of the Loan Parties that constitutes Collateral; and

(xii) such other assurances, certificates, documents, consents, approvals or opinions as the Administrative Agent, the L/C Issuers, the Swing Line Lenders or any Lender reasonably may require and are identified at least three (3) Business Days prior to the date that all other conditions set forth in this **Section 4.01** shall have been satisfied.

(b) (i) All fees required to be paid to the Administrative Agent on or before the Closing Date shall have been paid and (ii) all fees required to be paid to the Lenders on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, Newpark shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least one (1) Business Day prior to the Closing Date, *plus* such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (*provided* that such estimate shall not thereafter preclude a final settling of accounts between Newpark and the Administrative Agent).

(d) All accrued but unpaid interest, commitment fees and letter of credit fees under the Existing Credit Agreement owing to the Existing Lenders as of the Closing Date shall have been paid in full, and any outstanding Eurodollar Rate Loans (as defined in the Existing Credit Agreement) as of the Closing Date shall be deemed to have been borrowed hereunder and shall continue to bear interest at the rate applicable thereto under the Existing Credit Agreement until the end of the applicable interest periods thereof.

(e) All consents, licenses, approvals, waivers, acknowledgements and other agreements required in connection with the execution, delivery and performance by such Borrower, and the validity against such Borrower, of the Loan Documents to which it is a party shall be in full force and effect.

(f) Each Loan Party shall have provided, in form and substance satisfactory to the Administrative Agent and each Lender, all documentation and other information as the Administrative Agent or any Lender deems appropriate in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including the Patriot Act and Beneficial Ownership Regulation. If any Loan Party qualifies as a “*legal entity customer*” under the Beneficial Ownership Regulation, it shall have provided a Beneficial Ownership Certification to the Administrative Agent and Lenders in relation to such Loan Party.

Without limiting the generality of the provisions of the last paragraph of **Section 9.03**, for purposes of determining compliance with the conditions specified in this **Section 4.01**, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

**4.02 Conditions to all Credit Extensions.** The obligation of each Lender to honor any Request for Credit Extension (other than a Revolving Credit Loan Notice requesting only a conversion of Revolving Credit Loans to the other Type, or a continuation of BSBY Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrowers and each other Loan Party contained in **Article V** or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (except that any such representations and warranties that are qualified by materiality, Material Adverse Effect or such other similar terms shall be true and correct in all respects as expressed) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this **Section 4.02**, the representations and warranties contained in **Sections 5.05(a)** and **(b)** shall be deemed to refer to the most recent statements furnished pursuant to **Sections 6.01(a)** and **(b)**, respectively.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the applicable L/C Issuer or the applicable Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Revolving Credit Loan Notice requesting only a conversion of Revolving Credit Loans to the other Type or a continuation of BSBY Loans) submitted by Newpark shall be deemed to be a representation and warranty that the conditions specified in **Sections 4.02(a)** and **(b)** have been satisfied on and as of the date of the applicable Credit Extension.

**4.03 Existing Credit Agreement Amended and Restated.** Upon satisfaction on the Closing Date of all of the conditions specified in **Sections 4.01** and **4.02**, (a) this Agreement shall amend and restate the Existing Credit Agreement in its entirety, (b) each of the "Loans" (as such term is defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement on the Closing Date shall, for purposes of this Agreement and the Loan Documents, be included as Loans and Obligations hereunder and thereunder, (c) all Liens securing obligations under the Existing Credit Agreement and the Loan Documents executed pursuant thereto shall be automatically continued as security for the Obligations, and (d) each Lender who holds Loans in an aggregate amount less than its Applicable Percentage (after giving effect to the amendment and restatement of the Existing Credit Agreement in the form of this Agreement) of all Loans shall advance new Loans which shall be disbursed to the Administrative Agent and used to repay Loans outstanding to each Lender who holds Loans in an aggregate amount greater than its Applicable Percentage of all Loans.

**V. REPRESENTATIONS AND WARRANTIES.** The Borrowers jointly and severally represent and warrant to the Administrative Agent and the Lenders that:

**5.01 Existence, Qualification and Power.** Each of the Borrowers and any other Loan Party (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in **clause (b)(i)** or **(c)**, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect. No Loan Party is an Affected Financial Institution or Covered Entity. As of the Closing Date, the information included in the Beneficial Ownership Certification most recently provided to the Administrative Agent and each Lender is true and complete in all respects.

5.02 **Authorization; No Contravention.** The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of under, or require any payment to be made under any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, except for conflicts, breaches or contraventions that would not reasonably be expected to result in a Material Adverse Effect, (c) violate any Law or any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (d) result in the creation or imposition of any Lien on any property of Newpark or any Subsidiary except Liens created under the Loan Documents.

5.03 **Governmental Authorization; Other Consents.** 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 (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or continuance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (d) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for the authorizations, approvals, actions, notices and filings which (i) have been duly obtained, taken, given or made and are in full force and effect, (ii) are required by the Loan Documents or (iii) in the case of any authorization, approval, action, notice or filing from or with a Person other than a Governmental Authority, the failure to have would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.04 **Binding Effect.** This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, general principles of equity or the enforcement of equitable remedies.

5.05 **Financial Statements; No Material Adverse Effect.**

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of Newpark and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show or describe all material indebtedness and other liabilities, direct or contingent, of Newpark and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(c) The consolidated projected balance sheet, statements of income and cash flows of Newpark and its Subsidiaries delivered pursuant to **Section 4.01** or **Section 6.01(d)** were prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time, and represented, at the time of delivery, Newpark's good faith estimate of its future financial condition and performance, recognizing that there are industry-wide risks normally associated with the types of business conducted by Newpark and its Subsidiaries and that the Borrowers do not warrant that such forecasts and estimates will ultimately prove to have been accurate.

**5.06 Litigation.** There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against Newpark or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document or (b) either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

**5.07 No Default.** Neither Newpark nor any Subsidiary is in default under or with respect to, or a party to, any Contractual Obligation that would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

**5.08 Ownership of Property; Liens; Investments.** Each of Newpark and its Subsidiaries has good title to, or valid leasehold interests in, all of their respective property necessary or used in the ordinary conduct of its business, except for such defects in title as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

**5.09 Environmental Compliance.**

(a) Newpark and the other Loan Parties have conducted in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrowers have reasonably concluded that such Environmental Laws and claims would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The business, operations, and Real Estate of Newpark and each of its Subsidiaries comply and have complied with all applicable Environmental Laws, in each case, except as would not, individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect.

(c) None of the real properties currently or, to the knowledge of the Borrowers, formerly owned or operated by Newpark or any of its Subsidiaries is listed or proposed for listing on the NPL or any analogous foreign, state or local list or, to the knowledge of Borrowers, is adjacent to any such property. Except as in accordance in all material respects with the requirements of all Environmental Laws: (i) there are no, and to the knowledge of the Borrowers, never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any real property currently owned or operated by the Borrowers or any of their Subsidiaries or, to the knowledge of the Borrowers, on any real property formerly owned or operated by Newpark or any of its Subsidiaries and (ii) Borrowers have not released, discharged or disposed of any Hazardous Materials on any real property currently or to the knowledge of the Borrowers, formerly, owned or operated by Newpark or any of its Subsidiaries. Except as would not, individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect,

to the knowledge of Borrowers, there is no asbestos or asbestos-containing material on any real property currently owned or operated by Newpark or any of its Subsidiaries.

(d) Neither Newpark nor any of its Subsidiaries is undertaking, and has not completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law except for any investigations, assessments or remedial or response actions that would not reasonably be expected to result in any material liability to Newpark or any of its Subsidiaries. Newpark and its Subsidiaries have disposed of all Hazardous Materials generated, used, treated, handled, stored or transported by their respective operations, or for which Newpark or its Subsidiaries made arrangements for disposal, in compliance with the requirements of all Environmental Laws in all material respects and in a manner that would not reasonably be expected to result in material liability to Newpark or any of its Subsidiaries.

(e) Newpark and each of its Subsidiaries have obtained all Environmental Permits required for the ownership and operation of its Real Estate and assets and the conduct of its business except where the failure to do so would not, either individually or in the aggregate, reasonably be expected to result in material liability to Newpark or any of its Subsidiaries. Except where the failure to do so would not, either individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect, Newpark and each of its Subsidiaries have been and are in compliance with all terms and conditions of such Environmental Permits. There are no pending or, to the knowledge of the Borrowers, threatened, claims against Newpark or any Subsidiary under any Environmental Laws, and neither Newpark nor any Subsidiary has received any written notice of alleged non-compliance with applicable Environmental Laws or Environmental Permits which would, in each case, either individually or in the aggregate, reasonably be expected to (i) cause a Material Adverse Effect or (ii) result in material liability to Newpark or any of its Subsidiaries.

5.10 **Insurance.** The properties of Newpark and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of Newpark, in such amounts (after giving effect to any self-insurance compatible with the following standards), with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where Newpark or the applicable Subsidiary operates. Newpark and its Subsidiaries maintain flood insurance for any owned Real Estate located in a flood hazard area in minimum amounts in accordance with applicable Law.

5.11 **Taxes.** Newpark and its Subsidiaries have filed all federal, state and other material Tax returns and reports required to be filed, and have paid all federal, state and other material Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed Tax assessment against Newpark or any Subsidiary that would, if made, have a Material Adverse Effect. Neither Newpark nor any Subsidiary is party to any Tax sharing agreement.

## 5.12 ERISA Compliance.

(a) Except as would not, either individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect, the Borrowers, their Subsidiaries and each ERISA Affiliate have maintained each Plan (other than a Multiemployer Plan) in compliance with the applicable provisions of ERISA, the Code and any other federal or state laws pertaining to such Plan.

(b) There are no pending or, to the best knowledge of the Borrowers, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan or Multiemployer Plan that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan or Multiemployer Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) Except as would not, either individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect: (i) no ERISA Event has occurred, and neither any Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) each Borrower and each ERISA Affiliate have met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) each Borrower and each ERISA Affiliate have met all contribution requirements in respect of each Multiemployer Plan; (iv) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in *Section 430(d)(2)* of the Code) is 60% or higher and neither a Borrower nor any ERISA Affiliate knows of any facts or circumstances that would reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (v) neither a Borrower nor any ERISA Affiliate has engaged in a transaction that would be subject to *Section 4069* or *Section 4212(c)* of ERISA; and (vi) no Pension Plan or Multiemployer Plan has been terminated by the plan administrator thereof nor by the PBGC.

5.13 **Subsidiaries; Equity Interests; Loan Parties.** As of the Closing Date, Newport has no Subsidiaries other than those specifically disclosed in *Part (a)* of *Schedule 5.13*, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and non-assessable and are owned by Newport or its Subsidiaries in the amounts specified on *Part (a)* of *Schedule 5.13* free and clear of all Liens except those created under the Collateral Documents and Liens permitted under *Section 7.01(c)* and *(h)*. As of the Closing Date, no Loan Party has any equity investments in any other corporation or entity other than those specifically disclosed in *Part (b)* of *Schedule 5.13*. Set forth on *Part (c)* of *Schedule 5.13* is a complete and accurate list of all Loan Parties, showing as of the Closing Date (as to each Loan Party) the jurisdiction of its incorporation, the address of its principal place of business and its U.S. taxpayer identification number or, in the case of any non-U.S. Loan Party that does not have a U.S. taxpayer identification number, its unique identification number issued to it by the jurisdiction of its incorporation. As of the Closing Date, each of Newport Environmental Water Solutions, LLC, Newport Drilling Fluids Holdings LLC, Newport Texas, L.L.C., Newport Drilling Fluids Asia Pacific LLC and Newport Drilling Fluids Personnel Services LLC is an Immaterial Domestic Subsidiary.

## 5.14 Margin Regulations; Investment Company Act.

(a) Each Loan Party is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of Newport only or of Newport and its Subsidiaries on a consolidated basis) subject to the provisions of *Section 7.01* or *Section 7.05* or subject to any restriction contained in any agreement or instrument between any

Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of **Section 8.01(e)** will be margin stock.

(b) Neither Newpark nor any Loan Party is or is required to be registered as an “*investment company*” under the Investment Company Act of 1940.

5.15 **Disclosure.** Each Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries or any other Loan Party is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other written information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected information, each Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time, recognizing that there are industry-wide risks normally associated with the types of business conducted by Newpark and its Subsidiaries and that none of the Borrowers warrants that such projections and estimates will ultimately prove to have been accurate.

5.16 **Compliance with Laws.** Newpark and each of its Subsidiaries is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees of any Governmental Authority applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.17 **Intellectual Property; Licenses, Etc.** Newpark and each of its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, “*IP Rights*”) that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Borrowers, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by Newpark or any of its Subsidiaries infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Borrowers, threatened, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.18 **Solvency.** Each Borrower is, individually (after excluding any intercompany Indebtedness among the Borrowers) and together with its Subsidiaries on a consolidated basis, Solvent.

5.19 **Casualty, Etc.** Neither the businesses nor the properties of Newpark or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.



5.20 **Labor Matters.** There are no collective bargaining agreements or Multiemployer Plans covering the employees of Newpark or any of its Subsidiaries as of the Closing Date and, as of the Closing Date, neither Newpark nor any Subsidiary has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five (5) years.

5.21 **Collateral Documents.** The provisions of the Collateral Documents are or when executed and delivered, will be, effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Liens permitted by **Section 7.01**) on all right, title and interest of the respective Loan Parties in the Collateral described therein. Except for (i) filings and actions completed on or prior to the Closing Date and (ii) actions permitted by the Collateral Documents to be taken on or after the Closing Date, no filing or other action will be necessary to perfect or protect such Liens.

5.22 **Sanctions; Anti-Corruption Laws.** No Loan Party, Subsidiary, nor, to the knowledge of the Borrowers and their Subsidiaries, any director, officer, employee, agent or affiliate thereof, is or is owned or controlled by any individual or entity that is currently the target of any Sanction or is located, organized or resident in a country or territory that is the target of any Sanction. Each Loan Party and Subsidiary has conducted its business in compliance in all material respects with all applicable Anti-Corruption Laws.

VI. **AFFIRMATIVE COVENANTS.** So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrowers shall, and shall (except in the case of the covenants set forth in **Sections 6.01, 6.02, 6.03 and 6.11**) cause each Subsidiary to:

6.01 **Financial Statements; Borrowing Base Certificate.** Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of Newpark (or, if earlier, fifteen (15) days after the date required to be filed with the SEC), a consolidated balance sheet of Newpark and its Subsidiaries as of the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of Newpark (or, if earlier, five (5) days after the date required to be filed with the SEC), a consolidated balance sheet of Newpark and its Subsidiaries as of the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal quarter and for the portion of Newpark's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of Newpark as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of Newpark and its Subsidiaries in accordance with GAAP, subject only to normal year end audit adjustments and the absence of footnotes;

(c) if a Monthly Financial Reporting Trigger Period is in effect, as soon as available, but in any event within thirty (30) days after the end of each month, a consolidated balance sheet of Newport and its Subsidiaries as of the end of such month, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such month and for the portion of Newport's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding month of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of Newport as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of Newport and its Subsidiaries in accordance with GAAP, subject only to normal year end audit adjustments and the absence of footnotes;

(d) as soon as available, but in any event not later than forty-five (45) days after the end of each fiscal year of Newport, financial projections of Newport and its Subsidiaries on a consolidated basis prepared by management of Newport, in form reasonably satisfactory to the Administrative Agent, including projected consolidated balance sheets and statements of income or operations and cash flows of Newport and its Subsidiaries on a quarterly basis for the immediately following fiscal year (including the fiscal year in which the Maturity Date occurs); and

(e) a Borrowing Base Certificate prepared as of the end of the applicable period, as soon as available, but in any event (i) not later than twenty-five (25) days after the end of each month and (ii) when a Weekly BBC Trigger Period is in effect, not later than three (3) Business Days after the end of each week. All calculations of Availability in any Borrowing Base Certificate shall originally be made by Newport and certified by the chief executive officer, chief financial officer, treasurer or controller of Newport, provided that the Administrative Agent may from time to time review and adjust any such calculation (A) to reflect its reasonable estimate of declines in value of any Collateral, due to collections received in the Dominion Accounts or otherwise; and (B) to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Availability Reserve.

As to any information contained in materials furnished pursuant to **Section 6.02(c)**, Newport shall not be separately required to furnish such information under **Section 6.01(a)** or **(b)** above, but the foregoing shall not be in derogation of the obligation of Newport to furnish the information and materials described in **Section 6.01(a)** or **(b)** above at the times specified therein.

**6.02 Certificates; Other Information.** Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in **Sections 6.01(a)**, **(b)** and **(c)** a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of Newport (which delivery may, unless the Administrative Agent or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes);

(b) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of Newport or any of its Subsidiaries, or any audit of any of them;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of Newpark, and copies of all annual, regular, periodic and special reports and registration statements which Newpark may file or be required to file with the SEC under *Section 13* or *15(d)* of the Securities Exchange Act of 1934, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of Material Indebtedness of Newpark or of any of its Domestic Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to *Section 6.01* or any other clause of this *Section 6.02*;

(e) if requested by the Administrative Agent as soon as available, but in any event within thirty (30) days after the end of each fiscal year of Newpark, a report summarizing the insurance coverage (specifying type, amount and carrier) in effect for Newpark and its Subsidiaries and containing such additional information as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably specify;

(f) promptly, and in any event within five (5) Business Days after receipt thereof by Newpark or any Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of Newpark or any Subsidiary;

(g) promptly after receipt thereof by Newpark or any Subsidiary, copies of all material notices, requests and other documents (including amendments, waivers and other modifications) received under or pursuant to any Material Indebtedness and, from time to time upon request by the Administrative Agent, such information and reports regarding such instruments, indentures and loan and credit and similar agreements as the Administrative Agent may reasonably request;

(h) promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by Newpark or any of its Subsidiaries with any Environmental Law or Environmental Permit that would reasonably be expected to have a Material Adverse Effect; and

(i) promptly, such additional information regarding the business, financial, legal or corporate affairs of Newpark or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to *Section 6.01(a)* or *(b)* or *Section 6.02(c)* (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Newpark posts such documents, or provides a link thereto on Newpark's website on the Internet at the website address listed on *Schedule 10.02*; or (ii) on which such documents are posted on Newpark's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that: Newpark shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to Newpark to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Newpark with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Newpark hereby acknowledges that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of Newpark hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on IntraLinks, Debt Domain, SyndTrak, ClearPar, or another similar electronic system (the "**Platform**") and (b) certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to Newpark or its Subsidiaries, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Newpark hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking the Borrower Materials "PUBLIC," Newpark shall be deemed to have authorized the Administrative Agent, the Arrangers, the L/C Issuers and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to Newpark or its securities for purposes of United States federal and state securities laws (*provided, however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in **Section 10.07**); (y) all the Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information".

6.03 **Notices.** Promptly notify the Administrative Agent and each Lender upon its becoming aware of the occurrence of any of the following:

- (a) the occurrence of any Default;
- (b) (i) the breach or non-performance of, or any default under, a Contractual Obligation of Newpark or any Subsidiary that would reasonably be expected to have a Material Adverse Effect; (ii) any dispute, litigation, investigation, proceeding or suspension between Newpark or any Subsidiary and any Governmental Authority that would reasonably be expected to have a Material Adverse Effect; (iii) the commencement of, or any material development in, any investigation, litigation or proceeding affecting Newpark or any Subsidiary pursuant to any applicable Environmental Laws which would, either individually or in the aggregate, reasonably be expected to result in material liability to Newpark or any of its Subsidiaries, or (iv) any development or event that has had, or would reasonably be expected to have, a Material Adverse Effect;
- (c) the occurrence of any ERISA Event;
- (d) any material change in accounting policies or financial reporting practices by Newpark or any Subsidiary, including any determination by Newpark referred to in **Section 2.10(b)**, to the extent, if any, not set forth in the footnotes to the financial statements provided pursuant to **Section 6.01**;
- (e) the violation or asserted violation of any applicable Law (including any Sanction), if an adverse resolution would reasonably be expected to have a Material Adverse Effect; and

(f) any change in any material information contained in the most recent Beneficial Ownership Certificate delivered to the Administrative Agent or any Lender.

Each notice pursuant to **Section 6.03** shall be accompanied by a statement of a Responsible Officer of Newpark setting forth details of the occurrence referred to therein and stating what action Newpark has taken and proposes to take with respect thereto. Each notice pursuant to **Section 6.03(a)** shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

**6.04 Payment of Obligations.** Pay and discharge before the same shall become delinquent, all its material obligations and liabilities, including (a) all material Tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by Newpark or such Subsidiary; (b) all material lawful claims which, if unpaid, would by law become a Lien upon its property, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by Newpark or such Subsidiary and no action to enforce such Lien has been commenced; and (c) all material Indebtedness, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

**6.05 Preservation of Existence, Etc.** (a) Preserve, renew and maintain in full force and effect Newpark's and the other Loan Parties' legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by **Section 7.04** or **Section 7.05**; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which would reasonably be expected to have a Material Adverse Effect.

**6.06 Maintenance of Properties.** (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

**6.07 Maintenance of Insurance.**

(a) Maintain insurance with respect to all tangible Collateral, covering casualty, hazard, theft, malicious mischief and other risks, in amounts, with endorsements and with insurers (with a Best's Financial Strength Rating of at least A, unless otherwise approved by the Administrative Agent in its discretion) reasonably satisfactory to the Administrative Agent. All proceeds under each policy covering Collateral shall be payable to the Administrative Agent as a lender loss payee. Each Loan Party shall maintain flood insurance in accordance with applicable Law for any Real Estate located in a flood hazard area that is subject to a Mortgage. From time to time upon request, Newpark shall deliver to the Administrative Agent the originals or certified copies of its insurance policies. Unless the Administrative Agent shall agree otherwise, each policy required under this **Section 6.07(a)** shall include satisfactory endorsements that (i) provide for not less than 30 days prior notice to the Administrative Agent of termination, lapse or cancellation of such insurance, (ii) name the Administrative Agent as lender loss payee, and (iii) specify that the interest of the Administrative Agent shall not be impaired or invalidated by any act or negligence of any Loan Party or the owner of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by the policy. If the Loan Parties fail to procure and pay for any insurance required under this **Section 6.07(a)**, the Administrative Agent may, at its option, but shall not be required to, procure the insurance and charge the Borrowers therefor. Newpark agrees to deliver to the Administrative Agent, on a quarterly basis (or on a more frequent basis as may be reasonably requested by the Administrative Agent), copies of all material reports (if any) made to any of its insurers that provide insurance of the type described in

this **Section 6.07(a)**. While no Event of Default exists, the Loan Parties may settle, adjust or compromise any insurance claim with respect to Collateral as long as, in the event a Cash Dominion Trigger Period is in effect, the proceeds are delivered to the Administrative Agent. If an Event of Default exists, only the Administrative Agent shall be authorized to settle, adjust and compromise such claims.

(b) In addition to the insurance required under **clause (a)** with respect to tangible Collateral, maintain with financially sound and reputable carriers insurers (with a Best's Financial Strength Rating of at least A, unless otherwise approved by the Administrative Agent in its discretion) insurance with respect to the properties and business of the Loan Parties of such types, 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.

**6.08 Compliance with Laws.** Comply in all material respects with the requirements of all Laws (including ERISA, Environmental Laws, the Fair Labor Standards Act of 1938, the Occupational Safety and Hazard Act of 1970, Anti-Terrorism Laws, Flood Insurance Regulations and laws regarding collection and payment of Taxes) and all orders, writs, injunctions and decrees of any Governmental Authority applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply (other than failure to comply with Anti-Terrorism Laws) therewith would not reasonably be expected to have a Material Adverse Effect. Each Borrower shall maintain in effect and enforce policies and procedures reasonably intended to procure compliance by such Borrower, its Subsidiaries and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and Sanctions.

**6.09 Books and Records.** (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of Newport or such Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over Newport or such Subsidiary, as the case may be.

**6.10 Inspection Rights.**

(a) Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Newport; *provided, however,* that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrowers at any time during normal business hours and without advance notice.

(b) Subject to the reimbursement limitations contained in the next sentence, at any time upon the Administrative Agent's request, the Borrowers will allow the Administrative Agent (or its designee) to conduct field examinations to ensure the adequacy of Collateral included in the Borrowing Base and related reporting and control systems, and the report of any such field examination shall be prepared on a basis reasonably satisfactory to the Administrative Agent and shall include, without limitation, information required by applicable Law and regulations. The Borrowers shall reimburse the Administrative Agent for all reasonable and documented charges, costs and expenses (including a reasonable per diem field examination charge and out of pocket expenses) related thereto with respect to no more than one (1) such field examination during each calendar year; *provided* that if Availability is less than 17.5% of the Borrowing Base at any time during any calendar year, the Borrowers shall reimburse the Administrative Agent for all reasonable charges, costs and expenses (including a per diem field examination charge and out of pocket expenses) related to one (1) additional field examination initiated by the Administrative Agent during such calendar year; and *provided, further*, that when an Event of Default exists, there shall be no limitation on the number or frequency of field examinations, and all such field examinations shall be at the sole expense of the Borrowers.

(c) Subject to the reimbursement limitations contained in the next sentence, at any time upon the Administrative Agent's request, the Borrowers will allow the Administrative Agent (or its designee) to conduct appraisals of the Borrowers' Inventory, and the report of any such appraisal shall be prepared on a basis reasonably satisfactory to the Administrative Agent. The Borrowers shall reimburse the Administrative Agent for all reasonable and documented charges, costs and expenses related thereto with respect to no more than one such appraisal during each calendar year; *provided* that if Availability is less than 17.5% of the Borrowing Base at any time during any calendar year, the Borrowers shall reimburse the Administrative Agent for all reasonable charges, costs and expenses related to a second such appraisal initiated by the Administrative Agent during such calendar year; and *provided, further*, that when an Event of Default exists, there shall be no limitation on the number or frequency of appraisals, and all such appraisals shall be at the sole expense of the Borrowers.

(d) The Borrowers shall have the right to request in writing that the Administrative Agent conduct (i) one (1) additional appraisal and one (1) additional field examination per fiscal year of its Inventory and Accounts and (ii) from time to time, additional appraisals and field examinations of recently acquired Inventory and Accounts not previously appraised or subjected to a field examination; *provided* that the Borrowers shall reimburse the Administrative Agent for all reasonable and documented charges, costs and expenses related thereto.

6.11 **Use of Proceeds.** Use the proceeds of the Credit Extensions to refinance existing indebtedness, issue standby or commercial letters of credit, finance ongoing working capital needs and for other general corporate purposes not in contravention of any Law or of any Loan Document and subject to the limitations in **Section 7.10**.

6.12 **Covenant to Guarantee Obligations and Give Security.**

(a) With respect to (x) any Person that becomes a direct or indirect Subsidiary after the Closing Date (other than a Foreign Subsidiary, CFC Holdco, a CFC, a Subsidiary that is held directly or indirectly by a CFC or any Immaterial Domestic Subsidiary created or acquired after the Closing Date), (y) any CFC Holdco that ceases to be a CFC Holdco, and (z) any Immaterial Domestic Subsidiary that ceases to be an Immaterial Domestic Subsidiary, then the Borrowers shall, at the Borrowers' expense:

(i) promptly following the request by any Lender or the Administrative Agent (but in any event no more than ten (10) Business Days after such request (or such later date as the Administrative Agent may agree in its sole discretion)), deliver any know your customer or other background diligence information requested by such Lender or the Administrative Agent with respect to such Subsidiary,

(ii) within thirty (30) days after such formation or acquisition or ceasing to be a CFC Holdco or an Immaterial Domestic Subsidiary (or such longer period as may be agreed by the Administrative Agent in its sole discretion), cause such Subsidiary, and cause each direct parent of such Subsidiary (if it has not already done so), to duly execute and deliver to the Administrative Agent either (at the Borrowers' election) (A) a joinder to become a Borrower party to this Agreement or (B) a Guaranty to become a Guarantor, in each case, in form and substance satisfactory to the Administrative Agent,

(iii) within thirty (30) days after such formation or acquisition or ceasing to be a CFC Holdco or an Immaterial Domestic Subsidiary (or such longer period as may be agreed by the Administrative Agent in its sole discretion), cause such Subsidiary and each direct parent of such Subsidiary (if it has not already done so) to duly execute and deliver to the Administrative Agent a Security Agreement Supplement, IP Security Agreement Supplements and other security and pledge agreements, in each case, to the extent applicable and as specified by and in form and substance reasonably satisfactory to the Administrative Agent (including delivery of all Equity Interests, other than any Excluded Stock, in and of such Subsidiary), securing payment of all the Obligations of such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all such property (other than Excluded Property) purported to be subject to such Collateral Document,

(iv) within thirty (30) days after such formation or acquisition or ceasing to be a CFC Holdco or an Immaterial Domestic Subsidiary (or such longer period as may be agreed by the Administrative Agent in its sole discretion), cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to take whatever action (including the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) perfected Liens on the properties purported to be subject to the Security Agreement Supplement, IP Security Agreement Supplements and security and pledge agreements delivered pursuant to this **Section 6.12**, enforceable against all third parties in accordance with their terms, and

(v) within sixty (60) days after such formation or acquisition or ceasing to be a CFC Holdco or an Immaterial Domestic Subsidiary (or such longer period as may be agreed by the Administrative Agent in its sole discretion), deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in **clauses (i), (ii) and (iii)** above, and as to such other matters as the Administrative Agent may reasonably request.

(b) Upon the acquisition of any property by any Loan Party of a type that is intended to be Collateral, if such property, in the judgment of the Administrative Agent, shall not already be subject to a perfected first priority security interest in favor of the Administrative Agent for the benefit of the Secured Parties, then the Borrowers shall, at the Borrowers' expense:



(i) within thirty (30) days after such acquisition (or such longer period as may be agreed by the Administrative Agent in its sole discretion), furnish to the Administrative Agent a description of the property so acquired in detail satisfactory to the Administrative Agent,

(ii) within thirty (30) days after such acquisition (or such longer period as may be agreed by the Administrative Agent in its sole discretion), (A) cause the applicable Loan Party to duly execute and deliver to the Administrative Agent Security Agreement Supplements, IP Security Agreement Supplements and other security and pledge agreements, as specified by and in form and substance satisfactory to the Administrative Agent, securing payment of all the Obligations of the applicable Loan Party under the Loan Documents and constituting Liens on all such personal properties and (B) cause the applicable Loan Party to take whatever action (including the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on such property, enforceable against all third parties, and

(iii) within sixty (60) days after such acquisition (or such longer period as may be agreed by the Administrative Agent in its sole discretion), deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Borrowers reasonably acceptable to the Administrative Agent as to the matters contained in *clauses (i) and (ii)* above and as to such other matters as the Administrative Agent may reasonably request.

(c) At any time upon request of the Administrative Agent, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent may reasonably deem necessary or desirable in obtaining the full benefits of, or (as applicable) in perfecting and preserving the Liens of, such guaranties, Security Agreement Supplements, IP Security Agreement Supplements and other security and pledge agreements.

(d) Notwithstanding the foregoing, if, as of the end of any fiscal quarter, the Immaterial Domestic Subsidiaries collectively (i) generated more than 5.0% of Consolidated EBITDA for the Measurement Period ending on such date or (ii) own net assets that have an aggregate fair market value equal to or greater than 5.0% of Consolidated Tangible Assets of Newpark, then in each case Newpark shall cause one (1) or more of such Immaterial Domestic Subsidiaries to execute a joinder agreement (or agreements) or Guaranty (or guaranties) such that after giving effect thereto, (A) all such remaining Immaterial Domestic Subsidiaries that are not Guarantors generated less than 5.0% of Consolidated EBITDA for such Measurement Period and (B) the total net assets owned by all such remaining Immaterial Domestic Subsidiaries that are not Loan Parties will have an aggregate fair market value of less than 5.0% of the Consolidated Tangible Assets of Newpark.

**6.13 Compliance with Environmental Laws.** Comply, and cause all lessees and other Persons operating or occupying its properties to comply, with all applicable Environmental Laws and Environmental Permits, except where failure to do so would not reasonably be expected to result in a material liability under Environmental Law; obtain and renew all Environmental Permits required for its operations and Real Estate pursuant to Environmental Law, except where failure to do so would not reasonably be expected to result in a material liability under Environmental Law; and conduct any investigation, study, sampling, testing, cleanup, removal, remedial or other action required under Environmental Law to remove and clean up all Hazardous Materials from any of its Real Estate or, as may be required under Environmental Law, other real property; *provided, however*, that neither Newpark nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings

and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

**6.14 Preparation of Environmental Reports.** At the request of the Required Lenders during the existence of any Default, provide to the Lenders within sixty (60) days (or such longer period as the Administrative Agent may agree in its sole discretion) after such request, at the expense of Newpark, an environmental site assessment report for any of its Real Estate or other real properties described in such request, prepared by an environmental consulting firm acceptable to the Administrative Agent, indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance, removal or remedial action in connection with any Hazardous Materials on such properties. Without limiting the generality of the foregoing, if the Administrative Agent determines at any time that a material risk exists that any such report will not be provided within the time referred to above, the Administrative Agent may retain an environmental consulting firm to prepare such report at the expense of Newpark, and Newpark hereby grants and agrees to cause any Subsidiary that owns any property described in such request to grant at the time of such request to the Administrative Agent, the Lenders, such firm and any agents or representatives thereof an irrevocable non-exclusive license, subject to the rights of tenants, to enter onto their respective properties to undertake such an assessment.

**6.15 Further Assurances.** Promptly upon the reasonable request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject Newpark's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which Newpark or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

**6.16 Compliance with Terms of Leaseholds.** Make all payments and otherwise perform all obligations in respect of all material leases of real property to which Newpark or any of its Subsidiaries is a party, keep such leases in full force and effect and not allow such leases to lapse or be terminated or any rights to renew such leases to be forfeited or cancelled, notify the Administrative Agent of any default by any party with respect to such leases and cooperate with the Administrative Agent in all respects to cure any such default, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do so, either individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect.

**6.17 Material Contracts.** Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as Newpark or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do so, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

6.18 **Bank Products.** Continue to maintain Bank of America as the Borrowers' principal concentration and disbursement bank in connection with domestic Treasury Management Services provided that Bank of America is capable of satisfying the technical requirements of the Borrowers and that Bank of America offers competitive pricing to the Borrowers for such Treasury Management Services.

6.19 **Administration of Deposit Accounts.** *Schedule 6.19* sets forth all deposit accounts maintained by the Borrowers, including all Dominion Accounts and all Eligible Pledged Cash Accounts, as of the Closing Date. In connection with the establishment of any new deposit account after the Closing Date, the Borrowers shall take all actions as required by *Section 4.6* of the Security Agreement. The applicable Borrower shall be the sole account holder of each deposit account (other than any Excluded Accounts (as defined in the Security Agreement)) and shall not allow any other Person (other than Administrative Agent) to have control over a deposit account or any property deposited therein. Newpark shall promptly notify Agent of any opening or closing of a deposit account by any Borrower and, with the consent of the Administrative Agent, will amend *Schedule 6.19* to reflect same.

VII. **NEGATIVE COVENANTS.** So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrowers shall not, nor shall they permit any Subsidiary to, directly or indirectly:

7.01 **Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property (other than treasury stock of Newpark to the extent Regulation U would be violated by restrictions under this *Section 7.01*), whether now owned or hereafter acquired, except:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on *Schedule 7.01*; *provided* that (i) such Lien does not extend to cover any additional property after the Closing Date (other than after-acquired property that is affixed to or incorporated in the property covered by such Lien and the proceeds and products thereof) and (ii) such Lien shall secure only those obligations which it secures on the Closing Date and any replacement, renewal, refinancing or extension thereof that does not increase the outstanding principal amount thereof;

(c) Liens for Taxes not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of Newpark or its Subsidiaries, as the case may be, in conformity with GAAP;

(d) carriers', landlord's, warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not overdue for a period of more than thirty (30) days or that are being contested in good faith by appropriate proceedings;

(e) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation and inchoate Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(f) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of Newpark or any of its Subsidiaries;

(h) judgment and attachment Liens not giving rise to an Event of Default under **Section 8.01(h)**, provided that any appropriate legal proceedings which may have been duly initiated for the appeal or other review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and no action to enforce such Lien has been commenced;

(i) Liens securing Indebtedness of Newpark or any Subsidiary in an aggregate principal amount not to exceed the amount permitted under **Section 7.02(e)** to finance the acquisition of fixed or capital assets, including any such Liens already existing at the time of the acquisition of any fixed or capital assets, *provided* that (i) such Liens and the Indebtedness secured thereby are incurred prior to or within thirty (30) days after such acquisition or the completion of such construction or improvement, and (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness (and any repairs, renewals, replacements, additions, accessions, improvements, modifications or proceeds thereof);

(j) any interest or title of a lessor under any lease entered into by Newpark or any Subsidiary in the ordinary course of its business and covering only the assets so leased;

(k) Liens on cash collateral in respect of letters of credit issued for the account of Newpark or any of its Subsidiaries and/or reimbursement obligations in respect thereof in an aggregate principal amount not to exceed \$30,000,000 provided that any liens in respect of cash collateral in respect of any one (1) or more Letters of Credit shall not be counted against said \$30,000,000 limit;

(l) Liens arising solely by virtue of any contractual, statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution, provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by FRB;

(m) Liens not otherwise permitted by this Section so long as the aggregate outstanding principal amount of the Indebtedness or other obligations secured thereby does not exceed (as to Newpark and all Subsidiaries) \$20,000,000 at any time;

(n) Liens securing Indebtedness permitted by **Section 7.02(g)**; *provided* that such Liens only attach to the property of Foreign Subsidiaries or the Equity Interests of the Foreign Subsidiaries incurring such Indebtedness;

(o) Liens securing obligations arising under any Permitted Sale Leaseback Transaction if such Liens apply only to the assets that are the subject of such Permitted Sale Leaseback Transaction;

(p) Liens securing obligations arising under any Permitted Term Loan if such Liens apply only to the assets that are the subject of such Permitted Term Loan;

(q) Liens on any assets of any direct or indirect Foreign Subsidiary not otherwise permitted by this Section so long as the aggregate outstanding principal amount of the obligations secured thereby does not exceed (as to all Foreign Subsidiaries) \$20,000,000 at any time;

(r) Liens on any cash earnest money deposits made in connection with any letter of intent or purchase agreement with respect to an Investment permitted by **Section 7.03**;

(s) Liens existing on property at the time of an acquisition that is permitted hereunder by the Loan Parties or any Subsidiary or existing on the property of any Person at the time such Person becomes a Subsidiary, in each case after the Closing Date; *provided* that (i) such Lien was not created in contemplation of such acquisition or such Person becoming a Loan Party (or such merger or consolidation) and (ii) such Lien does not extend to or cover any other assets or property (other than the proceeds or products thereof);

(t) Liens on insurance policies and the proceeds thereof securing the financing of the premiums thereof in an amount not to exceed the premiums of such insurance policies; and

(u) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods.

**7.02 Indebtedness.** Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness among Newpark and its Subsidiaries, which Indebtedness shall (i) in the case of Indebtedness owed Newpark, constitute Pledged Debt and (ii) in the case of Indebtedness of any Loan Party to any Subsidiary that is not a Loan Party, be subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent;

(b) Indebtedness under the Loan Documents;

(c) Indebtedness outstanding on the date hereof and listed on **Schedule 7.02** and any refinancings, refundings, renewals or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof except as permitted by this Agreement);

(d) (i) Guarantees incurred by Newpark or any of its Subsidiaries of obligations of Newpark or any Subsidiary in respect of the performance of bids, tenders, trade contracts (other than for borrowed money), performance bonds and other obligations of a like nature incurred in the ordinary course of business, and (ii) other Guarantees incurred by Newpark or any of its Subsidiaries of obligations of Newpark or any Subsidiary to the extent such obligations are permitted to be incurred hereunder;

(e) Indebtedness in respect of Capitalized Leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in **Section 7.01(i)**; *provided, however*, that the aggregate amount of all such Indebtedness at any time outstanding (including any such Indebtedness outstanding on the date hereof) shall not exceed \$20,000,000 at any time outstanding;

(f) unsecured Indebtedness in an aggregate principal amount at any time outstanding not to exceed \$300,000,000 issued by Newpark, any other Borrower or any Subsidiary; *provided* that (i) immediately prior to and after giving effect to the issuance of such Indebtedness, there would be no Default under this Agreement, (ii) the scheduled maturity of such Indebtedness is no earlier than 91 days after the Maturity Date, (iii) such Indebtedness does not require any scheduled repayments, defeasance or redemption (or sinking fund therefor) of any principal amount thereof prior to the date that is 91 days after the Maturity Date (other than customary offers to purchase with proceeds of asset sales or upon the occurrence of a change of control), and (iv) no indenture or other agreement governing such Indebtedness contains (A) maintenance financial covenants or (B) covenants or events of default that are more restrictive in any material respect, taken as a whole, to Newpark and its Subsidiaries than market terms for comparable issuers and issuances at the time of incurrence or issuance thereof;

(g) Indebtedness of any Foreign Subsidiary in an aggregate principal amount not to exceed \$20,000,000 at any time outstanding; *provided* that such Indebtedness is not guaranteed by Newpark or any other Loan Party;

(h) Indebtedness in respect of Swap Contracts and Cash Management Agreements, in each case subject to the limitations set forth in **Section 7.16**;

(i) Indebtedness arising under Permitted Sale Leaseback Transactions;

(j) Indebtedness arising under Permitted Term Loans; and

(k) additional Indebtedness of Newpark or any of its Subsidiaries in an aggregate principal amount (for Newpark and all Subsidiaries) not to exceed \$40,000,000 at any time outstanding.

**7.03 Investments.** Make or hold any Investments, except:

(a) Investments in Cash Equivalents;

(b) loans and advances to directors, officers and employees of Newpark or its Subsidiaries in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for not to exceed \$2,500,000 at any time outstanding;

(c) (i) Investments by Newpark and its Subsidiaries in their respective Subsidiaries outstanding on the Closing Date, (ii) additional Investments by Newpark and its Subsidiaries in Loan Parties and (iii) additional Investments by Subsidiaries of Newpark that are not Loan Parties in other Subsidiaries that are not Loan Parties;

(d) Investments in assets useful in the business of Newpark and its Subsidiaries made by Newpark or any of its Subsidiaries with the proceeds of any Disposition permitted by **Section 7.05**;

(e) Guarantees permitted by **Section 7.02**;

- (f) extensions of trade credit in the ordinary course of business and Investments received in satisfaction or partial satisfaction thereof from financially troubled Account Debtors to the extent reasonably necessary in order to prevent or limit loss;
- (g) Permitted Acquisitions and the formation of Subsidiaries of Newpark in connection with Permitted Acquisitions;
- (h) (i) Investments existing on the date hereof (other than those referred to in **Section 7.03(c)(i)**) and identified on **Schedule 7.03(a)** and (ii) Investments identified on **Schedule 7.03(b)**; and
- (i) other Investments in an aggregate amount not exceeding \$5,000,000 in any fiscal year;
- (j) Investments acquired in exchange for, or out of the proceeds from the issuance or sale of, Equity Interests in Newpark (excluding Disqualified Capital Stock);
- (k) Investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with Newpark or any of the Subsidiaries (including in connection with a Permitted Acquisition) so long as such Investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;
- (l) Investments received in connection with the disposition of assets permitted by **Section 7.05**; and
- (m) other Investments not limited in amount, provided that upon giving *pro forma* effect thereto, either (i) average Availability for the thirty (30) days preceding and as of the date of such Investment is not less than the greater of \$30,000,000 and 20% of the Borrowing Base, or (ii)(A) average Availability for the thirty (30) days preceding and as of the date of such Investment is not less than the greater of \$20,000,000 and 15% of the Borrowing Base and (B) the Consolidated Fixed Charge Coverage Ratio on a *pro forma* basis is at least 1.00 to 1.00 for the Measurement Period most recently ended for which financial statements of Newpark have been delivered pursuant to **Section 6.01(a)** or **(b)**.

**7.04 Fundamental Changes.** Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (including, in each case, pursuant to a Division), except that, so long as no Event of Default exists or would result therefrom:

- (a) (i) Newpark may merge with one or more of its Subsidiaries, provided that Newpark shall be the continuing or surviving Person, and (ii) any of its Subsidiaries may merge with any of its other Subsidiaries provided that if any of such Subsidiaries is a Borrower, a Borrower shall be the surviving Person;
- (b) any Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to Newpark or to another Borrower;
- (c) any Subsidiary that is (i) not a Borrower may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to Newpark or another Loan Party and (ii) not a Loan Party may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to Newpark or any Subsidiary; and

(d) Newpark or any other Loan Party may merge or consolidate with any Person pursuant to a Permitted Acquisition.

7.05 **Dispositions.** Make any Disposition of any of its property whether now owned or hereafter acquired (other than treasury stock of Newpark (i) issued pursuant to any employee or director benefit plan approved by the shareholders of Newpark or (ii) to the extent Regulation U would be violated by restrictions under this **Section 7.05**) or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Equity Interests to any Person, except:

(a) the Disposition of obsolete or worn out property or equipment no longer used or useful in the business of Newpark or its Subsidiaries, in each case in the ordinary course of business;

(b) the sale or lease of Inventory (including wooden and composite mats removed from Newpark or its Subsidiaries' rental fleet and sold as used mats) in the ordinary course of business;

(c) Dispositions permitted by **Section 7.04** and Dispositions of Cash Equivalents for cash or other Cash Equivalents;

(d) the sale or issuance of any Subsidiary's Equity Interests to Newpark or any other Subsidiary;

(e) Dispositions pursuant to a Permitted Sale Leaseback Transaction;

(f) the Disposition of other property (including, but not limited to, Equity Interests issued by any Subsidiary) having a book value in the aggregate (i) during any fiscal year not to exceed 5% of Consolidated Tangible Assets (calculated as an average of Consolidated Tangible Assets as of the last day of the most recently ended four fiscal quarters for which financial statements have been delivered pursuant to **Section 6.01(a)** or **(b)**) and (ii) during the term of this Agreement beginning with the Closing Date and ending on the Maturity Date, not to exceed 15% of Consolidated Tangible Assets (calculated as an average of Consolidated Tangible Assets as of the last day of each fiscal quarter ending on or after March 31, 2022 for which financial statements have been delivered pursuant to **Section 6.01(a)** or **(b)**);

(g) the Specified Dispositions;

(h) the Disposition of the Real Estate located in Texas covered by a Mortgage;

(i) Dispositions of property (i) by any Loan Party to any other Loan Party and (ii) by any non-Loan Party to any Loan Party or another non-Loan Party; and

(j) Dispositions of property subject to condemnation, takings or casualty events.

7.06 **Restricted Payments.** Declare or pay any Restricted Payment except that (a) Newpark may declare, pay, make or otherwise effect or undertake any one or more Restricted Payments provided that at the time of and after giving effect to such Restricted Payment, (i) no Default or Event of Default has occurred and is continuing or would result from such Restricted Payment, and (ii) upon giving *pro forma* effect thereto, either (A) Availability for the thirty (30) days immediately preceding and as of the date of such Restricted Payment is not less than the greater of \$40,000,000 and 25% of the Borrowing Base, or (B)(1) Availability for the thirty (30) days immediately preceding and as of the date of such Restricted Payment is not less than the greater of \$35,000,000 and 20% of the Borrowing Base and (2) the Consolidated Fixed Charge Coverage Ratio on a *pro forma* basis is not less than 1.00 to 1.00 for the Measurement Period most recently ended for which financial statements of Newpark have been delivered pursuant to **Section 6.01(a)** or **(b)**, (b) each Subsidiary may make Restricted Payments to a Loan Party and each Subsidiary that is not a Loan Party may make Restricted Payments to Newpark or any other Subsidiary; (c) the Borrowers and each Subsidiary may declare and make dividend payments or other



distributions payable solely in the common stock or other common Equity Interests of such Person; (d) the Borrowers and each Subsidiary may purchase, redeem or otherwise acquire its common Equity Interests with the proceeds received from the substantially concurrent issue of new common Equity Interests; (e) the redemption, repurchase or other acquisition or retirement for value of Equity Interests of any Borrower held by officers, directors or employees or former officers, directors or employees (or their transferees, estates or beneficiaries under their estates) shall be permitted either (i) upon any such individual's death, disability, retirement, severance or termination of employment or service or (ii) pursuant to any equity subscription agreement, stock option agreement, stockholders' agreement or similar agreement; *provided*, in any case, that the aggregate cash consideration paid for all such redemptions, repurchases or other acquisitions or retirements shall not exceed \$5,000,000 during any calendar year (with unused amounts in any calendar year being carried forward to the next succeeding calendar year); (f) any Loan Party may purchase, redeem or otherwise acquire for value any of its Equity Interests held by any current or former officers, directors or employees of the Loan Parties, any of their Subsidiaries or any of their respective Affiliates in connection with the exercise or vesting of any equity compensation (including, without limitation, stock options, restricted stock and phantom stock) in order to satisfy any tax withholding obligation with respect to such exercise or vesting; and (g) Newport may pay cash in lieu of fractional Equity Interests.

**7.07 Change in Nature of Business.** Engage in any material line of business substantially different from those lines of business conducted by Newport and its Subsidiaries on the Closing Date or any business substantially related or incidental thereto.

**7.08 Transactions with Affiliates.** Enter into any transaction of any kind with any Affiliate of any Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to such Borrower or such Subsidiary as would be obtainable by such Borrower or such 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 between or among Newport or any of its Subsidiaries, (b) Restricted Payments permitted to be made under **Section 7.06**, (c) the payment of reasonable and customary regular fees to directors of Newport or any Subsidiary and (d) any other transaction with any employee, officer or director of Newport or any Subsidiary pursuant to employee benefit, compensation or indemnification arrangements entered into in the ordinary course of business and approved by the board of directors (or equivalent governing body) of such Person.

**7.09 Burdensome Agreements.** Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to Newport or any other Loan Party or to otherwise transfer property to or invest in Newport or any other Loan Party, except for any agreement (A) in effect on the date hereof and set forth on **Schedule 7.09** (and any extensions, renewals or replacements of any such agreement, so long as the prohibitive terms of such agreement are no more restrictive than the terms reflected in such agreement as in effect on the Closing Date); (B) in effect at the time any Subsidiary becomes a Subsidiary of Newport or is merged or consolidated with or into a Subsidiary of Newport, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of Newport or such merger or consolidation; (C) governing Indebtedness of any Foreign Subsidiary, which restrictions are not applicable to any Person, or the properties or assets of any Person, other than such Foreign Subsidiary and its Subsidiaries; (D) that has been entered into for the Disposition of all or substantially all of the outstanding Equity Interests of or assets of any Subsidiary or for the Disposition of any property of any Subsidiary, provided that, in each case such Disposition is otherwise permitted hereunder; or (E) are provisions in joint venture agreements and other similar agreements applicable to joint ventures and non-wholly owned Subsidiaries permitted under **Section 7.03** and applicable solely to such Person entered into in the ordinary course of business; (ii) of any Subsidiary (other than an Excluded Subsidiary) to Guarantee the Obligations, except for any agreement of the type described in **clause (i)(A), (B), (D) or (E)** above or (iii) of Newport or any Subsidiary (other than an Excluded Subsidiary) to create, incur, assume or suffer to exist Liens on its property to secure the Obligations; *provided, however*, that this **clause (iii)** shall not prohibit (A) any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under **Section 7.02(f)** solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness, (B) any negative pledge contained in any agreement of the type described in **clause (i)(A), (B), (D) or (E)** above; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure the Obligations.

7.10 **Use of Proceeds.** Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to (a) purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, (b) to fund any activities of or business with any Person, or in any country or territory, that, at the time of issuance of such Credit Extension, is the target of any Sanction; or (iii) in any manner that would result in a violation of a Sanction, Anti-Corruption Law or other applicable Law by any Person (including the Administrative Agent, any Lender or any other individual or entity participating in any transaction).

7.11 **Financial Covenants.**

(a) **Consolidated Fixed Charge Coverage Ratio.** Permit the Consolidated Fixed Charge Coverage Ratio for any Measurement Period to be less than 1.00 to 1.00.

(b) **Consolidated Leverage Ratio.** If at any time a Leverage Covenant Trigger Period exists, permit the Consolidated Leverage Ratio as of the last day of the Measurement Period most recently ended for which financial statements of Newpark have been delivered pursuant to **Section 6.01(a)** or **(b)** to be greater than 4.00 to 1.00.

7.12 **Amendments of Organization Documents.** Amend any of its Organization Documents in a manner which would materially and adversely affect the interests of the Administrative Agent or the Lenders.

7.13 **Accounting Changes.** Make any change in (a) its accounting policies or reporting practices, except as required by GAAP or (b) its fiscal year.

7.14 **Prepayments, Etc. of Indebtedness.** Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled due date of any payment due with respect to any Indebtedness or final maturity of any Indebtedness, as may be applicable, 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, prepayments of any Indebtedness by any Loan Party or Subsidiary to a Loan Party, and prepayments by any Subsidiary that is not a Loan Party to any other Subsidiary that is not a Loan Party, (b) refinancings, refundings, extensions or renewals of Indebtedness to the extent such refinancing, refunding, extension or renewal is permitted by **Sections 7.02(c)** or **7.02(f)**, (c) the conversion to or exchange for Equity Interests of convertible or exchangeable debt securities permitted under **Sections 7.02(c)** or **7.02(f)**, and customary payments in cash in lieu of fractional shares in connection therewith, (d) the mandatory prepayment of Indebtedness permitted pursuant to **Section 7.02(c)** in connection with the disposition of any asset securing such Indebtedness that is permitted by **Section 7.05**, (e) the repayment of amounts borrowed under revolving credit facilities, lines of credit in connection with bank undertakings and letters of credit, and similar Indebtedness to the extent any amounts so repaid may be reborrowed thereafter, (f) prepayments of Indebtedness owed by any Foreign Subsidiary in respect of Indebtedness permitted to be incurred by such Foreign Subsidiary pursuant to **Section 7.02** and (g) other prepayments, redemptions, purchases, defeasances or other satisfactions with respect to such Indebtedness not otherwise permitted pursuant to this **Section 7.14 provided** that at the time of and after giving effect to such prepayment, redemption, purchase, defeasance or satisfaction, the conditions set forth in **Section 7.06(a)** have been satisfied.

7.15 **Amendments, Etc.** Amend, modify or change in any manner any term or condition of any Indebtedness set forth on *Schedule 7.02* or permitted by *Section 7.02(f)*, except for (a) any refinancing, refunding, renewal or extension thereof permitted by *Sections 7.02(c)* or *7.02(f)*, as applicable, or (b) any amendment, modification or change thereto, so long as the terms of such amendment, modification or change would not be reasonably expected to materially and adversely affect the interests of the Administrative Agent or the Lenders under the Loan Documents.

7.16 **Swap Contracts.** Enter into any Swap Contract, except (a) Swap Contracts entered into to hedge or mitigate risks to which Newpark or any Subsidiary has actual exposure (other than those in respect of Equity Interests) and (b) Swap Contracts entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from floating rates to fixed rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Newpark or any Subsidiary.

## VIII. EVENTS OF DEFAULT AND REMEDIES.

8.01 **Events of Default.** Any of the following shall constitute an Event of Default:

(a) **Non-Payment.** The Borrowers fail to (i) pay, when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) pay within three (3) days after the same becomes due any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) pay within five (5) days after the same becomes due any other amount payable hereunder or under any other Loan Document; or

(b) **Specific Covenants.** (i) The Borrowers fail to perform or observe any term, covenant or agreement contained in any of *Sections 6.01, 6.02(a), 6.03(a), 6.03(b), 6.05, 6.07, 6.10, 6.11, 6.12, 6.14, 6.18* or *Article VII* or (ii) the Borrowers fail to perform or observe any term, covenant or agreement contained in *Section 6.02* (other than *6.02(a)*) or *Section 6.03* (other than *Section 6.03(a)* and *6.03(b)*) and such failure continues for five (5) days after the earlier to occur of (A) notice thereof to Newpark by the Administrative Agent or any Lender (through the Administrative Agent), and (B) a Responsible Officer of any Borrower otherwise becoming aware of such default; or

(c) **Other Defaults.** Any Loan Party fails to perform or observe any other covenant or agreement (not specified in *Section 8.01(a)* or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the earlier to occur of (A) notice thereof to Newpark by the Administrative Agent or any Lender (through the Administrative Agent), and (B) a Responsible Officer of any Borrower otherwise becoming aware of such default; or

(d) **Representations and Warranties.** Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrowers or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) **Cross-Default.** (i) Newpark or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$25,000,000 (any such Indebtedness, "**Material Indebtedness**"), or (B) fails to observe or perform any other agreement or condition relating to any Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating to any such Material Indebtedness, or any other event occurs (other than a Disposition of an asset that requires a prepayment of Material Indebtedness permitted by **Section 7.14**), in each case the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness, such Material Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Material Indebtedness to be made, prior to its stated maturity; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which Newpark or an Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which Newpark or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by Newpark or such Subsidiary as a result thereof is greater than \$25,000,000; or

(f) **Insolvency Proceedings, Etc.** Newpark or any Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(g) **Inability to Pay Debts; Attachment.** (i) Newpark or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) **Judgments.** There is entered against Newpark or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$10,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of twenty (20) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) **ERISA.** (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect or the imposition of a Lien under *Title IV* of ERISA on the assets of a Borrower, or (ii) a Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under *Section 4201* of ERISA under a Multiemployer Plan and such failure to pay has resulted or could reasonably be expected to result in a Material Adverse Effect or the imposition of a Lien under *Title IV* of ERISA on the assets of a Borrower; or

(j) **Invalidity of Loan Documents.** Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Borrower or any other Person contests in any manner the validity or enforceability of any material provision of any Loan Document; or any Borrower denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) **Change of Control.** There occurs any Change of Control; or

(l) **Collateral Documents.** Any Collateral Document after delivery thereof pursuant to *Section 4.01* or *6.12* shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Liens permitted by *Section 7.01*) on Collateral consisting of Accounts or Inventory of the type included in the "Borrowing Base" or other Collateral having an aggregate fair market value in excess of \$5,000,000 that is purported to be covered thereby unless such occurrence results solely from action of the Administrative Agent or any Lender and involves no Default by any Borrower hereunder or under any Collateral Document.

8.02 **Remedies upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;

(c) require that the Borrowers Cash Collateralize the L/C Obligations (in an amount not less than the difference between 103% of the then Outstanding Amount thereof *less* any portion of such Outstanding Amount which is already Cash Collateralized); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuers all rights and remedies available to it, the Lenders and the L/C Issuers under the Loan Documents or applicable Law or equity;

*provided, however,* that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 **Application of Funds.** After the exercise of remedies provided for in **Section 8.02** (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to **Section 8.02**), any amounts received on account of the Obligations shall, subject to the provisions of **Sections 2.15** and **2.16**, be applied by the Administrative Agent in the following order:

*First*, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under **Article III**) payable to the Administrative Agent in its capacity as such;

*Second*, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and L/C Issuers arising under the Loan Documents) and amounts payable under **Article III**, ratably among them in proportion to the respective amounts described in this *clause Second* payable to them;

*Third*, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations arising under the Loan Documents, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this *clause Third* payable to them;

*Fourth*, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Borrowings and Secured Bank Product Obligations up to the amount of the Bank Product Reserve existing therefor and to the Administrative Agent, for the account of the applicable L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrowers pursuant to **Sections 2.03** and **2.15**, in each case, ratably among the Administrative Agent, the Lenders, the L/C Issuers, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this *clause Fourth* held by them;

*Fifth*, to payment of all other Obligations ratably among the Secured Parties; and

*Last*, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by Law.

Subject to **Section 2.03(c)** and **2.15**, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to *clause Fourth* above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this **Section**.

Notwithstanding the foregoing, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of **Article IX** hereof for itself and its Affiliates as if a "Lender" party hereto.

## IX. THE ADMINISTRATIVE AGENT.

### 9.01 Appointment and Authority.

(a) Each of the Lenders and the L/C Issuers, on behalf of itself and any of its Affiliates that are Secured Parties, hereby irrevocably appoints, designates and authorizes Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this *Article* are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and the Borrowers shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Administrative Agent shall also act as the “*collateral agent*” under the Loan Documents, and each of the Lenders (including in its capacities as a potential Hedge Bank and a potential Cash Management Bank) and each of the L/C Issuers hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and such L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “*collateral agent*” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to *Section 9.05* for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder (at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this *Article IX* and *Article X* (including *Section 10.04(c)*, as though such co-agents, sub-agents and attorneys-in-fact were the “*collateral agent*” under the Loan Documents) as if set forth in full herein with respect thereto.

9.02 **Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “*Lender*” or “*Lenders*” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial, advisory, underwriting or other business with Newpark or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

9.03 **Exculpatory Provisions.** The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to Newpark or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(d) Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in **Sections 10.01** and **8.02**) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by Newpark, a Lender or an L/C Issuer.

(e) Neither the Administrative Agent nor any of its Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in **Article IV** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 **Reliance by the Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying upon and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such



condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. For purposes of determining compliance with the conditions specified in **Section 4.01**, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objections.

**9.05 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this **Article** shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

**9.06 Resignation of the Administrative Agent.**

(a) **Notice.** The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and Newpark. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Newpark, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “**Resignation Effective Date**”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) **Defaulting Lender.** If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to **clause (d)** of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrowers and such Person remove such Person as the Administrative Agent and, in consultation with Newpark, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the “**Removal Effective Date**”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) **Effect of Resignation or Removal.** With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in **Section 3.01(h)**) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this **Section**). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this **Article** and **Section 10.04** shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as the Administrative Agent.

(d) **L/C Issuer and Swing Line Lender.** Any resignation or removal by Bank of America as the Administrative Agent pursuant to this **Section** shall also constitute its resignation as an L/C Issuer and a Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to **Section 2.03(c)**. If Bank of America resigns as a Swing Line Lender, it shall retain all the rights of a Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to **Section 2.04(c)**. Upon the appointment by Newpark of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 **Non-Reliance on the Administrative Agent and Other Lenders.** Each Lender and each L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 **No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the “*Book Managers*”, “*Arrangers*”, “*Syndication Agent*” or “*Documentation Agent*” listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

9.09 **Administrative Agent May File Proofs of Claim; Credit Bidding.** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under **Sections 2.03(h)** and **(i)**, **2.09** and **10.04**) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under **Sections 2.09** and **10.04**.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under **Sections 363**, **1123** or **1129** of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with

any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) The Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (*provided* that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in *clauses (a)* through *(h)* of **Section 10.01** of this Agreement), and (iii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders *pro rata* and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

**9.10 Collateral and Guaranty Matters.** Each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and each of the L/C Issuers, and by accepting the benefits of Collateral, each of the other Secured Parties, irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than (A) contingent indemnification obligations and (B) obligations and liabilities under Secured Cash Management Agreements and Secured Hedge Agreements as to which arrangements satisfactory to the applicable Cash Management Bank or Hedge Bank shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the applicable L/C Issuer shall have been made), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing in accordance with **Section 10.01**;

(b) to release any Guarantor from its obligations under a Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; and

(c) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by **Section 7.01(i)**.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this **Section 9.10**. In each case as specified in this **Section 9.10**, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this **Section 9.10**.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Borrower in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

**9.11 Secured Cash Management Agreements and Secured Hedge Agreements.** Except as otherwise expressly set forth herein, no Cash Management Bank or Hedge Bank that obtains the benefit of the provisions of **Section 8.03**, a Guaranty or any Collateral by virtue of the provisions hereof, of the Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this **Article IX** to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case the termination of the Aggregate Commitments and repayment in full of all Obligations hereunder.

**9.12 Recovery of Erroneous Payments.** Without limitation of any other provision herein, if at any time the Administrative Agent makes a payment hereunder in error to any Lender or L/C Issuer, whether or not in respect of an Obligation due and owing by the Borrowers at such time, where such payment is a Rescindable Amount, then in any such event each Lender or L/C Issuer receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender or L/C Issuer in immediately available funds in the currency so received, with interest thereon for each day from and including the date such Rescindable Amount is received by it to but excluding the date of repayment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender or L/C Issuer irrevocably waives any and all defenses, including any defense of discharge for value (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender or L/C Issuer promptly upon determining that any payment made to such Lender or L/C Issuer was comprised, in whole or in part, of a Rescindable Amount.

### 9.13 Certain ERISA Matters.

(a) **Lender Representations.** Each Lender represents and warrants, as of the date it became a Lender party hereto, and covenants, from the date it became a Lender party hereto to the date it ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Loan Parties, that at least one (1) of the following is and will be true: (i) Lender is not using “*plan assets*” (within the meaning of ERISA *Section 3(42)* or otherwise) of one or more Benefit Plans with respect to Lender’s entrance into, participation in, administration of and performance of the Loans, Letters of Credit, Commitments or Loan Documents; (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to Lender’s entrance into, participation in, administration of and performance of the Loans, Letters of Credit, Commitments and Loan Documents; (iii)(A) Lender is an investment fund managed by a “*Qualified Professional Asset Manager*” (within the meaning of *Part VI* of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of Lender to enter into, participate in, administer and perform the Loans, Letters of Credit, Commitments and Loan Documents, (C) the entrance into, participation in, administration of and performance of the Loans, Letters of Credit, Commitments and Loan Documents satisfies the requirements of *subsections (b) through (g)* of *Part I* of PTE 84-14, and (D) to the best knowledge of Lender, the requirements of *subsection (a)* of *Part I* of PTE 84-14 are satisfied with respect to Lender’s entrance into, participation in, administration of and performance of the Loans, Letters of Credit, Commitments and Loan Documents; or (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its discretion, and Lender.

(b) **Further Lender Representation.** Unless *Section 9.13(a)(i)* is true with respect to a Lender, such Lender further represents and warrants, as of the date it became a Lender hereunder, and covenants, from the date it became a Lender to the date it ceases to be a Lender hereunder, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in its entrance into, participation in, administration of and performance of the Loans, Letters of Credit, Commitments and Loan Documents (including in connection with the reservation or exercise of any rights by the Administrative Agent under any Loan Document).

## X. MISCELLANEOUS.

10.01 **Amendments, Etc.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrowers or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrowers or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in *Section 4.01* (other than *Section 4.01(b)(i)* or *(c)*), or, in the case of the initial Credit Extension, *Section 4.02*, without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to **Section 8.02**) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to any Lender without the written consent of such Lender;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to **clause (iv)** of the second *proviso* to this **Section 10.01**) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; *provided, however*, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of “*Default Rate*” or to waive any obligation of the Borrowers to pay interest or Letter of Credit Fees at the Default Rate, (ii) to make any ESG-Related Pricing Adjustment constituting a reduction not to exceed 0.05% with respect to the Applicable Rate or 0.01% with respect to the Applicable Fee Rate or (iii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(e) change **Section 8.03** or any other provision hereof in a manner that would alter the *pro rata* sharing of payments required thereby without the written consent of each Lender;

(f) change any provision of this **Section 10.01** or the definition of “*Required Lenders*” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender;

(g) (i) release all or substantially all of the Collateral, or subordinate the Administrative Agent’s Liens therein, in any transaction or series of related transactions or (ii) subordinate, or have the effect of subordinating, the Obligations to any other indebtedness or other obligation of the Loan Parties, in each case, without the written consent of each Lender;

(h) release all or substantially all of the value of a Guaranty, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to **Section 9.10** (in which case such release may be made by the Administrative Agent acting alone);

(i) amend the definition of Borrowing Base (or any defined term used in such definition) or any other provision of this Agreement without the prior written consent of each Lender (except any Defaulting Lender) if, in either case, the effect of such amendment is to increase Availability; or

(j) change **Section 9.10** in any manner without the prior written consent of each Lender;

and *provided, further*, that (i) no amendment, waiver or consent shall, unless in writing and signed by the applicable L/C Issuer in addition to the Lenders required above, affect the rights or duties of the applicable L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lenders in addition to the Lenders required above, affect the rights or duties of the Swing Line Lenders under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) no Fee Letter may be amended, or rights or privileges thereunder waived, except in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be

effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to the other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding anything to the contrary herein the Administrative Agent may, with the prior written consent of Newpark only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Required Lenders, Newpark may replace such Non-Consenting Lender in accordance with **Section 10.13**; *provided* that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such **Section** (together with all other such assignments required by the Borrowers to be made pursuant to this paragraph).

#### 10.02 Notices; Effectiveness; Electronic Communications.

(a) **Notices Generally.** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in **subsection (b)** below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to Newpark, the Administrative Agent, the L/C Issuers or the Swing Line Lenders, to the address, fax number, e-mail address or telephone number specified for such Person on **Schedule 10.02**; and

(ii) if to any other Lender, to the address, fax number, e-mail address or telephone number specified in an administrative questionnaire satisfactory to the Administrative Agent (including, as appropriate, notices delivered solely to the Person designated by a Lender then in effect for the delivery of notices that may contain material non-public information relating to the Borrowers).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in **subsection (b)** below shall be effective as provided in such **subsection (b)**.



(b) **Electronic Communications.** Notices and other communications to the Administrative Agent, the Lenders, the Swing Line Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender, Swing Line Lenders or the L/C Issuers pursuant to **Article II** if such Lender, Swing Line Lender or L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, each Swing Line Lender, each L/C Issuer or Newpark may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received by the intended recipient upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail address or other written acknowledgement) indicating that such notice or communication is available and identifying the website address therefor; *provided* that for both **clauses (i)** and **(ii)**, if such notice or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) **The Platform.** THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrowers, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrowers or the Administrative Agent's transmission of the Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging services, or through the Internet.

(d) **Change of Address, Etc.** Each of Newpark, the Administrative Agent, each L/C Issuer and each Swing Line Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to Newpark, the Administrative Agent, the L/C Issuers and the Swing Line Lenders. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, fax number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one (1) individual at or on behalf of such Public Lender to at all times have selected the "**Private Side Information**" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States federal and state securities Laws, to make reference to the Borrower Materials that are not made available through the "**Public Side Information**" portion of the Platform and that may contain material non-public information with

respect to the Borrowers or their securities for purposes of United States federal or state securities laws.

(e) **Reliance by the Administrative Agent, L/C Issuers and Lenders.** The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including, without limitation, electronic notices, Revolving Credit Loan Notices, Notice of Loan Prepayment and Swing Line Loan Notices) purportedly given by or on behalf of Newpark even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Newpark. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

**10.03 No Waiver; Cumulative Remedies; Enforcement.** No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with **Section 8.02** for the benefit of all the Lenders and all the L/C Issuers; *provided, however*, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as the Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuers or the Swing Line Lenders from exercising the rights and remedies that inure to their respective benefit (solely in their respective capacities as an L/C Issuer or a Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with **Section 10.08** (subject to the terms of **Section 2.13**), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as the Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to **Section 8.02** and (ii) in addition to the matters set forth in **clauses (b), (c) and (d)** of the preceding *proviso* and subject to **Section 2.13**, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

#### 10.04 Expenses; Indemnity; Damage Waiver.

(a) **Costs and Expenses.** The Borrowers jointly and severally shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) (but limited, in the case of fees, charges and disbursements of counsel, to (A) one primary counsel for the Administrative Agent and its Affiliates and (B) one local counsel in each appropriate jurisdiction), (ii) all reasonable out-of-pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (but limited, in the case of fees, charges and disbursements of counsel, to (A) one primary counsel for the Administrative Agent and the Lenders, taken as a whole, and (B) a single local counsel in each relevant jurisdiction (and solely in the case of any actual conflict of interest, one additional counsel), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) **Indemnification by Borrowers.** The Borrowers shall jointly and severally indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrowers or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in **Section 3.01**), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by Newpark or any of its Subsidiaries, or any Environmental Liability related in any way to Newpark or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Newpark or any other Loan Party or any of Newpark's or such Loan Party's directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by Newpark or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Newpark or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) arose out of any claim, actions, suits, inquiries, litigation, investigation or proceeding that does not involve an act or omission of Newpark, any other Loan Party or any of their Affiliates and that is brought solely by an Indemnitee against another Indemnitee; *provided*

that the Arrangers, Swing Line Lenders, L/C Issuers, and the Administrative Agent shall remain indemnified in such capacities.

(c) **Reimbursement by Lenders.** To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under *subsection (a)* or *(b)* of this *Section* to be paid by it to the Administrative Agent (or any sub-agent thereof), the applicable L/C Issuer, the applicable Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the applicable L/C Issuer, the applicable Swing Line Lender or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such L/C Issuer or such Swing Line Lender in its capacity as such or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such L/C Issuer or such Swing Line Lender in connection with such capacity. The obligations of the Lenders under this *subsection (c)* are subject to the provisions of *Section 2.12(e)*.

(d) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by applicable Law, the Borrowers shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in *subsection (b)* above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) **Payments.** All amounts due under this *Section* shall be payable not later than ten Business Days after demand therefor.

(f) **Survival.** The agreements in this *Section* and the indemnity provisions of *Section 10.02(e)* shall survive the resignation of the Administrative Agent, the L/C Issuers and the Swing Line Lenders, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

**10.05 Payments Set Aside.** To the extent that any payment by or on behalf of the Loan Parties is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under *clause (b)* of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

## 10.06 Successors and Assigns.

(a) **Successors and Assigns Generally.** The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of **Section 10.06(b)**, (ii) by way of participation in accordance with the provisions of **Section 10.06(d)**, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of **Section 10.06(e)** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in **subsection (d)** of this **Section** and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this **Section 10.06(b)**, participations in L/C Obligations and in Swing Line Loans) at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in **paragraph (b)(i)(B)** of this **Section** in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in **subsection (b)(i)(A)** of this **Section**, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, Newpark otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement and the other Loan Documents with respect to the Loans or the Commitment assigned, except that this *clause (ii)* shall not apply to the Swing Line Lenders' rights and obligations in respect of Swing Line Loans;

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by *subsection (b)(i)(B)* of this *Section* and, in addition:

(A) the consent of Newpark (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund provided that Newpark shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender; and

(C) the consent of the L/C Issuers and the Swing Line Lenders shall be required for any assignment if such assignment is to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; *provided, however*, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver an administrative questionnaire satisfactory to the Administrative Agent.

(v) **No Assignment to Certain Persons.** No such assignment shall be made (A) to Newpark or any of Newpark's Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this *clause (B)*, or (C) to a natural person.

(vi) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Newpark and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, any L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to **subsection (c)** of this **Section**, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of **Sections 3.01, 3.04, 3.05** and **10.04** with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrowers (at their expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this **subsection** shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with **Section 10.06(d)**.

(c) **Register.** The Administrative Agent, acting solely for this purpose as an agent of the Borrowers (and such agency being solely for U.S. Tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or Newport or any of Newport's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under **Section 10.04(c)** without regard to the existence of any participations.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to **Section 10.01** (other than those in the proviso in **Section 10.01(d)**) that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of **Sections 3.01, 3.04 and 3.05** (subject to the requirements and limitations therein, including the requirements under **Section 3.01(e)** (it being understood that the documentation required under **Section 3.01(e)** shall be delivered to the Lender who sells the participation)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to **paragraph (b)** of this **Section**; *provided* that such Participant (A) agrees to be subject to the provisions of **Sections 3.06 and 10.13** as if it were an assignee under **paragraph (b)** of this **Section** and (B) shall not be entitled to receive any greater payment under **Sections 3.01 or 3.04**, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at Newpark's request and expense, to use reasonable efforts to cooperate with Newpark to effectuate the provisions of **Section 3.06** with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of **Section 10.08** as though it were a Lender; *provided* that such Participant agrees to be subject to **Section 2.13** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Newpark, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under **Section 5f.103-1(c)** of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as the Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) **Resignation as L/C Issuer or Swing Line Lender after Assignment.** Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Revolving Credit Loans pursuant to **Section 10.06(b)**, Bank of America may, (i) upon thirty (30) days' notice to Newpark and the Lenders, resign as an L/C Issuer and/or (ii) upon thirty (30) days' notice to Newpark, resign as a Swing Line Lender. In the event of any such resignation as an L/C Issuer or a Swing Line Lender, Newpark shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; *provided, however*, that no failure by Newpark to appoint any such successor shall affect the resignation of Bank of America as an L/C Issuer or a Swing Line Lender, as the case may be. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to **Section 2.03(c)**). If Bank of America resigns as a Swing Line



Lender, it shall retain all the rights of a Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to **Section 2.04(c)**. Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

**10.07 Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent, the Lenders and the L/C Issuers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this **Section**, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to **Section 2.14(c)**, (ii) any actual or prospective counterparty (or its Related Parties) to any swap or derivative transaction relating to any Borrower and its obligations, or (iii) on a confidential basis to (A) any rating agency in connection with rating Newpark or its Subsidiaries or the credit facilities provided hereunder, (B) the provider of any Platform or other electronic delivery service used by the Administrative Agent, the L/C Issuers and/or the Swing Line Lenders to deliver the Borrower Materials or notices to the Lenders or (C) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (g) with the consent of Newpark or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this **Section** or (ii) becomes available to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Loan Parties. For purposes of this **Section**, "**Information**" means all information received from the Loan Parties or any Subsidiary relating to any of the Loan Parties or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by the Loan Parties or any Subsidiary, provided that, in the case of information received from the Loan Parties or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this **Section** shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non-public information concerning the Loan Parties or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

The Loan Parties and their Affiliates agree that they will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Loan Documents without the prior written consent of the Administrative Agent, unless (and only to the extent that) the Loan Parties or such Affiliate is required to do so under law and then, in any event the Loan Parties or such Affiliate will use commercial reasonable efforts to consult with such Person before issuing such press release or other public disclosure.

The Loan Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Loan Parties.

**10.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of any Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer, irrespective of whether or not such Lender or such L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of any Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or such L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness; *provided*, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of **Section 2.16** and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this **Section** are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify Newpark and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

**10.09 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

**10.10 Counterparts; Integration; Effectiveness.** This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in **Section 4.01**, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate.

**10.11 Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

**10.12 Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this **Section 10.12**, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the applicable L/C Issuer or the applicable Swing Line Lenders, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

**10.13 Replacement of Lenders.** If Newpark is entitled to replace a Lender pursuant to the provisions of **Section 3.06**, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives Newpark the right to replace a Lender as a party hereto, then Newpark may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, **Section 10.06**), all of its interests, rights (other than its existing rights to payments pursuant to **Sections 3.01** and **3.04**) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (a) Newpark shall have paid to the Administrative Agent the assignment fee (if any) specified in **Section 10.06(b)**;

(b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under **Section 3.05**) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under **Section 3.04** or payments required to be made pursuant to **Section 3.01**, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Newpark to require such assignment and delegation cease to apply.

#### 10.14 **Governing Law; Jurisdiction; Etc.**

(a) **GOVERNING LAW.** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) **SUBMISSION TO JURISDICTION.** EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWERS OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) **WAIVER OF VENUE.** EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN **PARAGRAPH (b)** OF THIS **SECTION**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN **SECTION 10.02**. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW

**10.15 WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**10.16 No Advisory or Fiduciary Responsibility.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, any Affiliate thereof, the Arrangers and the Lenders are arm's-length commercial transactions between the Borrowers, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and, as applicable, its Affiliates, the Arrangers and the Lenders and their Affiliates (collectively, solely for purposes of this **Section**, the "**Lenders**"), on the other hand, (ii) each of the Borrowers and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the Borrowers and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) the Administrative Agent, its Affiliates, the Arrangers and each Lender each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Borrowers, any other Loan Party or any of their respective Affiliates, or any other Person and (ii) neither the Administrative Agent, any of its Affiliates, any Arranger nor any Lender has any obligation to the Borrowers, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent, its Affiliates, the Arrangers and the Lenders may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, any of its Affiliates, any Arranger nor any Lender has any obligation to disclose any of such interests to the Borrowers, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrowers and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, any of its Affiliates, any Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

**10.17 Electronic Execution; Electronic Records; Counterparts.** This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties and each of the Administrative Agent, each L/C Issuer, the Swing Line Lender, and each Lender (collectively, each a “**Credit Party**”) agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Credit Parties may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“**Electronic Copy**”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent, L/C Issuers nor Swing Line Lender is under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; *provided, further*, without limiting the foregoing, (a) to the extent the Administrative Agent, any L/C Issuer and/or Swing Line Lender has agreed to accept such Electronic Signature, the Administrative Agent and each of the Credit Parties shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party and/or any Credit Party without further verification and regardless of the appearance or form of such Electronic Signature, and (b) upon the request of the Administrative Agent or any Credit Party, any Communication executed using an Electronic Signature shall be promptly followed by a manually executed counterpart.

Neither the Administrative Agent, L/C Issuers nor Swing Line Lender shall be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent’s, L/C Issuers’ or Swing Line Lender’s reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent, L/C Issuers and Swing Line Lender shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Each of the Loan Parties and each Credit Party hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) any claim against the Administrative Agent, each Credit Party and each Related Party for any liabilities arising solely from the Administrative Agent's and/or any Credit Party's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

**10.18 Patriot Act Notice.** The Administrative Agent and Lenders hereby notify Loan Parties that pursuant to the Patriot Act, the Administrative Agent and Lenders are required to obtain, verify and record information that identifies each Loan Party, including its legal name, address, tax ID number and other information that will allow the Administrative Agent and Lenders to identify it in accordance with the Patriot Act. The Administrative Agent and Lenders will also require information regarding any personal guarantor and may require information regarding Loan Parties' management and owners, such as legal name, address, social security number and date of birth. Loan Parties shall, promptly upon request, provide all documentation and other information as the Administrative Agent, any L/C Issuer or any Lender may request from time to time for purposes of complying with any "know your customer," anti-money laundering or other requirements of applicable Law, including the Patriot Act and Beneficial Ownership Regulation.

**10.19 Keepwell.** Each Loan Party that is a Qualified ECP Guarantor at the time a Guaranty or the grant of the security interest under the Loan Documents, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under its Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this **Section 10.19** voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this **Section** shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. The Borrowers intend this **Section** to constitute, and this **Section** shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

**10.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of any Write-Down and Conversion Powers.

10.21 **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):

(a) **Covered Party.** 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. If 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.

(b) **Definitions.** As used in this *Section*, (i) “*BHC Act Affiliate*” means an “*affiliate*,” as defined in and interpreted in accordance with 12 U.S.C. §1841(k); (ii) “*Default Right*” has the meaning assigned in and interpreted in accordance with 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable; and (iii) “*QFC*” means a “*qualified financial contract*,” as defined in and interpreted in accordance with 12 U.S.C. §5390(c)(8)(D).

10.22 **Exiting Lender.** Subject to receipt of funds necessary to pay off all accrued but unpaid principal, interest and fees to and including the Closing Date owed to each of Credit Suisse AG, Cayman Islands Branch and Texas Capital Bank (each an “*Exiting Lender*”), each of the parties hereto hereby agrees and confirms that (a) such Exiting Lender’s Commitment shall be reduced to \$0, (b) its commitment to lend, its obligation to participate in any L/C Obligations and all of its obligations under this Agreement shall be terminated and (c) such Exiting Lender shall cease to be a Lender for all purposes under the Loan Documents, except to the extent of any provisions thereof which by their terms expressly survive for the benefit of a Lender regardless of the termination or expiration of the Loan Documents. The Commitments of each Lender on and from the Closing Date are set out in *Schedule 1.01(a)*.



10.23 **ENTIRE AGREEMENT.** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

*Remainder of Page Intentionally Left Blank;  
Signature Page(s) Follow(s).*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**BORROWERS:**

**NEWPARK RESOURCES, INC.**

By: /s/ Gregg Piontek

\_\_\_\_\_  
Name: Gregg Piontek

Title: Senior Vice President and Chief  
Financial Officer

**NEWPARK DRILLING FLUIDS LLC**

By: /s/ Gregg Piontek

\_\_\_\_\_  
Name: Gregg Piontek

Title: Vice President

**NEWPARK MATS & INTEGRATED  
SERVICES LLC**

By: /s/ Gregg Piontek

\_\_\_\_\_  
Name: Gregg Piontek

Title: Vice President

**EXCALIBAR MINERALS LLC**

By: /s/ Gregg Piontek

\_\_\_\_\_  
Name: Gregg Piontek

Title: Vice President

**NEWPARK INDUSTRIAL BLENDING  
SOLUTIONS LLC**

By: /s/ Gregg Piontek

\_\_\_\_\_  
Name: Gregg Piontek

Title: Vice President

**DURA-BASE NEVADA, INC.**

By: /s/ Gregg Piontek

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Name: Gregg Piontek

Title: Vice President

Signature Page to  
Second Amended and Restated Credit Agreement

**AGENT AND LENDERS:**  
**BANK OF AMERICA, N.A.**, as the  
Administrative Agent

By: /s/ Ajay Jagsi

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Name: Ajay Jagsi

Title: Vice President

Signature Page to  
Second Amended and Restated Credit Agreement

**BANK OF AMERICA, N.A.**, as a Lender, an  
L/C Issuer and a Swing Line Lender

By: /s/ Ajay Jagsi

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Name: Ajay Jagsi

Title: Vice President

Signature Page to  
Second Amended and Restated Credit Agreement

**JPMORGAN CHASE BANK, N.A.**, as a  
Lender

By: /s/ Ryan Becker

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Name: Ryan Becker

Title: Associate

Signature Page to  
Second Amended and Restated Credit Agreement

**FIRST HORIZON BANK**, as a Lender

By: /s/ Michael Shipman

Name: Michael Shipman

Title: Senior Vice President

Signature Page to  
Second Amended and Restated Credit Agreement

**CREDIT SUISSE AG, CAYMAN ISLANDS  
BRANCH, as an Exiting Lender**

By: /s/ Gianni Russello

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Name: Gianni Russello

Title: Authorized Signatory

By: /s/ Lawrence Park

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Name: Lawrence Park

Title: Authorized Signatory

Signature Page to  
Second Amended and Restated Credit Agreement



**TEXAS CAPITAL BANK, NATIONAL  
ASSOCIATION, as an Exiting Lender**

By: /s/ Megan Perkins

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Name: Megan Perkins

Title: Vice President

Signature Page to  
Second Amended and Restated Credit Agreement

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Matthew S. Lanigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Newpark Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

/s/ Matthew S. Lanigan  
Matthew S. Lanigan  
President and Chief Executive Officer

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Gregg S. Piontek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Newpark Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

/s/ Gregg S. Piontek  
Gregg S. Piontek  
Senior Vice President and Chief Financial  
Officer

**Certification**  
**Pursuant to 18 U.S.C. Section 1350**  
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2022, of Newpark Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew S. Lanigan, President and Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2022

/s/ Matthew S. Lanigan  
\_\_\_\_\_  
Matthew S. Lanigan  
President and Chief Executive Officer

**Certification**  
**Pursuant to 18 U.S.C. Section 1350**  
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2022, of Newpark Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gregg S. Piontek, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2022

/s/ Gregg S. Piontek

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Gregg S. Piontek  
Senior Vice President and Chief Financial Officer

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), each operator of a coal or other mine is required to include certain mine safety results in its periodic reports filed with the Securities and Exchange Commission (“SEC”). Our subsidiary, Excalibar Minerals LLC (“Excalibar”), engages in the processing of barite ore and is subject to the jurisdiction of the Mine Safety and Health Administration (“MSHA”). For that reason, we are providing below the required mine safety data for the four specialized barite and calcium carbonate grinding facilities operated by Excalibar that are subject to the regulation by MSHA under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”).

As required by the reporting requirements regarding mine safety included in Section 1503 of the Dodd-Frank Act and the SEC’s final rules promulgated thereunder, the table below presents the following information for the three months ended March 31, 2022 for each of the specialized facilities operated by our subsidiary:

- (a) The total number of Mine Act Section 104 significant and substantial citations received, which are for alleged violations of a mining safety standard or regulation where there exists a reasonable likelihood that the hazard could result in an injury or illness of a reasonably serious nature;
- (b) The total number of Mine Act Section 104(b) orders received, which are for an alleged failure to totally abate the subject matter of a Mine Act Section 104(a) citation within the period specified in the citation;
- (c) The total number of Mine Act Section 104(d) citations and orders received, which are for an alleged unwarrantable failure to comply with a mining safety standard or regulation;
- (d) The total number of flagrant violations under Section 110(b)(2) of the Mine Act received;
- (e) The total number of imminent danger orders issued under Section 107(a) of the Mine Act;
- (f) The total dollar value of proposed assessments from MSHA under the Mine Act;
- (g) The total number of mining-related fatalities;
- (h) Mine Act Section 104(e) written notices for an alleged pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of a coal mine health or safety hazard, or the potential to have such a pattern; and
- (i) The total number of pending legal actions before the Federal Mine Safety and Health Review Commission as required by Section 1503(a)(3) of the Dodd-Frank Act. The number of legal actions pending as of March 31, 2022 that are:
 

|   |   |
|---|---|
| (1) contests of citations and orders referenced in Subpart B of 29 CFR Part 2700:   | 0 |
| (2) contests of proposed penalties referenced in Subpart C of 29 CFR Part 2700:   | 0 |
| (3) complaints for compensation referenced in Subpart D of 29 CFR Part 2700:  | 0 |
| (4) complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700:  | 0 |
| (5) applications for temporary relief referenced in Subpart F of 29 CFR Part 2700:  | 0 |
| (6) appeals of judges’ decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700: | 0 |

**For the Three Months Ended March 31, 2022**

| Mine or Operating Name/MSHA Identification Number | (A)<br>Section 104 S&S Citations (#) | (B)<br>Section 104(b) Orders (#) | (C)<br>Section 104(d) Citations and Orders (#) | (D)<br>Section 110(b)(2) Violations (#) | (E)<br>Section 107(a) Orders (#) | (F)<br>Total Dollar Value of MSHA Assessments Proposed (\$) | (G)<br>Total Number of Mining Related Fatalities (#) | (H)<br>Received Notice of Pattern of Violations Under Section 104(e) (yes/no) | (H)<br>Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no) | (I)<br>Legal Actions Pending as of Last Day of Period (#) | (I)<br>Legal Actions Initiated During Period (#) | (I)<br>Legal Actions Resolved During Period (#) |
|---|--------------------------------------|----------------------------------|--|---|----------------------------------|---|--|---|---|---|--|---|
| Houston Plant / 41-04449                          | —                                    | —                                | —  | —                                       | —                                | —   | —  | No  | No  | —   | —  | —   |
| Dyersburg Plant / 40-03183                        | —                                    | —                                | —  | —                                       | —                                | —   | —  | No  | No  | —   | —  | —   |
| New Iberia Plant / 16-01302                       | —                                    | —                                | —  | —                                       | —                                | —   | —  | No  | No  | —   | —  | —   |
| Corpus Christi Plant / 41-04002                   | —                                    | —                                | —  | —                                       | —                                | —   | —  | No  | No  | —   | —  | —   |

In evaluating the above information regarding mine safety and health, investors should take into account factors such as (i) the number of citations and orders will vary depending on the size of the coal mine or facility, (ii) the number of citations issued will vary from inspector-to-inspector and mine-to-mine, and (iii) citations and orders can be contested and appealed, and in that process, may be reduced in severity and amount, and are sometimes dismissed.